FY 2025 Budget in Brief

171 The Advanced Research Projects Agency for Healt h
..... 173 -THIS PAGE IS INTENTIONAL LY LEFT BLANK- Building a Healthy America 1 BUILDING A HEALTHY AMERICA FY 2025 °’]^° The following table is in millions of dollars. 1 µ^P°Z},]°À „°’° vı°^Z°’ °^] °u°vµ^ P ^P°°v^]ÆU }ı°vı]ooy diffe r from the levelsdisplayed in theind ividual Operating or Staff Divis ion Ch apte rs. HHS Budget 2023 2024 2025 Budget Authority1 1,8 00,628 1,7 01,408 1,843,677 Total Outlays 1,7 09,408 1,6 69,782 1,8 01,536 General Notes }µu°v }u›„°’ îì î µ^P°}ı }’„°°v (À]oo° ıZ°]u }µu°vı ÁÌ uv^ı}„ P°ıUıZ]’ Z° îì°v o ’°o]v° (°ı]}v„ Ç]’ (] o°À°oX Z]’ }µu°v u ı}ı}µv^]vPX ’’Z°„ Á]’ oo]} o„’X °^ı] „°’°vı}u›„oÇ µ^P°ıU o}}P„u’ uÀÇ°„ ›„}›}’ P îìîñ ››„} oo}Á„°’° ^°„°’°°(P°’X îìîï îìîðuv^ı}„µ„°’°(o µ„„°v o ^ı}„}›}’°(o°ı ıZ° µ^P°ıXBuilding a Healthy America 2 BUILDING A HEALTHY AMERICA The mission o f the U.S. De partment o f Health and Human Se rvices is to enhan ce and p rotect thehealt h a nd well-being of all Americans by providing for effect ive health and human services and b y foste ring sound, sustained advances in t he science s underlying medicine, public he alth, and social service s.The °’ 20 25 Budget supports ıu ° }(À]°mission to promote t hehealth and well-being of all Americans. HHS proposes $ 13 0.7 billion in discretionary and $1 .7 trillion in mand atory p roposed budget aut hority for FY 20 25. ı„ı °’ u°v ’µ››}„ıAmerican families, improve behavioral health, a nd °v’µ„° °Æı crisis. The bud get works to ensure all Americans h ave access t o afforda ble healthcare; imp rovemat ernal and reproductive health out comes; strengthen early care and educat ion; address t heneeds of Ind ian Count ry; and advance scientific innovation.]’’]]vÀ°’critical program operationsand infrastructu re. Serving umission, a nd in FY 20 25, HHS will a lso sup port multiple customer experience effort s to improveHHS's service delivery. At t hetime of final prepa ration of t he b udget, Congress has not yet set final d iscretionary funding levels for FY 20 24 . As a result, the budget shows d iscretionary funding compa risons t o FY 2023, and m andat ory funding compa risons t o FY 20 24 current law levels. EXPANDING COVERAGE AND LOWERING HEALTHCARE COSTSThe FY 2025 budget builds on the Inflation Reduction Act of 2022, by extending Marketplace affordability, capping the cost of covered insulin products at $35 per month per insulin prescription for people with commercial insurance, and improving access to affordable prescription drugs for millions of Americans.2 › °^]„ability to negotiate directly with drug manufacturers to lower the price of some of the costliest single-source brand-name Medicare Part B and Part D drugs.2 Source f or Medicare Drug P rice N eg otiations Wil l Lower the Cos t of P rescription D rugs grap hic: https://a sp e.hh s.g ov/s ites/ default/files /docume nts/23148a5897ea 92a142aab21e2ec29ca2/AS PE-IRA-Drug-Neg otiation-Fact-She et.p df https://www.cb o.g ov/s ystem/ files /2022-09/PL117-169_9-7-22.pdf The FY 2025 budget continues to build on the success of the Affordable Care Act, with a record of over 21.3 million people enrolled in the Marketplace in 2024. The FY 2025 budget works to lower costs, to ensure even more Americans have access to coverage by making permanent the enhanced premium tax credits extended through 2025 in the Inflation Reduction Act. The budget provides Medicaid -like coverage to low-income individuals living in states that have not expanded Medicaid under the Affordable Care Act, paired with financial incentives to ensure states maintain their existing expansions. The budget builds on the No Surprises Act to extend consumer surprise billing protections to

ground ambulances. The budget also promotes continuity of coverage and care for children enrolled in Medicaid and the on the existing 12-month continuous eligibility for children. These policies include allowing states to provide continuous eligibility to children from birth until the child turns six and for 36-month periods, and prohibiting enrollment fees and premiums in CHIP. In ^^]ı}vı]vv]'ı„ıefforts to reduce barriers to Medicare Savings Program enrollment. The budget proposes Medicare coverage of select, evidence-based supportive services to be billed directly by a community health worker for prevention, care navigation for chronic or behavioral health conditions, screening for social determinants of health, and linkage to social supports. The budget also proposes to provide living individuals who donate a non-renal organ for transplant into a Medicare beneficiary to entitlement to benefits under Medicare Part A and Part B for care associated with such donation. Additionally, the budget establishes a permanent Medicare diabetes prevention benefit. Building a Healthy America 3 More than 66 million Americans depend on Medicare, and millions more will look to depend on the program in the future. The FY 2025 budget extends Medicare solvency indefinitely by directing revenues from t ax code reforms and an amount equivalentto the Medicare drug reform savings into the Part A trust fund. Health Centers Millions of Americans receive healthcare services from Health Centers, particularly low-income patients, racial and ethnic minorities, rural communities, and people experiencing homelessness. The FY 2025 budget provides $8.2 billion for Health Centers, which includes $6.3 billion in proposed mandatory resources, an increase of $2.4 billion above FY 2023. This investment moves HRSA forward on the pat h to doubling Health Center funding and supports the expansion of behavioral health services at Health Centers. At this funding level, the Health Center program will provide care for approximately 3.9 million additional patients. STRENGTHENING MATERNA L AND REPRODUCTIVE HEALTH OUTCOMESThe U.S. mat ernal mortality rate is higher than all other developed nations, and Black and American Indian and Alaska Native women are disproportionately affected. Across HHS, the budget invests in ta ckling this maternal health crisis, including $376 million for key programs focused on maternal mortality and mat ernal health equity. This targeted initiative includes funding in HRSA to address disproportionate maternal mortality outcomes through expanding the maternal health workforce and access to care, within the Indian Health Service (IHS) to provide culturally-relevant maternal health care in Indian Country, within CDC to support prevention and surveillance, and within the National Institutes of Health (NIH) for Implementing a Maternal health and Pregnancy Outcomes Vision for Everyone initiative, an evidence-based approach to reduce preventable maternal deaths and associated health disparities for women at all stages of pregnancy. For example, as part of this HHS-wide initiative, HRSA's budget directs $215 million towards specifically reducing maternal mortality and morbidity, including improving access to pre- and post-natal care, providing access to emergency care services, addressing service gaps and shortages, expanding maternal care in rural and underserved communities, and increasing access to mental health care for pregnant and postpartum women. Overall, the FY 2025 budget includes $1.8 billion in total for HRSA Ma ternal and Child Health programs. These programs support mothers, children, and their families by ensuring access to quality services, increasing regular screenings, providing access to primary care for children, and

supporting families of children with special healthcare needs. The budget also proposes an optional Medicaid benefit that expands coverage of mat ernal health support services across the prenatal, labor and delivery, and postpartum periods, with enhanced federal funding available for the first 5 years. HHS is committed to promoting access to reproductive healthcare. The budget provides $390 million, a 36 percent increase above FY 2023, to the Title X family planning program to meet the increased need for 4 family planning services. Tit le X is t he only federal grant program dedicated solely t o providing individuals with comprehensive family p lanning and related preventive health services in commu nities across th e United Sta tes. TRANSFORMING BEHAVIORAL HEALTHCAREAs the number of deaths by suicide continues to increase, it is more important than ever that HHS expand access to the care people need when they need it. The FY 2025 budget proposes over $20.8 billion in behavioral health investments across the Department, an increase of $2.2 billion above FY 2023, and in addition, would enable more Americans with private insurance, Medicare, and Medicaid to access mental health and substance use services.](˚o]„v']ı]}from a 10-digit number to 9-8-8 has been a success, and planned investments will help grow its impact. 9-8-8 is a 24/7 lifeline that provides people in crisisaccess to trained counselors. Since moving to thethree-digit number and increased investment, thelifeline answered 43 percent more calls and theaverage speed to answer decreased from 2 minutesand 46 seconds to 49 seconds. The Substance use AndMental Health Services Administration will dedicate$602 million to the 9-8-8 suicide and crisis lifeline, anincrease of $100 million over FY 2023. This investmentsupports an expanded a wareness campaign, increasedinfrastructure of the Lifeline, and increased technicalassista nce support to recipients, and mainta insspecialized services for LGBTQI+ youth, Spanishspeakers and the Deaf and Hard of HearingCommunity.To address the impact of the behavioral health crisis on youth, the budget expands mental health services in schools and bolsters youth mental health programs by investing an additional $50 million in Project AWARE and an additional $50 u]ooHealth Services above FY 2023. These programs provide services to states, tribes, and communit ies to support children with serious emotional challenges and their families. The budget also includes $30 million for the Centers for Disease Control and Prevention (CDC), an increase of $21 million above FY 2023, for its Essentials for Childhood: Preventing Adverse Childhood Experiences through Data to Action Building a Healthy America Program. W ith addit ional funding, CDCwill increase the numb er of stat es, territories, localitie s, an d tribes implementing prevention strategies a nd approaches in their comm unities. Recipients leverage mu lti-sector part nerships and resources t o develop and susta in a surveillance s ystem tha t collects, uses a nd disseminat es d at a onadverse, as well a spositive, childhood experiences, to implement evidence-based prevention strat egies t o ensure safe, stable, nurt uring relationships and environments for all children. Additionally, the bud get request includes $6 8 million, an increase of $3 8 million above FY 2023UComprehensi ve Suicide Prevention program to allow CDC t o support an additional 21 states, for a tota l of 45 states and 4 tribal organizations. The budget a lso includes a n additional $ 19 million, for a total of $38 u]oo„u and to funda total of 5 7 state, tribal, andterritorial educat ion agencies to Exchange for Adolescent Health Promotion initiative, which assesses state-level school health organizational policies a nd

pract ices a nd develop a ctionplans of model school-based p olicies tha t enh anceyouth menta l and behavioral h ealth. The bud get also ex pand s coverage for beha vioral health services. The Community MentalHealth Services Block Grant p roposes a n increase of $35 million for a tota l of $1.0 billion in FY 20 25 . The budget includes a legislat ive re-proposal t o provide $413 million in m andatory funds for a new Communit y Ment al Health Centers grant program. The bu dget a lso improves behavioral health benefits for people with Building a Healthy America 5 Medicare and Medicaid and in the private ins urance market, with an emphasis on improving access, promoting equity, and fostering innovation. In addition, the budget increases access to treatment for substance use disorders and helps respond to overdose deaths. The budget includes a $20 million increase for the State Opioid Response program. This funding level includes a $5 million increase for the Tribal Opioid Response program to provide culturally responsive treat ment to American Indian and Alaska Native people who are disproportionally affected by the overdose crisis. The budget also includes an increase of $200 million for the National Institute of Mental Health to improve diagnostics, improved treatments, and enhanced precision of care for mental health. ìBehavioral health providers did not receive Health Information Technology for Economic and Clinical Health Act funding for and generally lag in adoption of certified electronic health records and interoperability. This hurts pat ient care, because providers lack efficient information exchange with other healthcare, public health, and community partners. The budget includes a proposal that provides $1.0 billion to advance health information technology adoption and engagement in interoperability for Inpat ient Psychiatric Facilities and certain Outpatient and Residential Treatment Facilities. Prioritization will be given to geographical areas of high at-risk populations and underserved communities. Prioritization will also consider whether providers are otherwise receiving supporting funds for behavioral health information technology adoption. The FY 2025 budget continues to focus on the urgent need to expand the behavioral health workforce. For instance, the budget includes $254 million for the Health Resources and Services Administration (HRSA) for Behavioral Health Workforce Development Programs and $20 million for the Substance use And „À]°ı„ı]v}„]Fellowship Programs to reduce health disparities and improve behavioral healthcare outcomes for underserved populations. ENHANCING LONG-TERM CARE IN A LL SETTINGSHHS is comm itted to protecting older adults]’]o]ı]°’ vˆ]P P„}improving t he safety and q uality of nursing h ome care is crucial. The FY 20 25 budget includes multiple provision s to strengthen nursing home oversight, tran sparency, and enforcement of p enalties, when appropriate. The provision s protect older a dults a nd younger peop le with disabilities (t hose younger t han age 65) living in nursing h omes by ident ifyin g and penalizing nursing h omes t hat comm it fraud, endanger pat ient safety, or prescribeunnecessary drugs. The FY 20 25 budget a lso proposes to invest $150.0 billion over 10 yearsin exp andingMedicaid home a nd commun ity-based services t o help a larger numb er of older adults andpeople with d isabilities receive care in t heir homeor communit y, a s well a s improve the quality of jobs for home ca reworkers. There has been substant ialgrowth amongst the younger populat ion under 65 with disabilities living in nursing h omes. The percenta ge of individuals younger tha n 65 livingin residential nursing faciliti es grew from 10 .6 in 2 000to 16 .2 in 2

017. PREPARING FOR FUTURE PUBLIC HEALTH THREATS In t he last several years, t he n at ion has seen t he critical role t he federal government plays in responding t o public health threatsveven beyond COVID-19 . The budget therefore includes over $2 8.9 billion in t otal resources a cr oss th e D epartm ent to support and }o’ v ’˚ ›µo] preparedness a nd response ca pabilities, consistent with the ˚’ „˚’ biological th re at s, as out lined in t he 2 022 National Biodefens e Strat egy and Implementa tion Plan. The bud get proposes $ 8.9 billion in d iscretionary funding for preparedness ef forts across t he Depart ment. Specifically, t he b udget b uilds on t he Z]’ ˚’}o’ chain by investing $ 95 million in t he Administrat ion for Strat egic Preparedness a nd Response t o expa nd and accelerate development a nd domestic production of medical countermeasures, an d onshore product ion of act ive pharmaceutical ingredients and essential medicines. This funding ove r t ime is critical t o t he 6 vı]}^˚(›]o]ı]˚’ budget also includes $12 million to enhance the Food and Drug Administrı ›]o]building resilience to, and responding to both supply-chain and demand-driven medical and food shortages. The budget also proposes $10 million for a new supply chain coordination office within HHS. Further preparedness investments include $60 million, an increase of $38 million, for CDC to manage the Response Ready Enterprise Dat a Integration platform, formerly HHS Protect, a government-wide resource that integrates more than 200 data sources across federal, state, and local governments and the healthcare industry. The budget includes an increase of $20 million above FY 2023 for the Biomedical Advanced Research and Development Authority to develop medical countermeasures that combat drug-resistant microbes. The FY 2025 budget includes a new HHS-wide proposal to eliminate hepatitis C infections in the United States, with a specific focus on high -risk populations. This five-year program will increase access to curative medications, and expand implementation of complementary efforts such as screening, testing, and provider capacity. Implementation of the program will increase the number of people treated for hepatitis C, preventing severe illnesses, avoiding serious complications, and saving lives. This program will result in net federal savings of $4.0 billion over 10 years. The budget also reproposes $9.8 billion over 10 years for the mandatory Pre-Exposure Prophylaxis (PrEP) Delivery Program to End the HIV Epidemic in the Delivery Program will provide PrEP and associated services at no cost to uninsured and underinsured individuals and expand the number of providers serving underserved communities. The budget also increases access for Medicaid and CHIP beneficiaries by requiring states to cover PrEP and associated laboratory services with no cost sharing, and places guardrails on utilization management practices like prior authorization and step therapy. Together these two proposals will produce net savings over 10 years while saving lives. As a complement to the successful Vaccines for Children program, the b udget esta blishes the Vaccines for Adults program within CDC. This new capped Building a Healthy America mand at ory p rogram will provide uninsured ad ults with access t o routine and outbreak vaccines recommended by t he Advisory Committ eeon Imm unization Practices. ADVANCING HEALTH IN INDIAN COUNTRY}uu(µo(]oo]v›„}u]’ıtribal nations by addressing the significant health disparities experienced by American Indian and Alaska Native people. o]PıExecutive Order 14112: Reforming Federal Funding and Support for Tribal Nations to Better Embrace our Trust Responsibilities and Promote the Next Era of Tribal Self-Determination, HHS supports the

self-determination and expertise of tribes to most effectively serve their communities. The Department is engaged in the whole-of-Government effort to implement the Executive Order. Building on this work and the historic enactment of an advance appropriation for IHS in FY 2024, the FY 2025 budget proposes $8.2 billion for IHS, an increase of $1.í billion above FY 2023. Of this amount, $8.0 billion is discretionary budget authority and $260 million is proposed mandatory funding for the Special Diabetes Program for Indians. This funding will ensure direct healthcare service levels are maintained, address ta rgeted public health issues, and advance critical operational efforts like Health Information Technology modernization. The budget also exempts all IHS funding from sequestration, ensuring healthcare services in Indian Country are not impacted in the event of a sequester. Beginning in 2026, the budget proposes full mandatory funding for all IHS accounts. The budget would automatically grow IHS funding each year to account for inflationary factors, key programmatic needs, and existing backlogs in both healthcare services and infrastructure. The mandatory funding approach ensures the IHS budget grows sufficiently to address historic underinvestment and expand capacity for increased service provision. It also includes new funding streams to address key gaps, including the lack of dedicated funding for public health infrastructure in Indian Country. The Department will continue to partner with tribes and Congress to realize mandatory funding. While this work is underway, it is critical that Congress continues to provide advance discretionary appropriations, as it did in the milestone FY 2023 Omnibus bill, so IHS Building a Healthy America 7 maint ains basic continuity of funding an d critical healthca re services regardle ss of t he sta tus of an nual appropriations legislation. This b udget a lso includes several legislativ e proposals to grow t he healthca re workforce in Indian Country by providing IHS with criticallyneeded hiring aut horities. The proposed expand ed a uthorities would ena ble IHS ˆˆ„°’’µ°’]v„°’competitiveness when hiring for key positions, part icularly in the beha vioral and m enta l health fields, to help ad dress t he growing substance u se a nd suicide crises t hat t ribes a re facing. In a ddition t oIHS, t he b udget invests a n additional $5 million th rough the Administrat ion for Nat ive Americans within the Administrat ion for Children an d Families t o ensure th e preservat ion and enhan cement of Na tive American languages. The bud get also includes a legislat ive proposal within t he Administrat ion for Children an d Families to provide tribes, as sovereign nat ions, the aut horityto create tribally-determined, culturally-informed, high-quality early ch ildhood services for young ch ildren a nd their families. IMPROVING THE WELL-BEING OF CHILDREN, FAMILIES, AND OLDER ADULTSHigh-quality early childhood education improves the lives of both children and their parents. HHS is }uu]ıu}children and families. The FY 2025 budget provides a lifeline t o the parents of more than 16 million children by guaranteeing affordable, high-quality child care from birth until kindergarten for low- and middle-income working families. Most families would pay $10per day, saving the average family over $600 per child, per month. The budget a lso invests in free, voluntary, universal preschool for all of the nið-year-olds and charts a path to expand preschool to 3-year-olds. Together, these investments will make early care and education programs affordable and available where families live and work in communities across the country, increase wages for early childhood education workers, and strengthen the economy. The bud get also increases o ur

core federal early childhood programs by $1.0 billion. The budget provides an additional $544 million for Head Start to make critical investments in the Head Start workforce, strengthening the program for children birth to age 5. These funds will directly support a cost-of-living adjustment for Head Start wages to keep pace with inflation. The budget also provides an additional $500 million for the Child Care and Development Block Grant. This increase will continue the historic progress the Administration has made in stabilizing the child care sector and helping more working families afford child care. These investments are critical to set our ’vand support the adults who help them get there. In FY îìP°›„}À]Xó billion for the Administration for Community Living, an increase of $70 million above FY 2023. Administration for Community Living programs make it possible for older adults and people with disabilities to have the same opportunities as everyone else to choose where to live and how to participate in their commu nities. The increases proposed in the budget will support continued access to nutrition programs and home and community-based supports for seniors, advocacy for people with d isabilities and older adults, emergency preparedness services targeted to the unique needs of the populations, support for the direct caregiving workforce, and suicide prevention for older adults. Child Welfare The budget invests $ 11.4 billion over 10 years in expanded services and supports to families at risk of child maltreatment or involvement with the child welfare system, supports for older youth, increased and streamlined funding to tribes, and increased fundingfor placing children with kin. ADVANCING SCIENCE TO IMPROVE HEALTHHHS remains committ ed]^°vı[cancer as we know it. The budget invests $2.9 billion across the Department in the Cancer Moonshot initiative to cut the cancer death rate by at least 50 percent over the next 25 years. 8 The budget includes $716 million in discretionary resources at the NIH National Cancer Institute, a $500 million increase above FY 2023. The budget also reauthorizes the 21st Century Cures Act Cancer Moonshot through 2026 and proposes $1.4 billion in mandat ory resources in FY 2025. With these resources, the National Cancer Institute will continue to invest in opportunities to speed delivery of cancer drugs and vaccines to prevent and treat cancer and ensure access to current and new standards of cancer care and more. The Advanced Research Projects Agency for Health (ARPA-H) will help lead and advance the goals of the Cancer Moonshot initiative by investing in the development of breakthrough technologies and designating a Cancer Moonshot champion within ARPA-H to coordinate internal and external efforts towards Cancer Moonshot goals. To support cancer prevention and control programs across HHS, the FY 2025 budget includes a $100 million increase for CDC for various cancer prevention activities including tobacco prevention. NIH remains at the forefront of scientific innovation worldwide. P°›„]}„]Á}u°research, providing an increase of $77 million for the }u(µ„ıZ°„ invests in firearms and gun violence research with an additional $13 million. The budget also funds Brain Research Through Advancing Innovative Neurotechnologies and All of Us at FY 2023 levels. The }vı]von opioids and pain management, HIV/AIDS, and health disparities. The Administration proposes to ı„v’(„°’the National Institutes of Health, including by creating a new nationwide network of centers of excellence and innov The FY 2025 budget provides $1.5 billion to ARPA-H to support their ambitious research goals. At this level, ARPA-H will be able to add 90 FTEs above FY 2023, which includes a total of 50 program managers. Continuing to be a cata lyst for

transformation in the health ecosystem, the agency is tasked with building capabilities to drive biomedical innovation--ranging from the molecular to societal. The budget will allow continued investment to support ARPA-interconnected focus areas: Scalable Solutions, Health Building a Healthy America Science Futu res, Proactive Health, a nd Resilient Systems. The research a nd development programs funded b y ARPA-H impa ct cancer a nd other diseases, conditions, and disruptive health systems and continued funds will allow ARPA-H t o continue success fully la unching programs such as the Novel Innovations for Tissue Rege neration in Osteoarth ritis, Precisi on Surg ical Intervent ions, and Plat form Accelerating Rural Access to Distributed &InteGrated Medical ca re. The FY 2025 budget provides $499 million in additional resources across CDC programs to build a sustainable and resilient public health system that can respond effectively to emerging threats and ongoing public health needs to k eep Americans safe and healthy. The budget prioritizes investments in to modernize the public health data system. With an increase of $50 million, for a tota l of $225 million CDC will support state, local, tribal, and territorial jurisdictions to improve the infrastructure necessary for sharing Building a Healthy America 9 standa rdizeddat a across interoperable public and private health d elivery syste ms. The bud get provides a tot alof $ 51 3 million to the Agency for He althca re Research and Qua lity t o support critical work to mak e healthcare bet ter, more accessible, and more affordable. The budget bolsters program support for essential Agency for Healt hcare Research a nd Quality staff and supports activities to susta in t he Medical Expendit ure Panel Survey. The budget also invests $18 million, a n increase of $6 million above FY 20 23, t o support the U.S. ˚À˚vı]À ^^„°’equity, strengthen tran sparency and p atient engagement, and increase responsivene ss to new evidence. With these add itional funds, the Agency for Healthcare Research and Quality will fund three t o five addit ional reviews, increasing t he n umberof final recommendations in future years. SUPPORTING PROGRAM OPERATIONS AND MISSION-CRITICAL INFRASTRUCTUREWithout sufficient operational funding, HHS would be unable to fulfill its core mission and serve the American people. This includes resources to oversee the federal P}À˚„vu˚vı[°’ 2025 budget provides $608 million for General Departmental Ma nagement at the program level. The budget ensures health and human services policy coordination and program integrity oversight across the Department; invests in administrative and operational resources to bolster operations; and advances the responsible use of artificial intelligence in healthcare. The budget also requests an increase of $2 04 million for Centers for Medicare & Medicaid Services (CMS) Program Management to ensure CMS can carry out operations for Medicare, Medicaid, and Marketplaces. Health Insurance Program has grown 44 percent in the past decade, while CMS funding has not even kept pace with inflation. Investments will support mission-critical functions and susta in key public services such as timely claims payment, 85 percent of mandatory nursing home inspections, cybersecurity defenses for critical data and systems, and the 1-800-MEDICARE call center. The budget includes an increase of $115 million for FDA to support the expert staff crucial to carrying out the agency's mission. Funding support for FDA staff means rigorous and transparent scientific review, esta blishing a predictable and responsive regulatory structure, and maintaining a robust inspectorate. The budget alsoinvests $11 u]oo]enterprise transformation initiative by centra lizing planning and

implementation of common business ›„}°'^ı}›ı]u]Ì°Æ›v^]presence in foreign offices; and modernizing information technology to enhance data exchange and fulfill mission-critical responsibilities. The budget further proposes investments in the]v(„'ı„µıµ}v„°µ„„]Expenses Fund. The Nonrecurring Expenses Fund permits HHS to transfer unobligat ed balances of expired discretionary funds into an account for necessary information technology and facilities infrastructure acquisitions. Since FY 2013, the fund has allocated over $6.5 billion in capital investment projects across the Department. For FY 2025, HHS is proposing to use $965 million from the fund for various information technology and infrastructure projects across the Department, including at IHS, NIH, and CDC. These proposed investments will ensure aging systems and facilities do not compromiı°›„ı mission. From 2018 to 2022, there was a 95 percent increase in large data breaches reported to HHS, including ransomware attacks. HHS seeks to bolster the Ç°„']o]protect vital healthcare information both in the sector and at HHS, which remains a target for cybercriminals. The budget invests $141 million for cybersecurity initiatives in the Office of the Chief Information Officer in alignment with the National Cybersecurity Strategy. The budget also includes $12 million for the Administration of Strategic Preparedness and Response as the agency designated to coordinate cybersecurity incident prevention and response in the healthcare and public health sector. The budget ensures HHS is able to address cybersecurity mandat es through targeted initiatives and complement current network protection tools. The budget allows HHS to maintain existing cybersecurity and privacy programs, while also enabling deployment of cybersecurity initiatives o]PÇ°„'°µ„Trust, security event logging and data sharing, and tools that will keep pace with evolving threats and vulnerabilities. In addition to th e existing and 10 emerging priorities supp orted by the cybersecurity program, requested funding provides support for the °›„ıu°vıprevention and response efforts. The budget also esta blishes a $1.3 billion Medicare incentive program to encourage hospitals to adopt essential a nd enhanced cybersecurity practices. HHS is committed to protecting individuals who seek services from HHS-funded or conducted programs from discrimination based on race, color, national origin, sex, age, disability, and religion, and to protect the '°]v(}„uıThe FY 2025 budget provides the HHS Office for Civil Rights $57 million, an increase of $17 million over FY 2023. The budget includes a robust investment in enforcement staff to address and resolve major case receipt increases that have led t o a significant complaint inventory backlog, as well as funding for additional attorney support and operational increases. The budget increases will allow the Office for Civil Rights to transition away from over -reliance on settlement funding, towards the adequate budgetary authority necessary to deliver essential oversight for the Department, ensuring a more effective response to the needs of the American people. HHS takes the responsibility to the American people to be good stewards of taxpayer dollars seriously. The budget invests a total of $4.1 billion over 10 years in new mandatory Health Care Fraud and Abuse Control funding, combined with discretionary funding, to provide oversight of nursing homes, managed care, and community-based settings. Additionally, the budget will provide needed resources to the HHS Office of Inspector General to conduct investigations, promote good governance, and protect beneficiaries against Z°oıZ°Pwill yield a combined net return-on-investment of $5.0 billion over 10 years. Building a Healthy America IMPROVING

CUSTOMER EXPERIENCE FOR THE AMERICAN PUBLICHHS is improving customer exp erience t hroughout the Depart ment,mostly u sing current administrative funds. New in FY 20 25, the b udget includes an $11 million investm ent for t heDepart ment to improve da ta services for b enefits deliver y, a s well a s $3 million to support the Streamlining M edicare-OnlyEnrollment project among other efforts. In FY 20 24, HHS launched one of th e largest customer experience initiatives in the federal government t o date. A customer could b e the American public, a grantee, a n industry part ner, or a state, tribe or locality among ot hers. As p art of a n Agency Priorit y Goal, every a gency within HHS will pursue substant ial projectsto improve services to the American people. HHS will report progress publicly on a quart erly basis. }À˚„vu˚vı ust be h eldaccount able for designing and d elivering services with a focus on t he a ctua lexperience of t he p eople whom]’°„À˚X_ v The Execut ive O rder on Transforming Federal Customer Expe rience and Service De livery to Rebuild Trust inGovernment This n ew Age ncy Priority G oal expan ds on t hemany customer experience initiatives HHS has already pursued. HHS continues t opart ner with other depart ments through th e L ife Experiences initiat ive to Building a Healthy America 11 streamline enrollment and eligibility acro ss b enefits programs suc h as M edicaidand U.S. D epartment of Agricultu µ››o˚u˚vı’]’ıv Program, increase access t o decision-mak ing support for older ad ults, a nd reduce burd ensome a nd repetitive manu al income verifications. CM S is d esignat ed a s a high-impact service provider, which means th ey conduct comprehensive assessments of t heir high-impact services, measure their customer experience mat urity, a nd identify act ions t o improve service delivery t o t he pu blic. In 202 4, CMS aims to launch a new online claims experience on Medicare.gov, work to mak e it easier for caregiv ers t o assist with M edicare needs, increase b enefits and copay tran sparency in plan comparison, and launch user-specific land ing pages on Medicaid.gov. IHS will become a n ew high-impact service provider in FY 20 24 in recognition of their significa nt impact onhealth in Indian Country.
˚oıZv^˚„À]°’Wr˚›„}ví˚óÀ]u˚Á]oWo]}v(},„˚Zıı°^P˚vÇ›„ı]]›ı]vP]vZ˚v˚Áu}^˚oıZrv°’µ˚v˚o›°^}Á˚„Z]o^„˚}’ı’(},ıÇ›]o(u]o]°’Ç¨íUîñì›˚„Z]o^˚„Ç˚„rô]vìo]˚v’°^Z]o^„°˚vı˚„’vı]}vÁ]^˚„˚˚]À°^’’]’ıv˚]voµ^]vPWrïìUìiìZ]o^„˚›„}P„u’]v„µ„o„°’rõô9}(›˚„’]}µvı]°’rîòí=u]oo]}v˚o’˚„À°^}o^˚„^µoı’„}’’ıZ˚vı]}vvîìîîrîñì„°’°„Z„}i˚ı’v^ì›„}P„u’v^}v’}„ı]ÇıZ˚}vov˚„ıµı˚rvv}µv°^vÁ„^ı}]u›„}À°°Ç°^]’°’°^]Pv}’ı]’Ç^˚À˚o}›]vP}u›ıU({},^o]uP]vP^°À]˚rîíXïu]oo]}v˚}›o˚Z}’˚v˚›ov^µ„]vPıZ˚„˚},^r„˚l]vPîìîðo}^rîñ9}(Z˚ı}ıo˚v„}oo°°’Á˚„˚v˚Áı}ıZ˚rññv}À˚o^„µP’››„}À°^ÇıZ˚r^]oÇ}vı„˚›ı]À˚›]oo››„}À°^ÇıZ˚rîî^„µP’µ’°^Ç}À˚„óXóu]oo]}v˚v„}oo°°’’°o˚ı°^}„ıZ˚]v]ı]o„}µv^}(ıZ˚„˚}v„}P„uróî^]’’ı˚„˚ZÀ]}„oZ˚oıZ’›˚]o]’ı’^°›o}Ç°^]v„°’›}v’ı}Z°^(]„˚’rıZ˚(]^]’’ı˚„˚ZÀ]}„o]v}À˚„^°°°rïóUìiìv˚Á›ı]˚vı’›˚„u}vıZ„˚v}Á’°˚l]vPµ›„˚v}„›Z]v˚ı„˚ıu˚vırðì9]v„˚’°]vo}Æ}v˚µv]ı’’}o^˚ıÁ°°vı}˚„îìîîv^°›ı˚u˚„îìîï}u›„˚^}›„˚À]}µ’Ç˚„rñìUììì=}µ„’°’}(u](oµ]’ı„]µı°^ÇıZ˚ı„ı˚P]o˚ı}˚›}v^ı}oµµı„˚l’ríu]oo]}v=}µvı˚„u°’µ„˚’^]’ı„]µı°^ÇıZ˚}voo˚rîôñÇ˚„]v]^°vı’„l°^Ço}vròïðı˚„v^v]ıı]}vv(„’ı„µıµ„˚›„}i˚ı’(µv^°^]oo’°„À˚}À˚„òñUìì ìı„]oZ}u°’r]’’µ°^›„}›}’°^µo˚}vv]uµuvP(},(]o]ı]°’BuildingaHealthyAmerica12Building a Healthy America 13 HHS BUDGET BY OPERATING DIVISION The following tables are in millions of dollars. 3 The Budget Authority levels presented here are based on the Office of Managemen t and µ^P^P°°v^]Æ and potentially differ from the levels displayed in the individual Operating or Staff Division Chapters. 4 The Budget Authority and Outlays includes Advanced Research Projects Agen cy for Health in FY 2023, FY 2024, and FY 2025. 5 FDA and NIH Budget Authority include the full allocations provided in 21st Century Cures Act. 6 Budget

Authority includes non-CMS Budget Authority for Hospital Insurance and Supplementary Medical Ins urance for the Social Security Administration and the Medicare Payment Advisory Commission. 7 Includes the Pregnancy Assistance Fund, the Health Insurance Reform Implementation Fund, and transfers from the Patient-Centered Outcomes Research Trust Fund; and payments to the State Response to the Opioid Abuse Crisis AccountX HHS Operating Division Budget3 20234 2024 2025 Food and Drug Administration t BudgetAuthority5 2,706 3,644 3,806 Food and Drug Administration t Outlays 2,882 4,573 3,973 Health Resources and Services Administration t Budget Authority 14,584 16,465 16,640 Health Resources and Services Administration t Outlays 15,883 15,953 18,790 Indian Health Service t Budget Authority 7,881 13,287 8,931 Indian Health Service t Outlays 7,292 8,415 9,424 Centers for Disease Control and Prevention t Budget Authority 9,672 10,588 11,507 Centers for Disease Control and Prevention t Outlays 12,278 14,697 15,658 National Institutes of Health t Budget Authority4,5 48,927 47,669 49,790 National Institutes of Health t Outlays4 46,507 46,419 46,638 Substance use And Mental Health Services Administration t Budget Authority 7,567 7,545 8,158 Substance use And Mental Health Services Administration t Outlays 8,261 9,235 9,813 Agency for Healthcare Research and Quality t Budget Authority 374 374 387 Agency for Healthcare Research and Quality t Outlays 349 381 375 Centers for Medicare& Medicaid Services t Budget Authority6 1,634,038 1,518,687 1,603,501 Centers for Medicare& Medicaid Services t Outlays 1,490,112 1,458,603 1,580,706 Administration for Children and Families t BudgetAuthority 78,371 71,172 91,755 Administration for Children and Families t Outlays 88,739 82,979 89,979 Administration for Community Living t Budget Authority 2,524 2,509 2,579 Administration for Community Living t Outlays 3,013 3,489 3,104 Administration for Strategic Preparedness and Response t Budget Authority -- -- 3,768 Administration for Strategic Preparedness and Response - Outlays -- -- 926 DepartmentalManagement t Budget Authority7 537 537 533 DepartmentalManagement t Outlays7 395 1,522 693 Office of the National Coordinator t Budget Authority -- -- -- Office of the National Coordinator t Outlays 40 -26-24Nonrecurring Expenses Fund t Budget Authority -650-650-500Nonrecurring Expenses Fund t Outlays 292382686Medicare Hearings andAppeals t Budget Authority 196 196 196 Medicare Hearings andAppeals t Outlays 195 232 196 Office for Civil Rights t Budget Authority 42 40 57 Office for Civil Rights t Outlays 53 42 59 Office of Inspector General t Budget Authority 99 98 108 Office of Inspector General t Outlays 90 138 113 Public Health and Social Services Emergency Fund t Budget Authority -4,6413,767 172 Public Health and Social Services Emergency Fund t Outlays 27,73720,692 12,684 Building a Healthy America 14 8 The B udge t Authority and Outla ys represen ts a$9.0 billion inve stment, the s econd ary ef fects ofthe p roposal were not scorable. HHS Operating Division Budget (ontinued)2023 2024 2025 Program Support Center (Retirement Pay, Medical Benefits, Misc. Trust Funds) t Budget Authority 894 949 1,000 Program Support Center (Retirement Pay, Medical Benefits, Misc. Trust Funds) t Outlays 942 864 740 No Surprises Implementation Fund t Budget Authority -- -- 500 No Surprises Implementation Fund t Outlays 129 166 197 Defense ProductionAct Medical Supplies Enhancement t BudgetAuthority -515-- -- Defense ProductionAct Medical Supplies Enhancement t Outlays 6,197209 255 PrEP DeliveryProgram toEnd the HIV Epidemic t BudgetAuthority -- -- 237

PrEP DeliveryProgram toEnd the HIV Epidemic t Outlays -- -- 213 Mental Health Transformation Fund BudgetAuthority -- -- 2,000 Mental Health Transformation Fund t Outlays -- -- 400 Public HealthResilience t BudgetAuthority -- -- 20,000 Public HealthResilience t Outlays -- -- 3,000 National Hepatitis C Elimination Program t Budget Authority -- -- 9,400 National Hepatitis C Elimination Program t Outlays -- -- 940 Antimicrobial Subscriptions t Budget Authority8 -- -- 9,000 Antimicrobial Subscriptions t Outlays -- -- 500 Prevention and Public Health Fund t Budget Authority -- 283 -- Prevention and Public Health Fund t Outlays -- -- -- Customer Experience t Budget Authority -- -- 14 Customer Experience t Outlays -- -- 10 Offsetting Collections and Allowance t BudgetAuthority -6644,867 481 Offsetting Collections and Allowance t Outlays -6641,436 1,831 Other Collections t BudgetAuthority -1,314-619-343Other Collections t Outlays -1,314-619-343Total, Health and Human Services t Budget Authority 1,800,628 1,701,408 1,843,677 Total, Health and Human Services t Outlays 1,709,408 1,669,782 1,801,536 Building a Healthy America 15 COMPOSITION OF T HEHHS BUDGET DISC RETIONARY PROGRAMS The following tables are in millions of dollars. 9 The FY 2023 column reflects the en acted levels(includ ing requ ired a nd ex clud ing pe rmiss ive transfers) . 10 In clud es fu nding for Office of Medicare Ap pe alsand Depa rtmen tal Appe als B oard for FY 2023, FY 2024, and FY 2025. 11 FDA an d NIH Budg et Au thority includ e the f ull allocation s provide d in the 21st Century Cures Act. NIH FY 2025 funding levels ref lect the de crease in 21st Ce ntury Cures Act fu nd ing un de r current law.12 The FY 2023 column reflects the 2 pe rcen t se quester am ount f orthe S pe cial Diabe tes Program for Indians . 13 Exclud es es timated third-party collect ions . The bu dg et does not propos e a ny chang es to the treatmen t of third-party collec tions . 14 The FY 2025 reque st f or ACF includ es $3.566 billion in Eme rgen cy Fun ding for The Office of Refug ee Res ettlemen t. 15 The Budge t Authority for ASP R is ap propriated in the Public Hea lth an d S ocial Services Emerge ncy Fun d in F Y 2023 an d F Y 2024. 16 General Dep artmen tal Mana gement Program Level doe s not includ e e stimatedreimbu rsable Budg et Authority for Health Care Frau d a nd Abu se Control o r Medicare Acce ss an d CHIP Reauthorization A ct of 2015 and Physician-Focuse d Payme nt Model Technical Advisor y Committee, un les s otherwise ind icated. Discretionary Program 20239 202410 2025 2025 +/- 2023 Food and Drug Administration t BudgetAuthority11 3,591 3,591 3,748 +157Food and Drug Administration t Program Level 6,720 6,720 7,215 +495Health Resources and Services Administration t Budget Authority 9,487 9,487 8,264 -1,224Health Resources and Services Administration t Program Level 14,329 16,148 16,310 +1,982Indian Health Service t Budget Authority12 6,958 6,958 7,963 +1,005Indian Health Service t Program Level13 7,105 7,105 8,223 +1,íí8Centers for Disease Control and Prevention t Budget Authority 8,366 8,366 8,482 +116Centers for Disease Control and Prevention t Program Level 15,249 17,303 19,803 +4,554National Institutes of Health t Budget Authority11 46,125 45,447 46,390 +265National Institutes of Health t Program Level 47,678 47,109 50,117 +2,438Substance use And Mental Health Services Administration t Budget Authority 7,370 7,370 7,570 +199Substance use And Mental Health Services Administration t Program Level 7,518 7,518 8,130 +612Agency for Healthcare Research and Quality t Budget Authority 374 374 387 +14Agency for Healthcare Research and Quality t Program Level 485 492 513 +29Centers

for Medicare& Medicaid Services t Budget Authority 4,125 4,125 4,329 +204Centers for Medicare& Medicaid Services t Program Level 6,933 6,933 7,625 +692Administration for Children and Families t BudgetAuthority 33,159 33,154 34,117 +958Administration for Children and Families t Program Level14 37,434 33,254 37,784 +349Administration for Community Living t Budget Authority 2,538 2,538 2,606 +69Administration for Community Living t Program Level 2,649 2,653 2,719 +70Administration for Strategic Preparedness and Response t Budget Authority15 3,630 3,630 3,768 +138Administration for Strategic Preparedness and Response t Program Level 3,630 3,630 3,768 +138General Departmental Management t Budget Authority 537 537 533 -4General Departmental Management t Program Level16 602 602 607 +5Medicare Hearings andAppeals t Budget Authority 196 196 196 --Medicare Hearings andAppeals t Program Level10 196 196 196 --Office of the National Coordinator t Budget Authority -- -- -- --Office of the National Coordinator t Program Level 66 66 86 +20Building a Healthy America 16 17 OIG Budge t Authority reflects a $5 milli on d irect ed trans fe r from the NIH and $1.5 milli on f rom FDA. 18 Reflects National Se curity su pp leme ntal req ues t. Also includ es Domes tic s up pleme ntal req ue stfor the Low Income Home En ergy As sistance P rogram a nd to add ress fentanyl. Discretionary Program (ontinued)20239 202410 2025 2025 +/- 2023 Office {}„ Civil Rights t Budget Authority40 40 57 +17Office {}„ Civil Rights t Program Level59 65 67 +8Office of Inspector General t Budget Authority17 94 94 104 +10Office of Inspector General t Program Level 433 444 500 +67Public Health and Social Services Emergency Fund t Budget Authority 116 116 172 +57Public Health and Social Services Emergency Fund t Program Level 116 116 20,172 +20,057Discretionary Health Care Fraud and Abuse Control 893 893 941 +48Accrual for Commissioned Corps Health Benefits 34 34 40 +6Advanced Research ProjectsAgency for Health 1,500 1,500 1,500 -- Customer Experience(CX) Life Experience Pilot Projects -- -- 14 +14HHS, Supplemental Request18 -- 5,484 --- -- Total, Discretionary Budget Authority 129U133 133,933 131,182 +2,050Nonrecurring Expenses Fund Cancellation and Rescissions -650-650-500+150Discretionary Budget Authority 128,483 133,283 130,682 +2,200Less One-Time Rescissions -24,301-23,475-17,015Revised, Discretionary Budget Authority 104,182109,808-14,815Discretionary Outlays 144,732146,779-41,31689U366154,629+9,897Building a Healthy America 17 COMPOSITION OF T HEHHS BUDGET MANDATORY PROGRAMS The following table is in millions of dollars. 19 Totals may notadd du e to rounding. 20 In clud es outlays for the Temp orary As sistance f or Nee dy F amilies, an d the Temp orary As sistance for Need y Fam ilies Conting en cyFun d. 21 In clud es outlays for the Child Enrollmen t Contin ge ncy Fun d. 22 In clud es outlays for No Su rprise s Im pleme ntation Fu nd , Defe nse Production Act M ed ical Supp lies Enha nceme nt, P rep are f or Pand emic and B iological T hreats , and all other remainingman datory outlays not broken out in the Man datory P rograms table ab ove. Mandatory Programs (Outlays)19 20239 202410 2025 2025 +/- 2024 Medicare 839,114 838,777 936,378 +97,601Medicaid 615,772 567,143 588,903 +21,760Temporary Assistance for Needy Families20 17,065 16,635 16,755 +120Foster Care and Adoption Assistance 9,799 9,850 10,374 +524Children's Health Insurance Program21 17,588 17,244 18,136 +892Child Support Enforcement 4,617 4,783 4,958 +175Child Care Entitlement 3,628 3,540 3,676

+136Social Services Block Grant 1,599 1,600 1,602 +2Universal Preschool 0 0 5,000 +5,000Affordable Child Care 0 0 9,900 +9,900Other Mandatory Programs22 56,158 64,048 51,744 -12,304Offsetting Collections -664-617-519+98Subtotal,Mandatory Outlays 1,564,676 1,523,003 1,646,õ07+123,904Total, HHS Outlays 1,709,408 1,669,782 1,801,536 +131,754Food a nd Drug Administrat ion 18 Food and Drug Administration The following tables are in millions of dollars. Programs 202323 202424,25 202524 2025 +/- 2023 Foods 1,208 1,198 1,259 +51Human Drugs 2,284 2,336 2,403 +120Biologics 490 571 590 +99Animal Drugs and Food 288 285 297 +9Medical Devices 746 790 819 +72National Center for Toxicological Research 77 78 81 +4Tobacco Products 677 684 799 +121Food and Drug Administration Headquarters 361 376 395 +34White Oak 56 55 55 -1General Services Administration Rental Payment 245 231 222 -23Other Rent and Rent-Related Activities 165 161 163 -2Subtotal,Salaries and Expenses26 6,597 6,765 7,082 +48421st Century Cures Act 50 50 55 +5Export Certification Fund 5 5 5 --Color Certification Fund 11 11 11 --Priority Review Voucher Fees27 14 11 11 -2Over-the-Counter Monograph 30 32 33 +3Buildings and Facilities 13 13 13 -Total, Program Level26 6,720 6,888 7,211 +490Current Law User Fees 2023 2024 2025 2025 +/- 2023 Prescription Drug 1,310 1,422 1,451 +140Medical Device 325 362 370 +45Generic Drug 583 614 626 +43Biosimilars 42 31 32 -10Animal Drug 32 34 34 +2Animal Generic Drug 29 25 26 -4Family Smoking Prevention and Tobacco Control Act 712 712 712 --Food Reinspection 7 7 7 --Food Recall 2 2 2 --Mammography Quality Standards Act 19 20 20 +1Export Certification 5 5 5 --Color Certification Fund 11 11 11 --Priority Review Voucher Fees27 14 11 11 -2Voluntary Qualified Importer Program 6 6 6 --Third-Party Auditor Program 1 1 1 --Over-the-Counter Monograph 30 32 33 +3Outsourcing Facility 2 2 2 --Subtotal, Current Law User Fees26 3,129 3,296 3,348 +219Proposed Law User Fees 2023 2024 2025 2025 +/- 2023 Export Certification User Fee -- -- 5 +5Increase to the Tobacco User Fee -- -- 114 +114Subtotal,Proposed Law User Fees26 -- -- 119 +11923 The FY 2023 colu mn reflects final lev els, includ i ng requ ired a ndpe rmiss ive transfers a nd resciss ions .24 The FY 2024 and F Y 2025 column total amoun ts reflect directed t ransf er of $1. 5 mill ion to the H HS Office of In spector G en eral.25 The FY 2024 column representsthe a nn ualized amoun ts p rovided in the FY 2024Continu ing Resolution (Division A of Pu blic Law 118-15). 26 Totals may not add du e to rounding.27 In clud es priority review voucherfe es for rare p ediatri c dise as es , tropical dise as es , an d med ical counte rmeas ures . Food and Drug Administrat ion 19 The Food andDrug Administrat ion prote cts pub lic he alth by assuring the safet y, e fficacy, and sec urity o f humanand vet erinary drugs, biologicalproduc ts, medical de vices, the nation's food supply, co smetics, and products that emit radiation. The Food and D rug Administrat ion a lso advances pub lic health by he lping t o efficiently ad vance innovations that make medicines more effec tive, safer, an d a ffordable; an d by helping t he pu blicget the acc urate , sc ience-based information they need to use medical produc ts and foo ds t o maintain and improve t heir he alth. Furthermore, the Foo d and Drug Administration regulat es t hemanufact uring, marketing, and distribution of t obaccoproduc ts to prot ect pub lic health a nd reduce youth tobacco use . Finally, the Food a nd Drug Administration st rengt hens the nation's counte rte rrorism capability by e nsuring t he secu rity of the food supply and fostering t he de velopment of medical produc

ts to respond to deliberat e an d n aturally o ccurring public he alth t hreats. The Food and Drug Administration (FDA) is responsible for a dvancing and p rotecting public health by a ssuring the safety, efficacy, and security of hum an and veterinary drugs, biological products, medical devices, cosmetics, dieta ry supplements, tobacco products, and products thatemit radiat ion. FDA also p lays a significant role in the n at ion's count erterrorism capability by ensuring t he security of th e food supply and by fostering the development of m edical product s to capably respond to public h ealth threats. The scope of F DA's regulatory au thority isbroad and impacts several sectors of the economy, including public health. The agency has oversight o f more t han $2 .1 trillion in food, medical product s, an d t obacco consumpt ion. The FY 20 25 President' s Budget requests $7.2 billion for FDA, which is $495 million a bove FY 202 3. This total includes $3.7 billion indiscretionary budget aut hority and$3.5 billion inuser fees. FDA is also allocated $670 million in mandat ory funding for strengthening biodefense to protect against twent y- first century biothreats. This investment provides targeted funding for FDA t o be m ore responsive t o evolving p ublic health a nd safety needs, including29: Enhancing foo d safety a nd nut rition; Advancing medical product safety; Investing in cross-cutt ing, agency-wide efforts, includ ing publichealthemployeepay costs; shortag es a nd supply ch ain; enterprise 28 The FY 2025 budg et also p rovides $20.0 billion i n m and atory fu nding across HHS f or stren gthe ning b iode fense, which is ref lected in the Pu blic Health a nd Social Services Emerge ncy Fund chap ter. Of this total, FDA w il l receive $670 million. 29 Source f or FDA at a Glance G raphic: https://ww w.fda .g ov/med ia/168049/download transformation; cosmetics; information technology stabilizationandmodernization; and foreign offices; and Supporting tobacco regulatory activities, public health preparedness, and infrastructure. Budget Totals 202323 202424 202524 2025 +/- 2023 Total, Program Level 6,720 6,888 7,215 +495 Subtotal, User Fees 3,129 3,296 3,467 +338 Total Discretionary Budget Authority25 3,591 3,591 3,748 +157 Mandatory Budget Authority 2023 2024 2025 2025 +/- 2023 Strengthening Biodefense (Mandatory, non-add)28 -- -- 670 +670Food a nd Drug Administrat ion 20 ENHANCING FOOD SAFETY AND NUTRITION Investing in food safety and nutrition a ctivities within FDA ensures the human and animal food supply is safe, sanitary, wholesome, and accurately labeled. This investment also ensures the safety and proper labeling of cosmetic products. The FY 2025 budget supports new human food investments to (µo(]health mission and meet the demands of the nation's complex food systems and supply chain. FDA is also actively undergoing a comprehensive tran sformation to enhance efficiency and adaptability in response to an evolving landscape, including emerging food technologies, globalizat ion, significant public health threats, and climate change. In January 2023, the agency announced plans for a unified Human Foods Program and a new Office of Regulatory Affairs model.30 The planned changes will realize the preventive vision of the FDA Food Safety Modernizat ion Act, emphasize nutrition to combat diet-related diseases, and help ensure chemicals in food are safe. These modificat ions will extend to other regulated commodities by creating an enterprise-wide structure to foster collaboration between investigators and subject matter experts. The FY 2025 budget includes an increase of $15 million ’ı„˚vP›]›„}ı˚and promote a safe, nutritious U.S. food supply. This includes new resources to further support microbiological methods and

sampling improvements for more rapid and effective mitigat ion of produce -borne outbreaks. Specifically, $1 million will be directed to the Office of Regulatory Affairs to support the implementa tion of the Food Traceability Final Rule, which establishes additional recordkeeping requirements for certain foods. This funding will contribute to hiring consumer safety officers, engaging in outreach activities, improving information technology systems, and providing necessary training for effective rule implementat ion.30 https://www.fda. gov /ne ws-events/p ress-ann ounceme nts/f da-propose s-redesign-human-foods-program-en han ce-coordinated-preve ntion-and-resp ons e-activiti es 31 Source f or U.S. G en ometrakr Labs G raphic: https://www.fda .g ov/f ood/whole-gen ome-seq uen cing-wgs-program/ge nome trakrnetwork #:~:text=G en omeTrakr%20labs %20pe rform%20whole%20ge nome,sha ring %20of%20their%20gen omic%20inf or mation 32 https://www.fda .g ov/an imal-veterinary/an imal-he alth-literacy/o ne-he alth-its-all-us The increase in funding will also grow the nutrition program within the proposed Center of Excellence in Nutrition. With a special emphasis on early childhood nutrition, this aligns with FDA's commitment to address significant public health challenges posed by diet-related chronic diseases and with the goals of the ˚ı˚and Health. TP˚assessing chemicals and food ingredients, including a systematic post-mark et reassessment of previously approved food chemicals. The FY 2025 budget continues to support the strengthening of preparedness and food inspection efforts, advancing a nimal food safety coordination, and expanding the GenomeTrakr network.31 Entering its 11th year, the GenomeTrakr network has contributed to a database that has amassed over 1.2 million foodborne pathogen bacterial genome sequences from FDA, its collaborators, and counterparts internationally. FDA is committed to rapidly integrating whole genome sequencing in both public and private labs. In foodborne genomic surveillance, the Foods Program and GenomeTrakr advance the One Health32 paradigm, underscoring its dedication to a holistic approach when addressing food safety issues. These investments in Smarter Food Safety empower FDA to utilize new tools and technologies and enhance the preventive framework of the Food Safety Modernization Act. Food a nd Drug Administrat ion 21 SECURI NG T HE SAFETY, EFF ECTI V ENESS,AND AVAI LABILITY OF MEDICAL PRODUCT S FDA is the leader in global efforts to regul at e medical products so Americans h ave access to timely, safe, and effective drug s and medicaldevices. Thro ugh investm ents in medical product safety programs, FDA evaluates t hesafety of prod ucts b efore they are mark eted so the public can have confidence in t he safety a nd effectiveness of their product s. The FY 20 25 budget includes an increaseof $ 5 million for a t otal of $55 million to continue medical product safety a ctivities a cross th e agency suppo rted by the 21st CenturyCures Act. These programs ena ble FDA t o streamline review processes, esta blish breakt hrough designation programs, an d enhan ce communicat ion with medicaldevice d evelopers. This p romotes innovation, patient-centric approaches, and faster access t o safe a nd effective medical products, benefiting bot h pat ientsand healthca re providers. In a n otable achievement in 2 023, FD A a pproved t wo groundbreak ing t reatments representing the first cell-based gene therapies design ed t o t reat sickle cell disease33 in pa tients a ges 12 and above.34 33 Source f or What is Sick le C ell Dis ease G raphic: https ://www.fda .g ov/me dia/108112/download#:~:text=S ickle%20 c ell%20disea se %20is%20an,Ame

rican%20an d%20Hisp anic%2FL atino%20popu lations 34 https://www.fda .g ov/n ews-events/p ress-ann ounceme nts/f da-app roves-first-gene-therapies-treat-patients-sickle-cell-disea se Additionally, one of these therapies is the first FDA-approved treatment utilizing a novel genome editing technology, signifying an innovative advancement in the field of gene therapy. The FY 2025 budget will continue to support FDA's commitment to reducing drug misuse, addiction, overdose, and deaths while ensuring appropriate access for patients with chronic conditions. Ensuring the secure use of opioids and other controlled substances to alleviate the overdose crisis stands as one of FDA's foremost priorities. FDA actively participates in a variety of initiatives dedicated to advancing these crucial goals, including the Opioid Analgesic Risk Evaluation and Mitigation Strategy. This strategy includes elements to ensure the benefits of prescribing opioids for treating pain outweigh the risks of misuse, addiction, overdose, and other complications. Food a nd Drug Administrat ion 22 Aligned with the HHS O verdose Preventio n Strat egy, FDA outlined four specific priorities35: supporting primary prevention, encouraging h arm reduct ion, promoting evidence-based treatment s forsubsta nce use disorders, a nd safeguarding t he p ublic from unap proved,diverted, or counterfeit drugs with overdose risks. The budget maintains $2 million to mobilize efforts toward Z]˚Àıgoals. The funding will also continue resources and collaborations for innovat ive diagnostic and therapeutic products to treat rare cancers. Through this initiative, FDA aims to improve evidence generation for underrepresented subgroups in clinical trials and support decentralized trials through patient-generated data and real-world evidence. Resources will also ’’] P˚ approval efforts by international regulatory authorities to foster collaboration of cancer treatments globally. INVESTING IN CROSS-CUTTING EFFORTS The budget provides an increase of $146 million above the FY 2023 level to support cross-cutting, agency-wide 35 Source f or The F DA Overdose Preven tion F ramework Add ress es an Evolving P ub lic Health Cr isis G raphic: https://www.fda .g ov/d rugs/d rug-sa fety-and-availability/food-and-drug-adm inistration-ove rdose-preve ntion-framework improvements including investments in public health employee pay costs, enhancing the supply chain, enterprise transformation, cosmetics, information technology, and foreign offices. Of the $146 million, the budget includes $115 million researchers, and specialized subject matter experts to support crucial ongoing FDA regulatory activities such as medical product reviews. The budget includes $12 million to enhance FDA's capabilities in preparing for, building resilience to, and responding to both supply-driven and demand-driven shortages. This funding will improve analytics to identify potential shortage threats and vulnerabilities while incorporating regulatory approaches to address disruptions. Notably, this request is distinct from previous shorta ge-related requests as it supports FDA's efforts in both the food and medical products sectors. Of this increase, approximately $3 million is dedicated to the recruitment of skilled investigators who will conduct inspections. This investment aims to fortify the regulatory oversight of the drug, device, and biologics industry, allowing FDA to effectively manage the increasing number of manufacturers within the medical products industry. This proactive approach aims to improve accessibility, enhance supply chain stability, prevent shortages of critical medical products, and enhance regulatory oversight. The FY 2025 budget includes $2 million towards strategic investments to boost operational efficiency for enterprise

transformation. This includes efforts to streamline the planning, implementation, and governance of essential business process improvements.]vÀ°’ıu˚Á]o{}agency-wide projects, concentrating on the analysis, optimization, and implementation of standardized business processes and data optimization strategies. This comprehensive initiative aims to revolutionize operational approaches, and foster cohesion, with a specific focus on areas such as FDA's inspection work. Food and Drug Administrat ion 23 The Modernization of CosmeticsRegulation Act of 2022 is the most significant expansion of FDA's authority over cosmetics since the Federal Food, Drug, and Cosmetic Act was passed in 1938. This Act enhances the safety of cosmetic products used daily by consumers. As a result, FDA will be better able to protect public health by ensuring the safety of cosmetic products and tracking their ingredients, manufacturing, and processing esta blishments. The budget includes an additional $8 million to support the implementation of theModernization of Cosmetics Regulation Act of 2022 in support of developing proposed a nd/or final regulations (for Good Ma nufacturing Practices, asbestos in talc-containing cosmetic products, and disclosing fragrant allergens on labeling) and compliance policies; maintaining and updating submission platforms for registrat ion, product listing, and adverse event reporting; and reviewing such information to ensure industry compliance with those requirements.36 These resources will: { Enable FDA t o enhan ce its readiness to tackle issues such as asbestos conta minat ion intalc- containing cosmetics, t att oo inks, permanent mak eup, and hair product ssuch as shamp oos and conditioners; { Strengthen post-mark et surveillance syst ems, reinforcing FDA's efforts to s afeguard consumers from unsafe cosmetics; and { Support the hiring of expert s for critical projects, including assessments of perfluoroalkyl and polyfluoroalkyl substan ces in cosmetic product s. 36 Source f or the Modernization o f Cos metics Regulation Act of 20 22 Statutory Tim eline G raphic: https://www.fda .g ov/cosme tics/ cosm etics-laws-r eg ulations /modernization-cosm etics-regu lation-act-2022-mocra #:~:text=MoCRA%20provide s%20ne w%20 authorities%20to,cosm etic%2 0product%2C%20 i nclud ing %20safety%20records The FY 2025 budget includes $8 u]oo information technology infrastructure to enhance data exchange and underlying technology platforms to support its programs and fulfill mission-critical responsibilities. This includes better addressing emerging threats, real-time evaluation needs, and the continuous access, analysis, and consolidation of diverse information sources related to recalls, adverse events, outbreaks, and pandemics. This funding would also support FDA's ongoing efforts to address essential information technology needs, mitigate enterprise risk, stabilize the existing information technology infrastructure, strategically modernize information t echnology, and foster future information technology capabilities. This investment aims to align with the current technology landscape, staying abreast of technological advancements, and achieves efficiencies vital for fulfilling FDA's mission. Foreign Office Expansion The FY 2025 budget includes $1 million to strengthen ’]P]u›}„ı˚˚Æ›vˆıFood a nd Drug Administrat ion 24 aP˚˚] vˆnumber of deployed p ersonnel. This investment serves t o advance and safeguard the American p eople by strengthening P˚vÇlv}Áo˚ˆP]o] ‰ocomplete in-person inspecti ons of foreign facilities in specific count ries. ST RENGT HENING BIODEFENSE The FY 20 25 budget includes $2 0.0 billion in m anda tory funding over 5 years across HHS, including $6

70 million for FDA to modernize regulatory capa cityand]v(„'ı„µıµ Zeffectively res pond to any futu re pa ndemic or high-consequence biological th re at . This funding is d esignat ed t o bolster the President' s initiative t otransform the nat ion's readiness and response ca pabilities for swift and effective act ion in the face of future ch allenges. FDA has a u nique and central role in t hewhole-of-government response t o protect a nd p romote public capab ilities and ensure t here is th e ap propriate level of regulatory cap acity t o respond ra pidly a nd effectively to any fut urepand emic. REDUCING THE USE AND HARM OF TOBACCO FDA's role is t o regulat e t he manufact uring, distribut ion, and ma rketingof t obacco product s, while also edu cat ing t he p ublic, especially yout h, about th e dangers of usi ng t obacco products. FDA focuses on key objectives, including reducing t he initiat ion of t obacco product use,decreasing t he h arms associated with these products, and encouraging cessat ion a mong users. The bud get mainta ins $ 712 million for t he Tobacco Program, supporting FDA efforts in prod uct review, research, compliance and enforcement, public educat ion campaigns, and policy develop ment. The budget also increases t he sta tut ory t obacco user fee cap by $114 million and authorizes t he inclusion of manu facturers and importers of a ll deemed t obacco products int othe tobacco product classes subject t o ˚ 'Xaut horizat ion is in response t o the fact that these p roducts now constitu te a growing „˚P]À]ı]˚'X The investm ent will help FDA h ire more staff, enhancing efforts t o regulate t obacco product s and address a ssocia ted health issues. This incl udes overseeing a p plication reviews, enforcing compliance, developing p o licies, and conducting research. The focus is on re ducing toba cco-related h arm, covering various p roducts like e-cigarett es a nd future innovations. INFRAS TR UCTURE AND FACILI TI ES The FY 20 25 budget p rovides a tot al of $ 452 million, $377 million in b udget a uthority and $75 million in u ser fees, to support infrastructure costs and improve t he ı„µı µ]oˆ]vP owned locations. The Infrastructu re Programcontribut es d irectly t o FDA's objectives b y offering secure, contemporary, and cost-efficient office an d laboratory facilities. This empowers FDA's workforce t o uph old and enhance the well-being of f amilies, foster compet itionand innovation inhealthca re, enhance access to medical products, and advance public h ealth objectives. Additionally, it emp owers consumers and pat ientsto mak e informed choices, while reinforcing science an d promoting streamlined, risk-based decision-mak ing. Ma ny FDA locat ions, directly owned a nd managed by the General Services Administration, require round-the-clock support. These facilities cont ain lab s th at house a ctivities t hat cannot be a ccomplished remotely. FDA must ensure t hat th ese workspaces are operated and maintained so sta ff ca n effectively work to protect public healt h. USER FEES User fees p lay a vita l role in expediting t he accessibility of n ew hum an and animal drugs, generic d rugs, medical devices, biologic s, an d biosimilar medications to the public. Beyond a ccelerating product availability, these fees sup port programs aimed at enhancing pat ient input and product safety. The FY 20 25 budget includes a t otal of $3 .5 billion in user fees a nd increases the statutorymax imum forthe Export Certification Fee Program and the Tobacco User Fee Progra m. These user fe es p lay a crucial role in m ainta ining predictable t imelines for F DA's review processes. By facilitat ing t he necessary staffing, t hey enable m ore efficient prod uct evaluations without compromising the a gency's dedication t o scientific integrity, pu blic health, regulatory stand ards, pa tient

safety, and tran sparency. Health Resources a nd Services Administrat ion 25 Health Resources and Servic es Administration The following tables are in millions of dollars. Primary Health Care 202337 202438 2025 2025 +/- 2023 Health Centers39 5,643 6,908 8,078 +2,435Discretionary Budget Authority (non-add) 1,738 1,738 1,738 -- Current Law Mandatory (non-add)39 3,905 1,753 -- -3,905Proposed Law Mandatory (non-add)40 -- 3,417 6,340 +6,340Ending HIV/AIDS Epidemic (non-add) 157 157 157 -- Alcee Hastings Cancer Screening Program(non-add) 11 11 11 -- Health Centers Tort Claims 120 120 120 -- Free ClinicsMedical Malpractice 1 1 1 -- Subtotal,Primary Care 5,764 7,029 8,199 +2,435Health Workforce 2023 2024 2025 2025 +/- 2023 National Health Service Corps41 418 916 916 +498Discretionary Budget Authority (non-add) 126 126 126 --Current Law Mandatory (non-add)40 292 136 -- -292Proposed Law Mandatory (non-add) -- 654 790 +790Training for Diversity 102 102 102 --Training in Primary Care Medicine 50 50 50 -- Oral Health Training 43 43 43 -- Medical Student Education 60 60 51 -9Teaching Health Centers Graduate Medical Education42 119 157 320 +201Current Law Mandatory (non-add)40 119 55 -- -119Proposed Law Mandatory (non-add) -- 102 320 +320Area Health Education Centers 47 47 47 --Behavioral Health Workforce Development Programs 197 197 254 +57Youth Behavioral Health -- -- 10 +10Public Health and PreventiveMedicine Programs 18 18 18 --Nursing Workforce Development 300 300 320 +20Children's Hospital GraduateMedical Education 385 385 385 --National Practitioner Data Bank User Fees 19 19 19 --Health Care Workforce Innovation Program -- -- 10 +10Other Workforce Programs 63 63 63 --Subtotal, Health Workforce 1,821 2,356 2,596 +775Maternal and Child Health 2023 2024 2025 2025 +/- 2023 Maternal andChild Health Block Grant 816 816 832 +16Innovation for Maternal Health 15 15 30 +15Pregnancy Medical Home Demonstration 10 10 10 --Maternal Mental Health Hotline 7 7 7 --Sickle Cell Treatment Demonstration Program 8 8 8 --37The FY 2023 column reflects final levels, including required and pe rmissive transfers. 38The FY 2024 column represents the annualized amoun ts provided in the FY 2024 Continuing Resolution (Division A of Pu blic Law 118-15). 39The FY 2025 budget proposes the reauthorization of the Health Centers mandatory at $5.2 billion in FY 2024, $6.3 billion in FY 2025, and $7.5 billion in FY 2026. 40The FY 2024 funding level reflects mandatory funds appropriated in P.L. 118-15, P.L.118-22, and P.L. 118-35. 41The FY 2025 budget proposes the reauthorization of the National Health Service Corps mandatory at $790 million in FY 2024, FY 2025, and FY 2026. 42The FY 2025 budget proposes the reauthorization of the Teaching Health Centers Graduate Medical Education mandatory at $157 million in F Y 2024, $320 million in FY 2025, and $364 million in FY 2026.

HealthResourcesandServicesAdministration26MaternalandChildHealth(Continued)202320242025202 5+/2023AutismandOtherDevelopmentalDisorders565656rrHeritableDisorders212121rrHealthyStart145145172+27EarlyHearingDetectionandIntervention191919rrEmergencyMedicalServicesforChildren242424rrPediatricMentalHealthCareAccessGrants131313rrScreeningandTreatmentforMaternalMentalHealthandSubstanceUseDisorder101016+6PoisonControlProgram272727rrMaternal,Infant,andEarlyChildhoodHomeVisiting500519566+66CurrentLawMandatory(nonradd)43500519566+66FamilyrtorFamilyHealthInformationCenters(Mandatory)6612+6CurrentLawMandatory(nonradd)66r6ProposedLawMandator

y(nonradd)12+12Subtotal,MaternalandChildHealth1,6771,6961,813+136RyanWhiteHIV/AIDS2023202420252025+/2023EmergencyReliefPartA681681681ComprehensiveCarePartB1,3651,3651,365AIDSDrugAssistanceProgram(nonradd)900900900EarlyInterventionPartC209209209Children,Youth,Women,andFamiliesPartD787878AIDSEducationandTrainingCentersPartF353535DentalServicesPartF141414SpecialProjectsofNationalSignificanceŒPartF252525EndingHIVEpidemicInitiative165165175+10Subtotal,RyanWhiteHIV/AIDS2,5712,5712,581+10HealthSystems2023202420252025+/2023OrganTransplantation313167+36CellTransplantationandCordBloodStemCellBank525252rrHansen™sDiseaseProgram141414rrOtherHealthCareSystemPrograms222rrSubtotal,HeathSystems9999135+36RuralHealth2023202420252025+/2023RuralOutreachGrants939393RuralMaternityandObstetricsManagementStrategies101010RuralHealthPolicyDevelopment111111RuralHospitalFlexibilityGrants646464StateOfficesofRuralHealth131313BlackLungClinics121212RadiationExposureScreeningandEducationPrograms222RuralCommunitiesOpioidsResponseProgram145145145RuralResidencyProgram131313Subtotal,RuralHealth352352352340BDrugPricingProgram121212rrFamilyPlanning286286390+104ProgramManagement1,685441,6857164r1,521Vacc
ineInjuryCompensationProgramAdministration151520+5CountermeasuresInjuryCompensationProgram7710+3Telehealth383838rrSubtotal,OtherActivities2,044523634+111OtherActivities2023202420252025+/2023 Health Resources a nd Services Administrat ion 27 The Health Resources and Service s Administration improve s he alth outc omes andachieve s health equit ythro ugh acce ss to qu ality services, a sk illed health workforce , and inno vative, high-value programs. The Health Resources a nd Services Administrat ion (HRSA) is the primary federal a gency providing healthca re t othe highest-need individuals in underserved a nd rural a reas a cross th e count ry. This includes deliv ering ca re t omore t han 30 million people in underserved communities regardless o f ability t o pay, families in thousands of rural counties, most individuals with HIV, nearly every n ewborn, a nd m any pregnant women in t his count ry. HRSA trains new primary care physicians, nurses, dentists, m enta l health, substance use disorder p rofessio nals, an d critical community health providers inclu ding community health workers, p eer support providers, and community-based doulas. HRSA supports t he health workforce through health professions scholarships and loan repayments in retu rn for service in underserved and rura l comm unities. The FY 20 25 budget requests $16.3 billion for HRSA, which is $2 .0 billion above FY 20 23 .This t otal includes $8 .3 billion indiscretionary budget aut hority an d $8 .0 billion inmand at ory funding and ot her sources. The budget prioritizes: Reducing maternal m ortality and improving mat ernal and child health outcomes; Growing the h ealthcare workforce by investing in nursing, primary care, and behavioral health providers; Modernizing the Organ Procurement Transplant Network; Investing in the second year of t he initiat ive t o put the Health Center Program on a pat hway to doubling; and Expanding access to treat ment for mental healthand substa nce use disorders in underserved a nd rural communit ies. 45The FY 2023 final an d F Y 2024 Continu ing Resolution column s inclu de $1.5 billion i n Con gressionally Directed s pe nding, which imp acts the comparison b etween FY 2023 an d F Y 2025. Whe n e xclud ing Cong ress ionally Directed S pe nd ing from the base, the F Y 2025 bud ge t is an increase of

$298 milli on in discre tionary bu dg et authority and $3.5 billi on in ove rall program leve l. 46Totals may not add du e to round ing . INCR EASING ACC ESS TO HIG H-QUALITY HEALTHCAR E SERVICES The FY 20 25 budget support s th e deliveryof d irect healthca re services t hrough Health Centers, the Ryan White HIV/AIDS programs, the TeachingHealth Center Graduate Medical Education program, t he Nat ional Health Service Corps, and Title X Family Planning. These safety-net programsdeliver critical healt hcare services and support t he workforce necessary t o provide t his ca re t o individuals and families with low- income vulnerable populations a cross th e United Stat es. HRSA Budget Totals45,46 2023 2024 2025 2025 +/- 2023 Total, Discretionary Budget Authority 9,487 9,487 8,264 -1,223 Mandatory Funding 4,823 6,641 8,028 +3,205 User Fees 19 19 19 -- Total, Program Level 14,329 16,148 16,310 +1,982 Full-Time Equivalents 2,639 2,776 2,848 +72Health Resources a nd Services Administrat ion 28 Health centers are community-based organizations offering affordable, accessible, and high -quality primary healthcare services for individuals and families who are uninsured; enrolled in Medicaid; living in rural, remote, or underserved areas; struggling to afford their health insurance co-pays; experiencing homelessness; residing in public housing; or otherwise ha ving difficulty finding a doctor or paying for the cost of care. With around 1,400 centers and over 15,000 service sites, HRSA Health Centers offer comprehensive, culturally competent, high-quality primary healthcare services, as well as supportive services such as health education, translat ion, and transportation. Currently, Health Centers provide care to more than 30 million patients; approximately 90 percent of these pat ients are living at or below 200 percent of the federal poverty level. The FY 2025 budget provides $8.2 billion for Health Centers, which includes $1.9 billion in discretionary funding and $6.3 billion in proposed mandatory resources. The proposed mandatory investments continue progress on t he Presidenı[Health Center Program on a pat hwayto doubling. Approximately 3.9 million additional p at ients will receive care in healt h centers with this increased investm ent inFY 2025. Health centers are t rusted community resources t hat address p ressing m at ernaland behavioralhealth challenges a mong children, a dolescents, and adult s. The bud get continues th e FY 20 24 legislative proposal requiring all healt h centersprovide b ehavioral h ealth servicesvÁZ]Agenda to ta ckle t hementa l health crisis a nd support community-based behavioral health careand treat ment, with a particularly m eaningful impa ct in rural a nd underserved communit ies. The Health Center Program also supports t he Ending HIV Epidemic a nd the Cancer M oonshot initiatives. The bud get invests $ 15 7 million to provide p revention and treatm ent services to people a t high-risk for HIV tran smission, including Pre-Exposure Pro phylaxis related services, outreach, and care coordinat ion. The budget also includes $ 11 million to build on recent successes t hrough th e Accelerating Cancer Screening initiative to improve access t o early detection services Health Resources a nd Services Administrat ion 29 and life-saving cancer screenings for underserved communities. The budget provides $2.6 billion for the Ryan White HIV/AIDS Program. Over the last 30 years, the Ryan White HIV/AIDS Program has played an essential role in ı°’„°’ıprogram supports cities, counties, states, and community-based organizat ions in providing comprehensive HIV primary medical care, support services, and treatment for people with low incomes living with HIV. In 2022, the Ryan White Program served more

than 560,000 people, which is over half of the people diagnosed with HIV in the United States. In 2022, 89.6 percent of Ryan White clients who received HIV treatment exhibit viral suppression, meaning they cannot transmit HIV to their partners and can live longer, healthier lives. This rate far exceeds the national viral suppression average of 68.8 percent. The key populations with significant improvements in viral suppression are those who are unstably housed, youth, Black/ African Americans, and transgender people. For the Ending the HIV Epidemic in the United States Initiative, the budget provides an additional $10 million above FY 2023, for a total of $175 million. At this funding level, the initiative will serve ap proximately 46,000 patients in 48 counties, the District of Columbia, and San Juan, Puerto Rico, which account for more than half of new HIV diagnoses, along with 7 states that have substantial rural HIV burden. The initiative focuses on newly diagnosed pat ients and those who can be reengaged in care. The initiative will continue to bring trusted community engagement, expertise, technology, and resources to expand evidence-informed practices focused on linking people with HIV who are out of care to HIV services. Reaching individuals who are out of care can include multiple needs including behavioral health issues, housing insta bility, and/or distrust of the healthcare system. The initiative also supports capacity building, technical assistance, program implementation, and oversight. These efforts are centered on reducing disparities in health outcomes and building the capacity of organizations to accurately reflect the communities they serve. In 2021, HRSA-funded providers served nearly 38,000 clients, including over 22,000 new care clients and more than 15,000 clients estimated to be re-engaged in care. In just the first 2 years of the initiative, more than 20 percent of people who were undiagnosed or not in care were brought into care and served by HRSA-supported providers. The Title X program is the only federal grant program dedicated to providing individuals with comprehensive family planning and related health services. The budget also expands access to family planning services including improving access to reproductive and preventative health services. Advancing equity for all people including low-income families, people of color, and historically underserved and marginalized communities is a top priority for the Administration. The budget provides a 27 percent increase in funds for a total of $390 million, which is $104 million above FY 2023. The request will support 3.6 million people with approximately 90 percent having family incomes at or below 250 percent of the federal poverty level. INVESTING IN THE HEALTH WORKFORCE Á}„l{}and grow the healthcare workforce by training new healthcare providers, recruiting new people into health ›„}(°’’]}v’°vZv›„}À]^°„’’l]oo’°ı’]u›„}À]the support and recruitment of individuals from diverse communities, and connecting skilled healthcare providers to communities in need. The FY 2025 budget provides $2.6 billion for HRSA workforce programs, which includes $1.1 billion in proposed mandatory resources, to expand workforce capacity across the country. The National Health Service Corps offers scholarship and loan repayments to healthcare clinicians in return for their commitment to practice in rural and underserved communities across the na tion. The FY 2025 budget includes $916 million, an increase of $498 million above FY 2023, for the National Health Service Corps. The budget supports scholarships and loan repayments to improve access to quality primary care, including maternal healthcare, oral healthcare, and behavioral health in underserved urban, rural,

and tribal areas. Primary care providers trained through À]’°„Àu 19 million patients living in Health Professional Shortage Areas across the nation. Alumni data shows that 86 percent of National Health Service Corps members continue to serve in Health Professional Shortage Area 2 years after their formal service 30 commitment has ended, providing a key mechanism for addressing health workforce challenges in these areas. The Teaching Health Center Graduate Medical Education Program helps address the critical need for primary care providers by training primary care physicians and dental residents in community-based settings, which will ultimately help increase primary care physicians practicing in high-need communities post-residency. In 2022, Teaching Health Center Graduate Medical Education residents significantly enhanced access to primary care in underserved areas by treating over 792,000 patients during more than 1.2 million patient encounters. The budget includes $320 million in m andatory funding for this program, which is $201 million above FY 2023. In FY 2025, the program will support over 1,800 resident full-time equivalent slots. The United Stat es is currently facing a shortage of behavioral health providers. More than half of the U.S. population lives in a Mental Health Professional S]}„development programs support the training of behavioral health providers, including rural and underserved communities. The FY 2025 budget includes $254 million, which is $57 million above FY 2023, to train behavioral health providers, grow the behavioral health workforce, and increase access to behavioral health services. This increase includes $10 million to address youth behavioral health needs through peer support while also building an early pathway program for behavioral health careers for young adults. The FY 2025 budget includes $320 million for Nursing Workforce Programs, an increase of $20 million above FY 2023. The budget includes an additional $10 million to address national nursing needs, train more nurses, and strengthen workforce capacity in education, practice, and retention. HRSA will support an increase in the number of nurses trained to provide prenatal care through investments in perinatal maternal healthcare in rural and underserved communit y settings to increase access and improve the quality of patient care. Health Resources and Services Administration The investm ent also increases t he n umber of nurse faculty and clinical preceptors which a re critical t o expand ing n urse t raining a nd producing more new nurses. The bud get also includes an increase of $1 0 million for Advanced Nursing Educat ion t o bolster the m at ernal and perinatalworkforce by support ing m at ernal healt h nurses a vailable t o provide specialized care. The program will continue to increase the number of qualified n urses in t he p rimary care workforce, including n urse p ractit ioners, clinical nurse specialists, and Sexual Assault Nurse Exam iners. The FY 2025 budget invests $10 million for a new program to jumpstart strategies to grow the healthcare workforce and address healthcare workforce shortages Health Resources a nd Services Administrat ion 31 across disciplines such as physicians, nursing, and behavioral health. This new program would invest in innovative approaches to accelerate the tran sformation of healthcare workforce training to support a modern, robust, and diverse workforce training pipeline. IMPROVINGMATERNAL AND CHILD HEALTH HRSA delivers programs that provide health and public health services, improve clinical care, support community needs, and invest in the workforce to support pregnant and new mothers, children, and families. The FY 2025 budget invests $ 1.8 billion in ıPrograms. This includes $832 million for the Maternal and

Child Health Block Grant, which serves over 60 million people each year in partnership with states and communities. Reducing maternal mortality is a top priority for HRSA and the Administration. Though the United States has one of the most advanced healthcare systems in the world, its maternal mortality rate is among the highest in developed nations. Racial disparities persist with Black and American Indian and Alaska Native women dying from maternal causes at rates two to three times higher than White women. These disparities exist even when controlling for income. Geographic inequities in maternal health also remain an areaof focus as access to obstetric care services vary widely across states. To address this critical public health challenge, the budget dedicates $172 million within HRSA's Mat ernal and Child Health Bureau towards initiatives to address maternal morta lity, an increase of $37 million above FY 2023. These initiatives focus on improving access to maternal care including prenatal and post-natal care, access to emergency care services, improving clinical care, expanding access to commun ity support services, implementing evidence-based interventions to address service gaps, expanding maternal care in rural and underserved a reas, increasing access to mental healthcare for pregnant and postpartum women, and addressing shortages in maternity healthcare. Special Projects of Regional and NationalSignificance Within the Maternal and Child Health Block Grant, the budget includes $228 million for Special Projects of Regional and National Significance, an increase of $16 million above FY 2023. This program addresses national or regional needs and priorities, specifically through a ctivities to improve outcomes for m others and children.The bud get includes a n increase of $6 million to expand the Sta te Mat ernal Health Innovation p rogram, which supports stat e-specific act ions a nd innovations th at address d isparities in mat ernal health and improve m at ernal h ealth outcomes. The bu dget a lsodirects $5 million towards growing a nd diversify ing t he d oula workforce a nd $5 million toward addressing emerging issues a nd social determinan ts of ma ternal h ealth. The doula workforce initiative p rovides grants t o commun ity-based organizations t o expand programs to recruit, support t raining and cert ification, and employ d oula candidat es t ohelp improve birth out comes in t heir communities. The social determinants of m at ernal health initiatives will suppo rt community-based organizations to address th e comm unity needs of pregnant a nd new moms t hat impa ct maternal mortality a ndadverse m at ernal h ealth outcomes. HRSA-supported Alliance for Inno vation on M aternal Health The bud get invests $ 30 u]oo]Innovation on Ma ternal Health, an increase of $15 million above FY 2023, to ad dress maternity care deserts an d respond to obstet ric emergencies. Ma ny emergency depart ments become de facto d elivery sites when hospitals close la bor an d delivery services. This funding s upports t raining, equipm ent, a nd ta rgeted investm ents t hat allow emergency depart ments to t riage an d stabilize women in labor or those with pregnancy-related comp licat ions when the facilities lack labor and delivery services. The program will also cont inue t o implement patient safety b undles, which are collections of bes t pract icesto address causes of ma ternal mortality and m orbidity. Safety bundles add ress topics like hemorrhage, h ypertension, and cesarean sections. Between August 20 18 and Janu ary 2022, the percentage of birthing facilities in Louisiana with standa rd p rocesses to measure ›ı o}’]„period increased from 2 8.6 percent to 93.4 percent. Funding the program at this level will promote safety and quality ofcar during and immediately a

fter childbirth a nd work to reduce disparities in health outcomes. 32 Healthy Start Healthy Start serves communities experiencing rates of infant mortality that are at least one and a half times vıÀ˚„P ˆlZ]P››goal is to improve maternal and infant health outcomes and address disparities by tailoring services to the needs of the communities served. Healthy Start provides clinical, social, and public health services to infants and families across the nat ion including prenatal, postpart um, and well -baby care, case management, and immunizations. The budget provides $172 million for Healthy Start, an increase of $27 million above FY 2023. The additional funding will support expanded workforce capacity, including through support for program alumni peer navigat ors, to ensure participating families are able to access needed services and supports and help ensure positive short and long-term health outcomes for mothers and their newborns. OTHER MATERNAL AND CHILD HEALTH PROGRAMS The budget provides $566 million in mandatory funding (post-sequester) for the Ma ternal, Infant, and Health Resources and Services Administration Early Childhood Home Visiting Program. The Home Visiting Program supports the provision of intensive, evidence-based home visiting services to help prevent child abuse and neglect, support positive parenting, improve health, promote child development and school readiness, and encourage family economic self-sufficiency. The program awards grants to all 50 states and 6 territories and jurisdictions to implement evidence-based home visiting models in delivery of services to communities atrisk for poor maternal and child health outcomes. By law, the program must maintain fidelity to the home visiting models. While some evidence-based home visiting models focus on the prenatal period, the primary focus of several models is on the early childhood developmental period up until kindergarten entry. In FY 2023, the Home Visiting Program served over 139,000 participants and provided over 919,000 home visits. }The budget includes $12 million in mandatory funding to support the Family-to-Family Health Information Centers Program, an increase of $6 million above FY 2023. The program provides families of children and youth with special healthcare needs support and informat ion on accessing health care and coverage for their needs. The 5-year investment extends and expands the program through FY 2029 at $12 million per year. Funding will support patient-centered information, education, technical assistance, and peer support to families to ensure that children and youth with special healthcare needs can go to school and become healthy adults. MODERNIZING THE ORGAN PROCUREMENT TRANSPLANT SYSTEM There are currently over 103,000 Americans waiting for life-saving organ transplants on the national transplant waitlist t 17 who die each day waiting for their t ransplant. As of August 2022, there are 170 million people registered to be donors[’ Organ Transplantation Program extends and enhances the lives of individuals with end-stage organ failure for whom an organ tran splant is the most appropriate treatment. The budget includes $67 million for the Organ Transplantation Program, an increase of $36 million above FY 2023 to support the intent of the Securing the U.S. Organ Procurement and Transplantation Network Act. This increase will improve system performance of the Organ Procurement and Health Resources a nd Services Administrat ion 33 Transplant at ion Network, the system used to allocat e and distribut e d onor organs t o individuals wait ing for tran splant s. Launched in March 2023, t he Organ Procurement and Transplant at ion Network Modernization Init iative focuses on improvement in technology, governance,

transparency, quality, and operations. The increased funding will support modernization of th e system to mak e it more pat ient and provider-friendly, agile, and account able. The P} Z]’ }^°„v]Ìı ı°„ ° ›ı]˚vneeds by increasing t he a vailability of and a ccess to donor organs for pat ients with end-stageorgan failure. HRSA a ims to use innovative ap proaches like multivendor contract solicitat ions t o t ransition t o a modernized network, witha focus on improved governance, operations, and technology. REACHING RUR AL C OMMUNITI ES To help meet the unique needs of rura l commun ities, the Federal O ffice of Rural Health Policy coordinates rural healt hcare investm ents to help support the 61 million rural residents a cross th e United Stat es. The FY 20 25 budget invests $ 352 million to support grant programs an d technical assista nce for rural communities including m at ernal hea lth, behavioral health including substance u se d isorder, an d improving the quality ofcare a nd financial viability of rura l providers. This includes $1 45 million for t he Ru ral Communities Opioid Respon se Program to continue supporting substa nce use disorder prevention, treatment, and recovery services for opioid s an d other substa nce use in rural communities including a focus on reducing disparities in healt h outcomes and access a mong vulnerable populations. These vital resources h elp reach comm unities th at often ot herwise struggle to access suppor t to meet their pressing sub stance u se disorder needs. This a lso inclu des $1 0 million to support new Rura l Ma ternity and O bstetrics Management Strategies awards t o improve m at ernal ca re in rural communities by increasing rural obstet ric services, bu ilding networks, leveraging t elehealth and specialty areas, and improving financial sust ainability. These investm ents will enable HHS t o support the well-being of t he Americans living in ru ral commu nities. OTHER HRSA PROGRAMS As a condition of Medicaid participation, the 340B Drug Pricing Program requires drug manufacturers to discount outpatient prescription drugs to certain healthcare providers. The budget provides $12 million for this program to continue to provide oversight and auditing of covered entities and drug manufacturers, support operational improvements, and increase efficiencies. The budget ensures the 340B program will continue to operate as an integral component of the healthcare safety net. The budget invests a total of $30 million for the Vaccine Injury Compensation Program and the Countermeasures Injury Compensation Program, an increase of $8 million above FY 2023. Within this total, $20 million is for the Vaccine Injury Compensation Program, which compensates individuals and families injured by vaccines recommended by the Centers for Disease Control and Prevention for routine administration to children and/or pregnant women. The budget also includes $10 million to fund the Countermeasures Injury Compensation Program. Á]oosupport’ compensation-eligibleindividuals for injuries and deaths related to the use of covered countermeasures identified by federal declarations. HRSA supports telehealth services to increase healthcare quality and access, expand provider trainings, and improve health outcomes in rural and underserved areas. The budget includes $38 million for Telehealth. The budget includes $164 million to support staff, program operations, information technology, and oversight and program integrity activities, which helps HRSA operate efficiently and effectively. Indian Health Service 34 Indian Health Servic e The following tables are in millions of dollars. Services Account 202347 202448 2025 2025 +/- 2023 Clinical Services 4,433 4,433 5,125 +692Hospitals and

Health Clinics 2,503 2,503 2,930 +427Electronic Health Record System 218 218 435 +218Dental Health 248 248 276 +28Mental Health 127 127 139 +12Alcohol and Substance Abuse 266 266 291 +25Purchased/Referred Care 997 997 1,054 +57Indian Health Care Improvement Fund49 74 74 -- -74Preventive Health 203 203 219 +17Public HealthNursing 111 111 121 +10Health Education 24 24 26 +2Community Health Representatives 65 65 70 +4Immunization Program (Alaska) 2 2 2 --Other Services 284 284 297 +13Urban Indian Health 90 90 95 +5Indian Health Professions 81 81 81 +1Tribal Management Grants 3 3 3 --Direct Operations 104 104 112 +8Self-Governance 6 6 6 --Subtotal,Services Programs 4,920 4,920 5,641 +722Facilities Account 2023 2024 2025 2025 +/- 2023 Maintenance and Improvement 171 171 174 +4Sanitation Facilities Construction50 196 196 200 +4Health Care Facilities Construction 261 261 261 --Facilities and EnvironmentalHealth Support 298 298 324 +26Medical Equipment 33 33 34 +1Subtotal,Facilities Programs 959 959 994 +35Contract Support Costs Account 2023 2024 2025 2025 +/- 2023 Subtotal, Contract Support Costs 969 969 979 +10Payments for Tribal Leases Account 2023 2024 2025 2025 +/- 2023 Subtotal,Section 105(l)Leases 111 111 349 +238Special Diabetes Program for Indians51 2023 2024 2025 2025 +/- 2023 Current Law Mandatory Funding 147 150 -- -147Proposed LawMandatory Funding -- 100 260 +260Subtotal,Special Diabetes Program forIndians 147 250 260 +113Total Indian Health Service Funding 2023 2024 2025 2025 +/- 2023 Total,Program Level52 7,105 7,208 8,223 +1,11847 Reflects f inal lev els, includ ing requ ired a nd permissive trans fe rs,and resciss ion of $29 million w ith in S ervices acco un t total, consist en t with P .L. 117-328. 48 Disp lays an nu alized F Y 2024 funding level un der the current Continu ing Resolutio n (P. L. 118-35) . P. L. 117-328 includ ed $5.1 billion in FY 2024 adv ance ap propriations across the Services an dFacilit ies Accounts . 49 The bu dge t realign s fu nd ing f orthe I nd ian Health Care I mprovemen t Fun d into the Hospitals an d Health Clini cs fu nd ing line . 50 Exclud es $700 mill ion in s up pleme ntal fun dingapp ropriated in the In frastructure I nvestmen t and J obs Act (P.L. 117-58) in e ach of FYs 2023, 2024, an d 2025. 51 FY 2023 fun ding reflects man datory seq uester of 2 pe rcen t. FY 2024 Curren t Law fun ding repres ents ann ualized funding lev el under the current Continu i ng Resolution (P.L. 118-35). TheFY 2025 bud ge tpropose s a 3-year reau thorization of the Spe cial Diabe tes Program f or In dians beg inn ing in F Y 2024. 52 Exclud es es timated third-party collect ions . Th ebu dg et does not propos e a ny chang es to the treatmen t of third-party collec tions . Indian Health Service 35 Services Account 202347 202448 2025 2025 +/- 2023 Less Mandatory Funding (Proposed and Current Law) -147-260-113Total,Budget Authority53 6,9587,963+1,005Full-Time Equivalents 15,107-2506,95815,ðòì15,460+353The mission o f the Indian Health Service isto raise the physical, mental, so cial, an d spiritual he althof American Indians and Alaska Natives to the highest le vel. The federal government h asa unique government-to-government relationship with 5 74 federally recognized tribes. In accordance with this relationship, the Indian Health Service (IHS) serves a s th e principal h ealthcare provider a nd health advocate for American Indian and Alaska Native(AI/AN) people, with the goal of raising their h ealth sta tus to the h ighest possible level. In CY 20 25 , IHSwill provide healthca re t o over 2.8 million AI/AN pat ients through IHS-operated and tribally-operated programs, and urban Indian organizations, often referred to asthe I/T/U or the Indian Health system. IHS

consults an d part ners with tribes t o incorporate their priorities and needs into programs tha t affect their communit ies. More t han60 percent of the IHS budget is operated directly b y t ribes who 53 Totals may not add du e to rounding. 54 Gov ernment Accountab ili ty Offi ce Rep ort: In dian Health S ervice: Spe nd ing Lev els and Cha racteristics of I HS an d Th ree Other Fe deral Health Care P rograms 55 United S tates Commiss ion on Civil Righ ts Report : Broken P romises : Continu ing Fed eral Fund ing Shortfall for Nativ e A mericans mana ge t heirown health p rograms t hrough self-determinat ion and self-governance a greements. The Indian Health system ischronically und er-funded compared to other health systems in the United Stat es.54,55 These funding d eficiencies directly contribut e t ostark health d isparities in tribal communities. AI/AN people born t oday have a life expecta ncy t hat is 10 .9 years less tha n allother ra ces in the U.S. populat ion.56 Theyalso ex perience disproportion at e rat es of mortality related to most maj or health issues. The COVID-19 pand emic compounded these disparities. AI/AN life expect ancy d ropped from an estimat ed 71.8 years in 2019 to 65.2 years in 2 021 t Indian Health Service 36 the same life expectancy as the general U.S. population in 1944.56 Continued investment in IHS is critical to redress these persistent health disparities and ensure the government is meeting its obligation to provide high-quality healthcare to AI/AN people. FUNDING SOLUTIONS The Administration has worked in partnership with tribal and urban Indian organization leaders, Congress, and other key stakeholders to advance policies to address chronic IHS funding challenges. In FY 2023, with support from tribes and the Administration, Congress achieved a historic milestone for Indian health: advance appropriations for IHS. This means that the FY 2023 appropriation included $5.1 billion in advance appropriations that automatically became available on the first day of FY 2024. Advance ap propriations provide critically needed and long overdue funding stability to the Indian Health system. IHS has successfully implemented the FY 2024 advance appropriation, and Indian Country is already seeing the benefits. The increased funding certa inty has enabled health programs to more effectively recruit and reta in staff, fund critical procurements of medical equipment or facility repairs, and conduct long-term budget and program planning. îìîñBuilding on the progress gained through advance appropriations, the budget includes $8.2 billion for IHS in FY 2025, an increase of $1.1 billion or 16 percent above FY 2023. Of this amount, $8.0 billion is 56Cen ters for Disease Control an dPrev en tion Na tional Cen ter for Health Statisti cs: Provisional Life Expe ctancy Estima tes for 2021 discretionary budget authority and $260 million is mandat ory funding for the Special Diabetes Program for Indians. The budget builds on the anticipated enactmentof advance appropriations for IHS in FY 2025 and prioritizes discretionary investments to maintain direct services, address targeted public health challenges, and continue progress to modernize th e IHS Electronic Health Record. The budget would also exempt all IHS funding from sequestration, in acknowledgement that any reduction in funding due to ’°P˚vmeet the healthcare needs of Indian Country. Looking beyond 2025, the Administration continues to support full mandatory funding for IHS as the most appropriate long-term funding solution. Beginning in FY 2026, the budget would provide mandatory funding for all IHS activities. Funding would grow automatically each year based on a formula that accounts for key inflat ionary factors, critical operational needs, and existing backlogs in both healthcare services

and facilities infrastructure. The Administration will continue to work collaboratively with tribes and Congress to move toward sustainable, mandatory funding. Until this solution is enacted, it is critical that Congress continue to prioritize advance appropriations for IHS through the discretionary appropriations process to ensure funding for healthcare services and facilities activities are not disrupted. The much needed budgetary certaint y that was achieved t hrough the enactment of advance appropriations must be maintained moving forward. Indian Health Service 37 INVESTING IN HIGH-QUALITY HEALTHCARE IN INDIAN COUNTRY The health disparities that persist in tribal communities illustrate the need for continued investment in direct healthcare services through IHS. In FY 2025, the budget includes $5.6 billion in the Services account, an increase of $722 million above FY 2023. This funding will ensure direct healthcare service levels are maintained and expand efforts to address the most pressing public health challenges facing Indian Country. Current Services The cost of providing healthcare continues to increase. To ensure direct healthcare services can be maintained, the budget includes $345 million in Current Services increases across the Services and Facilities accounts. This funding offsets the impacts of medical and non-medical inflation, population growth, and pay cost increases to ensure base healthcare funding is not eroded by inflationary factors. Fully funding Current Services will support the Indian Health system in providing over 14 million inpatient and outpatient visits, 1 million denta l health visits, 931,000 mental health visits, and over 100,000 substance use visits through key programs such as Hospitals and Health Clinics, Purchased/Referred Care, Dental Health, Mental Health, and Alcohol and Substance Abuse. Staffing and Operating Costs for New Facilities The construction of new facilities and expansion of existing facilities provides increased access to healthcare in Indian Country. In FY 2025, the budget includes $91 million to fully-fund staffing and operating costs for 4 new or expanded facilities, all of which were constructed through the Joint Venture Construction Program: Chugachmiut Regional Health Center in Seward, Alaska; Elbowoods Memorial Health Center in New Town, North Dakota; Fred LeRoy Health and W ellness Cent er in Omah a, Nebraska; and 57 Cen ters for Disease Control an dPrev en tion: Drug Ove rdose Prevention in Tribal Commu nities https://www.cd c.g ov/d rugove rdose /he alth-equ ity/tribal.html 58 Cen ters for Disease Control an dPrev en tion: Disparities an d Res ilien ce a mong American In dian and Alaska Na tive P eop le who are Preg nant or Postpartum https://www.cdc.gov /he arher/aian/d isparities .h tml Mount Edgecumbe M edical Cent er in Sitka, Alaska. As the budget was developed before Cong ress completed a ction on full year FY 20 24 appropriations, the request also includes $6 1 million to fully-fund staffing costs of 7 n ew or expanded facilities eligible for funds in FY 20 24 . Should Congress full y-fu nd these costs in FY 20 24 , this funding would become recurring and these increases would not need t o b eprovided again in FY 2025 . Addressing Targeted Public Health Challenges The budget includes t argeted investments with in IHS as part of broader Administration efforts t o ad dress our vı]}v[’}’’] Zoo˚vP°’ Àv }µvı„ v^-being, investm ents in Indian Country t hrough IHS will ensure the unique needs of AI/AN pat ients, who are disproportion ately impa cted by t hese issues, are addressed. The budget includes funding f or t he following t argeted efforts: O pioid and Substanc e Use ($2 1 million): The United Sta tescontinues to face an opioid crisis, and Indian Country has ex

perienced devastat ing impacts. CDCdat a indicates drug overdose death rates in AI/AN people rose 39 percent in a single year,the highest of any racial or ethnic group.57 The IHS Community Opioid Intervention Pilot Project addresses opioid use in tribal communities t hrough educat ion, prevention, treatm ent, harm reduction, and development of cu lturally appropriate knowledge and interventions. The budget includes an addit ional $ 10 million above FY 20 23 to expand these efforts a nd reach m ore tribal communities t hrough an estimat ed 38 addit ional grants. Mat ernal Health ($7 million): AI/AN women are t wo times as likely t o die of pregnancy- related causes than W hite women due to higher rates of un derlying ch ronic conditions and systemic barriers t o care including racism and economic barriers.58 To address t hese issues, the budget maint ains funding for t he IHS mat ernal health initiative, t o support obstet ric readiness in emergency d epartm ents Indian Health Service 38 and to esta blish a mat ernity care coordinator pilot program to increase access to high- quality p regnancy and postpart um care. Ending HIV and Hepat itis C ($1 5 million): IHS has ma de significant strides in ident ifying and treating pat ients with HIV and/ or Hepat itis C, outlined below. To expand and build onthese efforts, the budget includes a n increase of $10 million above FY 20 23 to support effort s to diagnose an d treat a ll HIV-positive pat ients as soon as possible, a nd increase use of p re- exposure prophylaxis. Preventive and Community He alth In addition t oproviding high-quality d irect p rimary and specialty h ealthcare services, IHS also administers several preventive and communit y health programs: Public Healt h Nursing, Health Education, Community Health Representatives, and t he Alaska Immunization program. Collectively, t hese p rograms ad vance community health and wellness th rough act ivities such as immun izations, pat ient educat ion, t ransportat ion, case mana gement,and home visiting. In 2 023, t hese programs provided over 288,000 public health nursing visits, over 439,0 00 community h ealth representa tive pat ient contacts, and served over 2 .5 million health educat ion clients. In FY 20 25,the b udget m ainta ins p rogramma tic funding a t FY 20 23 levels fo r Preventive Healt h programs an d invests a n additional $ 10 million to expand the Commun ity Health Aide Program, for a total of $15 million. This program, which builds on an innovative model developed in Alaska, employs a multidisciplinary network of highly t rained m id-level health aides that collaborate with h ealthcare p roviders to provide primary and specialty health care services like dental and behavioral health. The additional funding proposed in t he b udget would support continued establishment of area certification boards and training for prospective Commun ityHealth Aides. Direct Healt h Ca re Services t FY 20 26 and O utye ar Mandatory Appr oach Beginning in F Y 2026, the budget wouldmak e all funding in the Services account m andat ory. Fund ing for direct healthcare services would grow au tomatically to: Account for inflat ionary fact ors including Consumer Pri ce Index for All Consumers medical an d non-medical inflation, population growth, and pay cost growth; Provide staffi ng increases f or newly construct ed or expand ed h ealthca re facilities; Provide fundi ng for new federally-recognized tribes; Increase funding (+$11.6 billion over 5 years) to address the L evel of Need Gap documented by t he 2018 Indian Health Care Imp rovement Fund workgroup. The budget would continue growth for direct services once t he20 18gap is addressed; and Provide additional recurring funding beginning in FY 2026 for Long COVID t reatm ent ($13 0

million), to susta in investm ents m ade in the American Rescue Plan Act of 2 021 for behavioral health and public health workforce activities ($220 million), and for Beau Biden Cancer M oonshot act ivities($10 8 million). The budget also estab lishes a n ew dedicated funding stream of $150 million in FY 2026, that grows over t he budget window to $50 0 million in FY 2034 to address public health capacity an d infrastructu reneeds in Indian Country. This funding will support an innovative hub-and-spoke model t o address local pu blic health Indian Health Service 39 needs in partnership with tribes and urban Indian organizations. Esta blishing a new program to build public health capacity is a key lesson learned from the COVID-19 pandemic, and a top recommendat ion shared by tribal leaders in consultation with HHS. More than 70 percent of AI/AN people live in urban areas and may not be able to easily access an IHS or tribally-operated health facility. The Urban Indian Health Program provides a range of services to AI/AN people through a network of 41 urban Indian organizations across 22 states. These organizations provide culturally relevant primary care, community health, substance use services, behavioral health treatment, immunizations, and more. The budget maintains programmat ic funding for the Urban Indian Health Program, and will support an estimated 738,629 servicesfor urban AI/AN patients. The budget proposes to reauthorize the Special Diabetes Program for Indians for 3 years and provide $250 million in FY 2024, $260 million in FY 2025, and 59 British Medical Journal: Prev alence of diagn osed d iabe tes in American In dian and Alaska Nativeadu lts, 2006-2017 60 HHS As sistant Se cretary for P lann ing an d Eva luation I ss ue Brief : The Sp ecial Diabe tes Program for Indians Estimates of Me dicare Savings $270 million in FY 20 26 inmand at ory funding. The budget would exempt th is funding from ma ndat ory sequestrat ion. The SpecialDiabet es Program for Indians has reduced t he incidence of diabet es relat ed end-stage renal disease by 13 1.7 per million AI/AN adult s,59 and d emonstrated an estimat ed net-savings to Medicare of up to $52 0 million over 10 years d ueto averted casesof end-stage renal disease.60 These funding increases will enabl e t he p rogram t o expa nd t o addit ional grantees a nd allow local recipients to plan for larger and longer-term interventions more effectively. ENSURI NG ADEQUATE INF RAS TRUC TURE AND OPERAT IONAL CAPAC ITY In order to meet its mission and provide high-quality healthca re, IHS must maintain a robust portfolio of informat ion techn ology a n d facilities infr astructu re. The bud get prioritizes fundi ng t o ensure the agency can continue to modernize its Electronic Health Record, maint ain it s healthcare facilities a nd equipment , and has sufficient administrat ive funding t o appropriately oversee an d monitor its p rograms. Indian Health Service 40 The IHS health information technology infrastructure directly supports the delivery of quality healthcare. The Electronic Health Record is an essential tool for the provision of clinical care, administrative functions of hospitals and health clinics, and third-party billing for reimbursements that are foundational to the operating budgets of many health facilities. The current IHS Electronic Health Record is over 50 years old, and the Government Accountability Office identified it as one of the 10 most critical federal legacy systems in need of modernization.61 A modernized Electronic Health Record will advance patient safety and outcomes, expand clinical quality measures, enhance agency performance reporting, offer improved chronic disease and preventive health management, and provide more accurate and complete

insurance reimbursement. IHS is well underway on a mission-critical effort to modernize and replace its Health Information Technology infrastructure. Beginning in FY 2018, this multi-year effort has included in-depth research, establishment of core management and governance structures, initial interoperability pilots, industry outreach, staff recruitment, and consultations with tribal and urban Indian organization partners. In November 2023, IHS announced the selection of General Dynamics Information Technology, Inc. to build, configure, and maintain its new enterprise Electronic Health Record system using Oracle Cerner Technology.62 This announcement was a major milestone in the project, and future efforts will focus on building and testing thenew system, and preparing individual sites for deployment. The budget fully funds Electronic Health Record modernization effort from FY 2025 to FY 2030. In FY 2025, the budget includes $435 million in discretionary funding, an increase of $218 million above FY 2023, to support initial task orders to the contractor for the replacement Electronic Health Record and other key project activities. From FY 2026 to FY 2030, the budget provides an additional $1.3 billion each year in mandatory funding to fully-fund the t ransition to the new Electronic Health 61 Gov ernment Accountabili ty Offi ce Rep ort - In formation Te chn ology: Ag encies Nee d to Deve lopModernization P lans for Critical L eg acy Sys tems : https://www.g ao.g ov/as se ts/ga o-19-471.pd f 62 IHS Se lects Ne w Enterprise Electronic Heal th Rec ord Sys tem: https://www.ihs .g ov/n ewsroom/pres srelease s/2023-pres s-release s/ihs-se lects-new-en terprise-electronic-he alth-record-sys tem/ Record. This effort will require extensive staff, project and change management efforts, site transition planning, and individualized deployments of the new Electronic Health Record. Once the modernizat ion effort is complete, the budget ensures sufficient funding is maintained for ongoing maintenance of the new Electronic Health Record. IHS manages a comprehensive facilities and environmental health portfolio, including programs that support the planning and construction of healthcare and sanitation facilities, engine ering services, and facilities operations. On average, IHS hospitals are 39 years old, over 3 times the a ge of the average hospital in the United States. The existing space available in IHS healthcare facilities is approximately half of what is required to meet the Indian Health Service 41 needs of the AI/AN population63. Out dated facilities can pose challenges in provid ing p at ient care, recruiting a nd retaining staff, an d meeting accreditation standards. Aging facilities are a lso less efficient to operate a nd costlier t o ma intain. IHS has ma designif icant progress in exp anding access to high-quality facilities t in t he last 5 years, the agency has completed 11 major construction projects and h as made progress on t he p lanning, design, or construct ion of 2 1 addit ional project s. Since FY 20 22, IHS has allocated $1.4 billion in Infrastructu re Investment and Jobs Act funding to ad dress sanitat ion facilities n eeds across Indian Country. Construct ion hasbegun on 532 sanitat ion facilities projects t hat willexpand a ccess to water supply a nd wastewat er an d solid waste disposal facilit ies for 65 ,80 0AI/AN homes. D espite this progress, infrastructu re improvements continue to be an urgent need across th e Indian Health system. FY 20 25 Discret ionary Approach In FY 20 25,the b udget includes $9 94 million for Facilities act ivities, an increase of $ 35 million above FY 20 23 . The requested funding increase would offset the impacts of inflation a nd ensure necessary staffing costs within the Facilities a ccount are a ddressed. Programmatic funding is ma intained at FY 20 23

levels across the Health Care Facilities Construc tion, Sanitation Facilities Constru ction, Ma intenance and Improvement, a nd Equipment programs, ensuring t hat progress toward redressing l ongstanding f acilities backlogs continues in FY 20 25. FY 20 26 andO utye ar Mandatory Approach Beginning in F Y 20 26,the budget would make all funding in the Facilities a ccount mandatory. Fund ing would grow au tomatically to: Account for inflat ionary fact ors including Consumer Pri ce Index for All Consumers medical an d non-medical inflat ion, population growth and pay cost growth; Provide staffi ng increases f or newly construct ed or expand ed h ealthca re facilities; Increase funding by $1.2 billion per year from FY 20 26 to FY 20 30 to address th e remaining projects on the 1993 Health Care Facilities Construct ion Priority List. Funding will continue to increase each year starting in FY 20 31 to address th e full scope of Facilit ies 63 X 64 needs as identified in the most recent IHS Facilities Needs Assessmen t Report to Congress;64 Increase funding for Sanita tion Facilities Construct ion sta rting in FY 202 7, to buildon the significant resources appropriated for t his program through FY 202 6 through the Infrastruct ure Investment and Jobs Act; Provide funding increases i n FY 20 26 and FY 20 27 forMaintenance and Improvement (+$1 billion) and Medical Equipment (+$227 million) to address existing b ack logs. Once these backlogs a re ad dressed, the budget ensures suffic ient funding is maint ained for ongoing maintenance and equipment needs; and Increase funding for Facilitie s and Environmental Health Support proportional to growth in theother IHS facilities p rograms t o ensure a dequate staffing and operat ional capacit y t o carry out proposed facilities funding increases. It is critical that IHS has sufficient administrative resources to meet its mission and ensure proper oversight and administration of its programs. In FY 2025, the budget includes $112 million for Direct Operations, an increase of $6 million above FY 2023, to bolster core management and inherently federal functions. The budget also includes an additional $4 million in FY 2025 to offset the cost of centrally charged assessments; as without dedicated funding, these costs erode available fundingfor core administrative activities. Beginning in FY 2026, Direct Operations funding would be mandatory and would grow by 25 percent each year to ensure the a gency maintains adequate oversight, funding implementation, and quality improvement activities. Legislative Proposals In addition to proposed investments to ensure IHS has adequate operational capacity, the budget also includes several legislative proposals tha t would provide IHS with critical new or expanded authorities to address operational issues. Many of these proposals ’°°vZvP°vÇ[„° retain healthcare providers, and provide parity with other federal agencies to increase competitiveness 42 when h iring for key positions. The IHS, as a rura l health care provider, experiences difficulty recrui ting an d retaining health care professionals, physic ians and other p rimary ca re clinicians in pa rticular. Staffing shortages are pa rticularly prevalent in thebehavioral and mental health fields, which ha s only ex acerbat ed the concurrent substa nce use crisis and suicide crisis tha t tribes a cross th e count ry are facing in t heir communities. Workforce challenges t and the impact s on care that come with them t are one of t he t op concerns ra ised to the D epartment b y t ribes. The proposed legislative chan ges would: Extend Title 38 personnel auth orities, t o enable IHS to offer specializ ed p ay a nd benefits for health providers; Provide t ax exemption for recipients of IHS scholarship a nd loan repayment benefits, and allow these

recipients to meet their service obligations on a h alf-time basis; Enable IHS to fulfill mission-critical emergency hiring needs; Provide IHS a uthority to hire an d pay ex perts and consultants; Enable IHS to provide on-call pay to its healthca re providers; and Enable U.S. Pu blic Health Service Commissione d Corps office rs to be d etailed to Urban Ind ian Organizations. STRENGTHENING SELF-GOVERNANCE Ensuring the input and expertise of tribal communities are reflected in health programming is key to successful service delivery and improved health outcomes. In recognition of this, the Indian Self-Determination and Education Assistance Act allows tribes to enter contracts or compacts to directly administer health programs that would otherwise be administered by IHS. These contracts and compacts are a critical expression of the sovereign nation-to- nation relationship between the United States and each individual tribe. Through these agreements, tribes design and manage the delivery of individual and community health services through 23 hospitals, 339 health centers, 76 health stations, 147 Alaska village clinics, and 7 school health centers across Indian Country. The budget maintains support for tribal self-determination and self-governance, in acknowledgment that tribes themselves are best positioned to address the unique Indian Health Service healthcare needs of their communities. The budget maintains funding for the IHS Self-Governance and Tribal Management Grant programs, ensuring tribes have sufficient support to carry out their programs. Contract support costs are the necessary and reasonable costs associated with administering the contracts and compacts through which tribes assume direct responsibility for IHS programs and services. These are costs for activities the tribe must ca rry out to ensure compliance with the contract but are normally not carried out by IHS in its direct operation of the program. In FY 2025, the budget fully funds Contract Support Costs at an estimated $979 million through an indefinite discretionary appropriation. Under th e mandat ory formula starting in FY 2026, Contra ct Support Costs would be funded through an indefinite mandat ory appropriation that grows with inflat ion and is maintained across the budget window t o ensure these costs are fully funded each year. The budget also proposes new authority for IHS to spend not more than $10 million under the indefinite appropriation for the management, oversight, and staffing costs associated with carrying out Contract Support Cost payments. This funding is critically needed to update systems and processes and hire staff to administer payments under this rapidly growing program. Indian Health Service 43 oThe Indian Self-Determination and Education Assistance Act requires IHS to compensate t ribes for reasonable operating costs associated with facilities leased or owned by tribes and tribal organizations to carry out health programs under t he Act. In FY 2025, the budget fully funds Section 105(l) Leases at an estimated $349 million through an indefinite discretionary appropriation. Under the mandatory formula starting in FY 2026, Section 105(l) Leases would be funded through an indefinite mandatory appropriation tha t grows with inflation a nd is maintained across th e bu dget window t oensure these costs a re fully funded each year. The bud get also proposes n ew a uth ority forIHS to spendnot more t han $10 million under the indefinite appropriation for t he mana gement, oversight, a nd staffing cost s associated with carryingout Section 105 (l) Lea se payments. This funding is critically n eeded to u pdat e systems and processes a nd hire staff t o administer payment s under this rapidly growing p

rogra m.Centers for D isease Control and Prevention 44 Centers for Disease Control and Pr evention The following tables are in millions of dollars. CDC Programs65 2023 202466 2025 2025 +/- 2023 Immunization and Respiratory Diseases 919 919 969 +50Prevention and Public Health Fund (non-add) 419 419 469 +50HIV/AIDS, Viral Hepatitis, Sexually Transmitted Infection and Tuberculosis Prevention 1,391 1,391 1,391 --Emerging and Zoonotic Infectious Diseases 751 751 781 +30Prevention and Public Health Fund (non-add) 52 52 52 --Chronic Disease and Health Promotion 1,430 1,430 1,559 +129Prevention and Public Health Fund (non-add) 255 255 255 --Birth Defects, Developmental Disabilities, Disabilities & Health 206 206 206 -- Environmental Health 247 247 267 +20Prevention and Public Health Fund (non-add) 17 17 17 --Injury Prevention and Control 761 761 943 +182Public Health Service Evaluation Funds (non-add) -- -- 100 +100Public Health and Scientific Services 755 755 804 +50Prevention and Public Health Fund (non-add) -- -- 183 +183OccupationalSafety and Health 363 363 363 --Global Health 693 693 693 -- Domestic Preparedness67905 905 943 +38Buildings and Facilities 40 40 40 --Crosscutting Activities and Program Support 724 724 724 --Prevention and Public Health Fund (non-add) 160 160 210 +50Agency for Toxic Substances and Disease Registry (ATSDR) 85 85 85 --Subtotal, CDC Programs65 9,269 9,269 9,768 +499Total CDC Funding 2023 2024 2025 2025 +/- 2023 Total Program Level (All Sources) 15,249 17,303 19,803 +4,554Less Funds from Other Sources Vaccines for Children68 5,217 7,213 8,040 +2,823Vaccines for Adults t Proposed LawMandatory58 -- -- 1,004 +1,004Community Violence Intervention Initiative t Proposed Law Mandatory58 -- -- 150 +150World Trade Center Health Program58 710 768 788 +78Public HealthService Evaluation Funds -- -- 100 +100Prevention and Public Health Fund 903 903 1,186 +283Energy Employee Occupational Illness Compensation Program58 51 51 51 --User Fees 2 2 2 -- 65 ı}ı µı]À]ı ı}ıoU „}P„ u'µˆ °'µˆ P°ıÇU „°À°v ı] vˆ Pu blic Health F un ds , an d Pu blic Health S ervice Eva luation fu nd s. Exclud eseme rgency su ppleme ntal appropriations . 66 Reflects an nu alized f un dingava ilable u nd er a Continu ing Resolution, unles s otherwise noted. 67 Domes tic P reparedn ess total for FY 2023 and FY 2024 is compa rably ad jus ted to ref lect $22 mill io n a pp ropriated to the Pu blic Health a nd Social Services E merge ncy Fund for HHS P rotect , within CDC. 68 Reflects e stimates f or current and p ropose d mandatory programs. Vaccine s for Children : FY 2023 and FY 2024 total ref lects lates t es timate u nder current law, FY 2 025 total ref lect s es timate u nder propose d law to ex pan d Va ccine s for Children to includ e a ll indi viduals °v „}oo°ˆ]oˆ„°v ['µ vˆ°'oµˆ]d provide r administration f ee s that are captured in the Medicaid account an d chap ter. Commu nityViolen ce I nterve ntion I nitiative : FY 2025 includ es a total of $2. 5 billion ov er 10 yea rs in mand atory ($150 mill ion p er yea r) an d d iscretionary ($100 million pe r year)fu nd ing. World Trade C en ter Health P rogram fund s reflect current es timates forfe de ral s hare only an d d oes not ref lect res ources app ropriated in F Y 2023 to the Su pp lemental Fu nd or in F Y 2024 to the Sp ecial Fund an d Pentag on/Sh anksville F un d. Energy Employees Occup ational Il lne ss Compe ns ation Program A ct amou nts reflect pos t-se ques ter. Centers for D isease Control and Prevention 45 Total CDC Funding (Continued) 2023 2024 2025 2025 +/- 2023 Total Budget Authority (including ATSDR) 8,366 8,366 8,482 +116Full-Time Equivalents (including ATSDR) 12,928 13,265 13,441 +513Strengthening Biodefense (non-add) t Proposed Law Mandatory69 -- -- 6,100

+6,100The Cente rs for D isease Control and Prevention works 24/7 to prote ct America from he alth, safety, and sec uritythre ats, bot h fore ign and in the United State s. Whet her dise ases st art at home o r ab road, are chronic o r acut e, curableor preve ntab le, human erro r o r de liberate attack, the CDC fights disease and support scommunities and citizens to do t he same. CDC increase sthe health secu rity of our nation. oıZ ı˚ı P˚v o]À˚ prot ects people from he althThre ats. To accomplish it s mission, CDC conduct s c riticalscience and provides health information that protects our n ation against ex pensive and da ngerous he alth t hreats and respo nds whe n these thre ats arise.The Centers for Disease Control and Prevention (CDC) works 24/7 to equitably protect health, safety, and security, at home and abroad. With strategic and complementary investments, budgetary flexibilities and additional legislative authorities included in the FY 2025 budge t, CDC will aim to build a sustainable and resilient public health system that can respond effectively to emerging threats and ongoing public health needs to keep Americans safe and healthy. CDC will also advance several targeted public health priorities to rapidly identify and respond to health threats, protect the health of young families, and respond to the mental health and opioids crises. The FY îì˚’ P˚]voμˆ˚s $19.8 billion in total mandatory and discretionary funding for CDC and the Agency for Toxic Substances and Disease Registry (ATSDR). This total includes $8.6 billion in discretionary funding, $1.2 billion from the Prevention and Public Health Fund, and $10.0 billion in current and proposed funding for mandatory programs, including legislative proposals to initiate a Vaccines for Adults Program, expand the Vaccines for Children Program, and support the Community Violence Intervention initiat ive. In addition, the FY 2025 budget includes $20.0 billion in mandat ory funding across HHS to strengthen biodefense, which is reflected in the Public Health and Social Services Emergency Fund, with $6.1 billion allocated to CDC. RAPIDLY IDENTIFY AND RESPOND TO PUBLIC HEALTH THREATS The FY 2025 budget maintains investments in core capabilities to enhance thepublic health system at federal, state, and local levels, and includes several 69 The FY 2025 budg et also p rovides $20.0 billion i n m and atory fu nding across HHS f or stren gthe ning b iode fense, which is ref lected in the Pu blic Health a nd Social Services Emerge ncy Fund chap ter. Of this total, CDC wil l receive $6.1 billi on. ıu }ı]} μo] ˆı›˚](]ooPublic Healt h Data Modernization efforts are supported a t a program level of $ 22 5 million, a n increase of $5 0 million above FY 20 23 . CD Cwill support state, local, t ribal, and territorial jurisdictions to build infrastructure necessary for sharing standa rdized data a cross interoperable public an d private health d elivery systems . CDC will continue to support technical a ssista nce a nd deploy CDC-developed t ools th at enable h ealth departm entsto achieve great er efficiency and avoid duplicativemodernization costs.In a ddition, the bu dget establishes $6 0 million within CDC t o continue t o ma nagethe Response Read y D at a Enterprise Int egration platform, the n extgeneration of HHS Protect , a government-wide resource th at integrates more t han 200 dat a sources a cross federal, state, a nd local government s and the healthcare industry. This investment will a llow CDC to maint ain functionality of the platform, which willcontinue to provide t imely information t o support evidence-based decision-mak ing for current a nd emerging p ublic health threat s. La unched in April 20 22 with supplementa lfunding from the American Rescue Plan Act of 2 021 , the Center for Forecastin g and Out break Analytics has enabled timely, effective

decision-mak ing t hrough innovat ive dat a analyticand modeling app roaches. With $50 million included in theFY 20 25 budget, CDC will ›„]}„] vnat ional network focused on developing a coordinated, nat ional health security approach t o prepare for disease out breaks which supports 13 p rimary recipients who are connected to morethan 1 00 private sector, academic, and 2 4 stat e an d localpart ners. 46 The FY 2025 budget includes $20.0 billion in mandatory funding across HHS to support the °’ transform U.S. capabilities to prepare for and respond rapidly and effectively to future pandemics and other high consequence biological threats. Of this total, $6.1 billion will be allocated to CDC to modernize and build laborat ory capacity, strengthen public health data systems; enhance domestic and global disease surveillance, biosafety, and biosecurity efforts; and support capabilities for monitoring and evaluating vaccine and medical countermeasure safety and effectiveness. CDC leverages critical cross-cutting resources to effectively implement, manage, and provide oversight of federal funding appropriated to CDC. The budget includes $129 million for Public Health Leadership and Support to maintain ›]ı}’ functions including policy, science, and communicat ions, and support implementation of recommendations from CDC Moving Forward. In addition, the budget includes $350 million for Public Health Infrastructure and Capacity, flexible funding first enacted in FY 2022, which will continue to address gaps in core public health capacity and infrastructure at the national, state, territorial, tribal, and local levels. The budget also includes targeted investments in other essential components of the public health system, including physical infrastructure, workforce pipeline programs, and laboratory science. With $40 million for Buildings and Facilities, CDC will continue to work toward reducing a $241 million maintenance and repairs backlog across all CDC and ATSDR campuses. Centers for Disease Control and Prevention The budget also includes se veral legislativ e au thorities to allow CDC to function as a public health response agency m ore effectively a n d efficiently. This includes addit ional authorities to: { Recruit a nd reta in pu blic health professio nals; { Limit ca ps onovertime payfor employees working on response operat ions; { Provide dange r pa y adj ustments t o employees serving in high-risk environment s; and { Collect necess ary pub lic h ealth data. In addition, the budget includes a legislative proposal that would allow CDC to dedicate a small percentage of funding to support a team of response-ready staff for short and long-term emergency details or deployments. This would allow CDC surge staff faster and stop the spread of disease before it becomes a widespread outbreak. The most effective and least expensive way to protect Americans from infectious diseases and other health threats that begin overseas is to prevent, detect, and respond to outbreaks before they spread to the United States. CDC leads many critical aspects of U.S. government-wide efforts to address global health challenges worldwide including immunization, malaria, HIV, tuberculosis, and antimicrobial resistance. CDC, as vıo˚the U.S. government lead for infectious disease response, enhances global health security and works with countries to prevent, detect, and respond to public health threats, whether from humans, animals, vectors, or the environment, before they spread into regional epidemics or global pandemics. The budget u]vı°’ıu work to end vaccine-preventable diseases ($230million) and the global HIV ($129 million) and tuberculosis ($12 million) epidemics, and efforts to health security ($293 million). The FY 2025 budget highlights

critical investments to enhance vaccination efforts to mitigate the health impacts of infectious diseases. The budget includes $732 million for Domestic Immunization infrastructure, including an additional $50 million above FY 2023 to support ongoin g work on COVID-19 and the highest priority activities of the immunization program, including building vaccine confidence, while providing dedicated resources to urgent public threats like Centers for D isease Control and Prevention 47 influenza, COVID-19 , a nd localized outbreak s of vaccine-preventable illness. Funding at this level will also support staffing ex pertise n eeded for effective nat ional public h ealth monitoring and p revention of respiratory viruses. This inv estm ent continues efforts to modernizeimmunization informat ion systems, including enh ancement of respiratory sur veillance systems and platforms; implementat ion of new strategies for vaccine equity, building va ccine confidence, and expand ingthe scientific evidence ba se. As a complement t othe successful Vaccin es for Children Program , the b udget proposes estab lishing the Vaccines for Adults Program . This n ew ma ndat ory program will provide uninsured ad ults with access t o routine a nd outb reak vaccines recommended b y t he Advisory Com mitt ee on Immunization Practices. The budget would also ex pand the Vaccines fo r Children Program to include all children un der a ge 1 9 enrolled in ’°›„ı}P„u and mak e program improvements, includingsett ing a floor for provider reimbursements for vaccine administrat ion and coverthe va ccine administrat ion fee for uninsu red children without sta te share, eliminat ing cost sharing for all Vaccines for Children eligible childr en. The budget prioritizes funding to address the ongoing risk of antimicrobial resistance. With $207 million, an additional $10 million above FY 2023, CDC will increase investments in state, territorial, and local capacity to detect and prevent emerging and existing threats through strengthened infection prevention and control, antibiotic stewardship data collection, and healthcare quality improvement efforts. This investment will provide support to implement and achieve the goals under the National Action Plan for Combating Antibiotic-Resistant Bacteria, 2020-2025. 48 The FY 2025 budget establishes $20 million within Emerging Infectious Disease funding wastewater surveillance activities. This investment will allow CDC to support a wastewater surveillance program, which to this point has been supported solely with COVID-19 supplemental resources. New base funding will allow CDC to support wastewat er surveillance activities in select locations, such as major metropolitan areas and areas of high social vulnerability. CDC would maintain COVID-19 surveillance and develop testing capabilities for a limited number of infectious diseases for emergencies and pandemic preparedness. Wastewater surveillance has proven to be a critical public health surveillance and detection tool. Increases of SARS-CoV-2 levels in wastewater generally occur 4-6 days before corresponding increases in clinical cases of COVID-19, so wastewater surveillance can serve as an early-warning system for the emergence, or reemergence, of COVID-19 in a community. Also, wastewater surveillance offers an efficient way to monitor for pathogens in sewer sheds that serve several thousand to several million residents. Research indicates wastewater surveillance can detect MPox even when there are only a few cases in the community. The budget includes $220 million to continue to advance This work will reach disproportionately affected populations, including gay and bisexual men of color, tran sgender and cisgender Black/African

American women, and people who inject drugs. Centers for Disease Control and Prevention PREVENTING CHRONIC DISEASES AND PROMOTING HEALTHY LIVING ı„ıbold effort to accelerate progress in cancer research and aims to make more therapies available to more patients. To support the Cancer Moon shot Initiative goals, the FY 2025 budget includes $756 million, an increase of $100 million above FY 2023, to support cancer prevention and control programs across CDC, including tobacco prevention. This investment will allow CDC to fund cooperative agreements with states, territories, tribes, or tribal organizations, and other eligible organizations to implement four major cancer control programs: Breast and Cervical Cancer, Colorectal Cancer, Comprehensive Cancer, and Cancer Registries. The budget will also continue to support surveillance, education, awareness, and applied research related t o breast cancer in young women, cancer survivors, and prostate, ovarian, skin, and gynecologic cancers. The FY 2025 budget invests an additional $10 million above FY 2023 in CDC programs a imed at reducing maternal mortality. This additional funding will support CDC activities related to building the nat ional infrastructure for maternal mortality prevention, including Maternal Mortality Review Committees, Perinatal Quality Collaboratives, CDC Levels of Care Assessment Tool, and the Hear Her Campaign. Funding will support implementation of multi-level maternal mortality prevention activities in communities with a Centers for D isease Control and Prevention 49 (} ›}'ı› „ıµu Funding will also supp ort states in leveraging p ublic health infrastructu re t o ensure pregnant and postpa rtum women get t he right ca re, in the right place, and at the right time. BUILDING PUBLIC HEALTHAPPROACHES T O IMPROV E MENTAL HEA LTH AND R EDUCE INJURY AND V IOLENCE ı]}v[' À]}o˚ injury prevention. CD C is focused on p riorities including p reventing injury and violence, protecting youth, and a ddressing urge nt threats like suicide. The FY 20 25 budget includes $ 943 million in discretionary funding for injury p revention act ivities, an increase of $182 million above FY 20 23 . Within t his total, CDC will expand a ctivities relat ed t o suicide prevention (+$38 million) adverse childhood experiences (+$21 million), firearm injury and m ortality research (+$23 million), commu nityand youth violence prevention (+$1 00 million),and opioid overdose (+$0.5 million). In addition, t he FY 202 5 budget includes a n increase of $0 .4 million within the National µ›ı ı}ı o support t he Firefighter Fatality Investigation Program. Suicide prevention has historically focused on crisis intervention and referring people to mental health treatment. CDC data have shown that about half of individuals who die by suicide do not have a known mental health condition. Many factors can increase the risk of suicide at the individual, relationship, community, and societal levels, including issues related to substance misuse, physical health, jobs, money, interpersonal violence, stigma, and access to lethal means among people at risk. The FY 2025 budget requests $68 million, $38 million above FY îìî(}}u›„˚Z˚v']Suicide Prevention Program. The program supports recipients as they implement and evaluate a comprehensive public healt h approach to suicide prevention with a special focus on populations that are disproportionately affected by suicide. This approach involves highlighting strategies at all levels of society. , 'µ] The increase in FY 2025 will allow CDC to support an additional 21 states (a total of 45 states) and 4 tribal organizations. Centers for D isease Control and Prevention 50 Adverse child hood experiences are p otentially trau mat ic event s th at occur in childhood (0-17 years),

including experiencing violence, abuse, or neglect, having a family member attempt or dieby suicide, or growing up in a household with substa nce use a nd/ or menta l health p roblems. Adverse childhood experiences can have a tremendous impact on future violence victimization and perpetrat ion,lifelon g health and opportunity, and are a ssociated with at least 5 of the 10 leading ca uses of deat h, including a significant relationship t o t he fut ure risk of suicide a nd menta l health challenges. CDC works t o und erstand adverse childhood experiences and invests in t hepotent ial of all children by p reventing adverse childhood experiences in families and communities. The FY 2 025 budget request includes $ 30 million, a n increase of $2 1 million above FY 2023. With addit ional funding, CDC will increase th e nu mber ofstates, territories, localities, and tribes implementing prevention strat egies a nd approaches in their communities through its Ess entials for Chil dhood: Preventing Adverse Childho od Experiences t hrough Da ta to Action Program. Recipients leverage mu lti-sector p artn erships and reso urces t o improve adverse childhood experiences and positive childhood experiences s urveillance infrastruct ures and t he coordinat ion and implementa tion of adverse childhoo d experiences prevention strat egies. This in creases stat e capacit y t o develop and susta in a surveillance system that collects, uses, and disseminates data on adverse childhood experiences and positive childhood experiences, including dat a used to identify health inequities and increases implementation and reach of adverse childhood experiences prevention strategies that help to promote safe, stable, nurturing relationships and environments where children live, learn, and play. Firearm-related injuries are among the 5 leading causes of death for people ages 1 to 44 in the United States. In 2022, there were more than 48,000 firearm-related deat hs in the United States according to provisional mortality data t approximately 132 people die from a firearm-related injury each day. More than half of firearm-related deaths were suicides and more than 4 out of every 10 were firearm homicides. The FY 2025 budget includes $35 million, an increase of $23 million above FY 2023, to provide additional funding opportunities to support research grants to improve understanding of firearm injury, inform the development of innovative and promising prevention strategies, and rigorously evaluate the effectiveness of strategies to keep individuals, families, schools, and communities safe from firearm-related injuries, deaths, and crime. CDC will also fund additional research grants to support new investigat ors and will focus on improving collection and dissemination of timely data on firearm-related deaths, data on nonfatal firearm injuries, and data on behavioral issues related to Centers for D isease Control and Prevention 51 firearms such as safe storage. This will include the expansion of the Firearm Injury Surveillance Through Emergency Rooms Program to all 50 states. Youth violence is a serious problem t hatcan have lasting h armful effects on victims and their families, friends, a nd communities. In 2 021, 2 6,031 lives were lost to homicide. Homicideis t he t hird leading cause of deat h amongyouth and young ad ults aged 1 0t34. À]}o the first place. The FY 2025 budget includes $118 million in discretionary resources for community and youth violence and prevention. Of this total, $100 million is dedicated to the Community Violence Intervention Initiative. The Budget also proposes an additional $150 million in mandatory resources in FY 2025, for a total of $2.5 billion over 10 years in mandat ory and discretionary resources. The Community Violence Intervention Initiative will support

community-based organizations in up to 75 cities demonstrating the greatest need as they implement proven public health strategies that reduce violence. Research, surveillance, and program evaluation efforts will be similarly prioritized to emphasize those interventions and populations where evidence is strongest that public health approaches will reduce the burden of community violence. PROTECTING AGAINST ENVIRONMENTAL HEALTH HAZARDS CDC helps protect Americans from environmental hazards by addressing environmental factors that could otherwise pose health risks and works to ensure the safety of the air they breathe, the water they drink, the food they eat, the soil in which they grow their food, and the environment in which they live, work, and play. The FY 2025 budget includes $267 million, an increase of $20 million above FY îîîenvironmental health activities. This increase includes an additional $10 million for the Childhood Lead Poisoning Prevention Program and additional $10 million for a pilot program to provide portable High Efficiency Particulate Air filtration systems for homes in communities most affected by exposure to wildfire smoke, and to better understand the feasibility and health impact of installing such systems. ATSDR is the only federal health agency that works directly with concerned citizens to address environmental ha zards and responds to requests for assista nce from communities across the na tion. ATSDR works to better understand the human health effects of haz ardous substances and supports local efforts to investigate and take action to reduce harmful exposures in our communities. ATSDR achieves this work by responding to environmental health emergencies; investigating emerging environmental health threats; conducting research on the health impacts of hazardous waste sites; and building capabilities of, and providing actionable guidance to, state and local health partners. In 2023, ATSDR responded to over 720 community, state, and federal requests for assistance. Over the last 2 years, ATSDR has also conducted more than 60 assessments in communities across the country and evaluat ed the health risks of over 600,000 people. ATSDR has aided state, territorial, local, tribal, and federal partners during many environmental disasters over the last several years, including the train d erailment and resulting chemical spill in East Palestine, Ohio, in February 2023. The FY 2025 budget includes $85 million for ATSDR to protect communities from harmful environmental exposures and build on current capacity to respond, provide assistance, and prevent harmful effects. National Institutes of Health 52 National Institutes of Health The following tables are in millions of dollars. Institutes/Centers70 20237172 20247374 2025 2025 +/- 2023 National Cancer Institute 7,317 7,104 7,839 +522National Heart, Lung, andBlood Institute 3,985 3,982 3,997 +12National Institute of Dental and Craniofacial Research 520 520 522 +2National Institute of Diabetes and Digestive and Kidney Diseases 2,303 2,301 2,310 +7National Institute of Neurological Disorders and Stroke 2,809 2,675 2,834 +24National Institute of Allergy and Infectious Diseases 6,562 6,562 6,581 +20National Institute of General Medical Sciences 3,240 3,240 3,249 +10Eunice K. Shriver National Institute of Child Health and Human Development 1,748 1,749 1,766 +19National Eye Institute 896 897 899 +3National Institute of Environmental Health Sciences: Labor/HHS Appropriation 914 914 917 +3National Institute of Environmental Health Sciences: Interior Appropriation 83 83 83 -- National Institute on Aging 4,412 4,408 4,425 +13National Institute of Arthritis and Musculoskeletal and Skin Diseases 688 685 690 +2National

Institute on Deafness and Communication Disorders 534 534 536 +2National Institute of MentalHealth 2,342 2,199 2,549 +207National Institute on Drugs and Addiction75 1,663 1,663 1,668 +5National Institute on Alcohol Effects and Alcohol-Associated Disorders73 597 595 599 +2National Institute of Nursing Research 198 198 198 +1National Human Genome Research Institute 661 663 664 +3National Institute of Biomedical Imaging and Bioengineering 441 441 442 +1National Institute on Minority Health and Health Disparities 525 524 527 +2National Center for Complementary and Integrative Health 170 170 171 +1National Center for Advancing Translational Sciences 923 923 926 +3Fogarty International Center 95 95 95 +0National Library of Medicine 495 498 527 +31Office of the Director76 2,647 2,650 3,008 +36121st Century Cures Innovation Account77 419 235 36 -383Buildings and Facilities 350 350 350 --70 Totals may not add du e to rounding.71 The FY 2023 column reflects final lev els, includ i ng requ ired transf ers a nd HIV/AIDS pe rmiss ive trans fe r. 72 The FY 2023 column reflects final lev els, includ i ng requ ired a ndpe rmiss ive transfers. 73 The FY 2024 annu alized continu ing resolution co lumn reflects FY 2024 21s t Cen tury Cures Act auth orized am oun ts a nd d oes n ot ref lect the HIV/AI DS permiss ive trans fe r. 74 The FY 2024 column representsthe a nn ualized amoun ts p rovided in the FY 2024Continu ing Resolution (Division A of Pu blic Law 118-15). 75 The FY 2025 budg et propos es to chang e the name of the National Ins titute on Drug Abu se to the N ational Ins titute on Drugs and Add iction, and t o chang e the name of the National Ins titute on A lcohol Abus e and Alcoholism t o the N ational Ins titute on A lcoh ol Effe cts and Alcohol-As sociated Disorde r s. 76 Amou nts for all fiscal yea rs reflect directed trans fe r of $5 million to the HHS Offic e of In spe ctor G en eral. 77 Total au thorize d f un dingava ilable throug h the 21st Cen tury Cures Act in FY 2024 is $407 milli on, with $86 mi lli o n a llocated to th e National Ins titut e of Ne urological Disorde rs an d S troke, $86 millio n a llocated to th e N ational Ins titute of Me ntal Health, an d $235 mill ion remaining in the In nova tion Account. Total au thorized f un ding available throug h the 21st Ce nturyCures Act in FY 2025 is $127 milli on, with $45.5 million a l l ocated to the National Ins titute o f Ne urological Di sorde rs an d S troke, $45.5 mill ion a llocated to the Na tional Ins titute of Mental Health, a nd $36 million r ema ining in the Inn ovation Acco un t. National Institutes of Health 53 Mandatory Funding 2023 2024 2025 2025 +/- 2023 Special Type 1 Diabetes Current Law78 141 150 -- -141Special Type 1 Diabetes Proposed Law76 -- 100 260 +260Subtotal, Special Type 1 Diabetes 141 250 260 +119Cancer Moonshot -- -- 1,448 +1,448Total NIH Funding 2023 2024 2025 2025 +/- 2023 Total,Program Level 47,678 47,109 50,117 +2,438Less Funds from Other Sources -1,554-1,662-3,726-2,173Public Health Service Evaluation Funds -1,412-1,412-2,018-606Mandatory Funding t Type 1 Diabetes (Proposed and Current Law) -141-250-260-119Mandatory Funding t Cancer Moonshot -----1,448-1,448NIH Total, Discretionary Budget Authority 46,125 45,447 46,390+265Strengthening Biodefense (non-add)79 -- -- 2,690 +2,690NIH Appropriations 2023 2024 2025 2025 +/- 2023 Labor/HHS Appropriation 46,042 45,364 46,307 +265Interior Appropriation 83 83 83 --Advanced Research Projects Agency for Health80 2023 2024 2025 2025 +/- 2023 Advanced Research ProjectsAgency for Health (ARPA-H) 1,500 1,500 1,500 -- NIH and ARPA-H Total, Discretionary Budget Authority 47,625 46,947 47,890 +265NIH and ARPA-H Total, Program Level 49,178 48,609

51,617 +2,438]}vov’ı]ıμ ı˚ ’˚oıZ u]’’]}v^u˚vı v}Áo˚^P˚ ıZ vıμ„˚}systems and the application o f tha t k nowledge to enhance health , le ngthe n life, an d re duce illness an d d isability. The Nat ional v’ı]ıμı ˚’’’ uncover newknowledge t hat will leadto better health for everyone. NIH works toward that m ission by conducting research in its own laborat ories; supporting the research of non-federal scientists in universities, medical schools, hospitals, a nd research institut ions throughout the count ry andabroad; helping t rain research inves tigators; and fostering com municat ion of medical an d health sciences information. NIH research occurs not only in the laboratory an d the clinic, but a lso in communities a cross th e count ry. Recent experiences with t he COVID-19 pandemic and its aftermat h,and a persistent decline in life expecta ncy in the United States, demonstrat e a need for critical n ew areas of investm ent in clinical and translational research. To tack le th e m ost persistent and complexproblems, NIH aims to bringmore members of the public int othe research enterprise as part ners in discovery. Income, a ge, race, et hnicity, geographic loca tion, and d isability stat us should not be 78 Reflects ma nd atory seq uester of 5.7 pe rcen t in F Y 2023. FY 2024 current law figure rep rese nts annu alized leve l ofFY 2024 Con tinu ing Resolution. The FY 2025 bud ge tpropose s the reauthorization of the m and atory program at $250 mill ion in FY 2024, $260 mill ion i n FY 2025, an d $270 milli on in FY 2026. The bu dget also p ropose s to exe mpt this fun ding from mand atory s eq ues tration. 79 The FY 2025 budg et also p rovides $20.0 billion i n m and atory fu nding across HHS f or stren gthe ning b iode fense, which is ref lected in the Pu blic Health a nd Social Services Emerge ncy Fund chap ter. Of this total, NIH w il l receive $2. 7 billi on. 80 The FY 2025 budg et captures ARPA-H within NI H for display pu rpose s inf ormedby the ARPA-H FY 2023 authoriza tion lang uag e; HHS is pres en ting se parate b ud get ma terials for ARPA-H. barriers t o pa rticipat ing in research or t o benefitting from research a dvances. } connect research t o communit ies of all types. Traditional clinical research n etworks primarily ex ist in aca demicmedical cent ers and aim to recruit people with specific condit ions. However, m any people, especially t hose in rural and other u nderserved areas, d o not have a ccess to t hese t ypesof t rials and often do not benefit from the resulting knowledge. To ta ke advant age of new ca pabilities in da ta science, such as a rtificial intelligence t o improve health, NIH must developand maintaina clinical dat a infrastructu re ext ending well b eyond conventional clinical t rials that encompasses all communit ies. The FY îì˚’ P˚ ›„}À] ìXí billion in discretionary a nd mandatory resources for NIH, an increase of $2 .4 billion above FY 20 23 . The NIH budget continues vital work t o support the Admiv]’ı„ı]}v[’goal t o prevent moretha n 4 million cancer deat hs by 20 47 and to end HIV. The budget cont inues t o ma ke 54 investments in mental health, gun violence research, „˚’˚„ZX The budget proposes to reauthorize the Special Type 1 Diabetes Program to provide $250 million in FY 2024, $260 million in FY 2025, and $270 million in FY 2026, as well as exempt this funding from mandatory sequestration. In FY 2025, NIH estimates it will support 43,636 research project grants, an increase of 460 above FY 2023, including a total of 10,273 new and competing grants. More than 80 percent of the funds appropriated to NIH will go to the extramural community, which supports work by more than 300,000 research personnel at over 2,800 universities, medical schools, research facilities, small businesses, and hospitals. The budget also includes $43 million for extramural facilities and

instrumentation grant s from the Office of the Director in FY 2025. The resources will P˚vÇ„uµ„al research program, which includes the NIH Clinical Center, giving the nation the unparalleled ability to respond immediately to national and global health challenges. Additionally, the resources will provide research management and support, and facilities maintenance and improvements. RESEARCH PRIORITIES IN FY 2025 Since the launch of the Cancer Moonshot in 2016, remarkable progress has been m ade. Cancer Moonshot, initially funded through the 21st Century Cures Act, continues to focus on areas of cancer research that will benefit patients. The Nat ional Cancer Institute continues to support projects that are delivering important insights into the mechanisms that drive cancer and have identified candidates for new cancer treatments, as well as new approaches to preventing and detecting cancer. The National Cancer Institute continuesto support the most promising ongoing research projects in support of ı„ı The budget proposes $716 million in discretionary funds for this effort, an increase of $500 million above FY 2023. In addition to discretionary resources requested in FY 2025, the budget also proposes to reauthorize the 21st Century Cures Act Cancer Moonshot program through FY 2026 and provide $2.9 billion in mandatory funding in FY 2025 and FY 2026, $1.45 billion each year. In total, the budget proposes $3.6 billion in combined discretionary and mandatory funding through FY 2026 National Institutes of Health and supportsthe Presid˚vı[’ cancer d eathrate by ha lf within 25 years and improving t he lives of peopl e with cancerand cancer survivors. The Nat ionalCancer Institut e funding will cont inue t o focus on subst ant ially increasing t he n umber an d diversity of people who participat e in National Cancer Institut e-sponsored clinical trials to develop new prevention, d iagnosis, and treat ment approaches a t a quicker pace and cont inueworking t owards increasing the pipeline of new can cerdrugs. Additionally, t he resources will ensure a ccess to current and n ew standa rds of ca ncer care and continue tofund t he maj or t rialto evaluate multi-center detection t ests, the Cancer M oonshot Scholars program, a nd the Na tional Cancer Institut e Telehealth Research Cent ers of Excellence, allowing t he a gency t o sustainand progress we k now it. vˆThe FY 2025 budget holds the 21st Century Cures Act programs All of Us and Brain Research Through Advancing Innovative Neurotechnologies flat with the National Institutes of Health 55 FY 2023 levels, reflecting a combined total of $1.2 billion in authorized a nd base funding. At this funding level, All of Us will continue to develop as one of the largest and most diverse longitudinal biomedical datasets, accelerating health and medical breakthroughs to enable individualized prevention, treatment, and care for all. In addition, Brain Research Through Advancing Innovative Neurotechnologies program will continue to promote scientific advances that provide opportunities to understand the structure and function of the brain at an unprecedented level of detail while maintaining an emphasis on neuroethics, diversity, and inclusion in the research community. The budget includes over $1.8 billion within NIH for opioid, stimulant, and pain research, flat with FY 2023. Within this total, $1.2 billion will support ongoing research across the Institutes and Centers, while $636 million is allocated to the Helping to End Addiction Long-term initiative. The Helping to End Addiction Long-term initiative is an NIH-wide effort to improve prevention and treatment strategies for opioid misuse and addiction and to enhance pain management. Recently launched Helping to End Addiction Long-term programs aim to develop safe and

effective treatments, as well as define approaches to improve treatment access and retention in various settings. There are several innovative Helping to End Addiction Long-term programs that are developing and testing evidence-based interventions for opioid misuse and overdose in diverse populations and settings, including a new harm reduction research network and Data2Action, a program which supports research to help health systems build real-time data analytics capacity to identify and address service gaps in prevention, treatment, recovery, and harm reduction. The FY 2025 budget continues to include $95 million {}„ıs to address health disparities and inequities in biomedical research. This amount supports the UNITE initiative - an NIH-wide effort committed to ending racial inequities across the biomedical research enterprise. Additional efforts by NIH to reduce disparities in all areas of health include research by t he National Institute on Minority Health and Health Disparities, the expansion of the Community Engagement Alliance to focus on health disparities such as climate health, maternal health, health knowledge, and primary care research, and Community Partnerships to Advance Science for Society which aims to develop a new health equity research model for community-led intervention research across NIH and other federal agencies. Strategic Plan for Diversity, Equity, Inclusion, and Accessibilit y is a 5-year plan that includes approaches to advance diversity, equity, inclusion, and accessibility within the broader biomedical and behavioral research enterprise, including within its workforce and through the research supported. The influenza virus remains a deadly and costly pathogen, placing a substantial health and economic burden on the United States and across the world each year. The National Institute of Allergy and Infectious Diseases continues to prioritize and support the ongoing work of successfully developing a universal influenza vaccine providing durable protection against multiple influenza strains. The budget will continue funding this research at $270 million, allowing the National Institute of Allergy and Infectious Diseases to continue focusing on research areas that simultaneously broaden knowledge around basic influenza immunity and advance tran slat ional research efforts to drive the universal influenza vaccine development. The FY 2025 budget includes $26 million, flat with FY 2023, for NIH-sponsored Centers for AIDS Research and HIV/AIDS Research Centers to continue efforts toward ac}u›o]’˚epidemic in the United States by 2030. In 2025, NIH will focus on an expanded, diversified response to reach communities and populations disproportionately affected by HIV, including plans to expand implementation research to additional types of awardees. NIH remains committed to understanding the social, structural, and genetic risk factors that increase maternal morta lity rates and developing innovative technologies, earlier intervention, and better disease detection that will improve maternal health outcomes in the United States. The Implementing a Maternal health and PRegnancy Outcomes Vision for Everyone initiative supports 56 research to reduce preventable causes of maternal deaths and improve health for women before, during, and after delivery. The Implementing a Maternal health and PRegnancy Outcomes Vision for Everyone initiative is expanding to address additional areas of increased maternal mortality and health disparities including intimate partner violence, healthcare access and quality, and rising rates of maternal mortality due to substance overdose. The FY 2025 budget includes $43 million for the Eunice Kennedy Shriver National Institute of Child Health and Human

Development to continue Implementing a Mat ernal health and PRegnancy Outcomes Vision for Everyone, an increase of $13.4 million from FY 2023. The FY 2025 budget continues to provide $3 million to support the Eunice Kennedy Shriver National Institut e of ›u˚vı[mitigating the effects of COVID-19 on pregnancies, lactation, and postpartum health with a focus on individuals from racial and ethnic minority groups. The FY 2025 budget includes $154 million for the Office (]Director, an increase of $76 million. The additional funds will allow NIH to support new and existing ı']such as research in menopause and diabetes, opioid use disorder in pregnant women, and alcohol use during pregnancy. Further, it will enable the NIH to work on cross-institute initiat ives to promote sex and gender equity across all domains of research. The Administration proposes to transform the way we fund „˚'ıv'ı]ıµıHealth, including by creating a new nationwide network of centers of excellence and innovation in Scientific and clinical advances are rapidly advancing mental health care in the United States. Progress in basic science has led to new tools and resources which enable investigators to gain scientific insight into the complex interactions between the brain, environments, and disease. Intervention research continues to enhance the understanding and effectiveness of evidence-based care in a broad range of settings. The FY 2025 budget includes an increase of $200 million for the National Institute of Mental Health to support better diagnostics, improved treatments, and enhanced precision of care for mental health. National Institutes of Health Additionally, $ 10 million of the increase will support the new NIH-led, cross-agency prevention implementation research effort to disseminate and increase the adoption of effective approaches to prevent or reduce risk for behavioral health disorders. NIH is committed to supporting scientific research to develop, evaluate, and implement effective public health interventions to better understand and prevent violence, including firearm violence, and the resulting trau ma, injuries, and mortality. NIH is currently supporting research to improve the understanding of the determinants of firearm injury, the identification of those at risk of firearm injury, the development, piloting, and testing of innovative interventions to prevent firearm injury and mortality, and the examination of approaches to improve the implementation of existing, evidence-based interventions to prevent firearm injury and mortality. As part of the FY 2025 budget, $25 million will support firearm research in the Office of the Director, $12 million above FY 2023. NIH is committed to harnessing t he p ower of artificial intelligence a nd machine learning to advance research across diverse fields, d iseas es, and scientific communities. Looking ah ead, advanced scientific methods, new d at a a nalytics, and t echnologies a re unlocking possibilities t o leverage dat a inways t hat achieve faster and moredefinitive results. These approaches are only a s good a s th e dat a used t o t rain them. For research ex tending t o t he clinic, this requires d at a that are comprehensive and include all communities that we serve. NIH ha s launched innovative and amb itious initiatives to propel the fusion of bio medicine and artificial int elligence an d machine learning. The budget includes $30 million for the National Library of Medicine to create and maintain collection, storage, and cutting-edge analytics for data obtained from the clinical care environment. The budget includes $350 million for NIH intramural Buildings and Facilities to ensure NIH has the necessary infrastructure for cutting-edge science and the ability to respond to nat ional and global health threats. This amount will enable NIH to

address the pressing campus-wide infrastructure needs identified in the National Academies of Sciences, Engineering, and National Institutes of Health 57]vˆ°›˚vˆ° „˚À]campus. This funding will also a llow NIH to continue to build ˆu]v]'ı„ı„}À° }(back log of maintenance and repa ir, a nd increase flexibility for I nstitut es a nd Centers t o fund repair and improvement projects. ST RENGT HENING BIODEFENSE The FY 20 25 budget will support biodefense a ctivities across HHS wi th mandatoryfunding of $ 20 .0 billion, including $ 2.7 billion for NIH research a nd development of va ccines, diagnostics, a nd therap eutics against high-priority viral families, biosafe ty and biosecurity, a nd expand inglaboratory capa city an d clinical t rial infrastruct ure. NIH will conduct a nd support p reclinical and clinical research on vaccines and vaccine plat forms, m onoclonal an tibodies, and novel adju vants t o provideprotection a gainst prototype or representa tivepat hogens. It will support the development and clinical trials of additional therap eutic candidates, including h ost-tissue-directed therap ies, and d evelop bot h next-generation diagnostics to fill critical gaps and innovative clinical and environmenta l surveillance technologies. LEGIS LATIVEPROPOSALS In a ddition t oreauth orizing t he Special Type 1 Diabetes Program, the budget includes a discretionary legislativ e proposal t o modify t he statutory requirements for t he AIDS Research Advisory Com mitt eeto reflect t he current statu s of HIV/AIDS science. The budget a lso proposes t o expa nd the h iring aut horities for t he NIH „ˆµ mission of bui lding a team of d iverse a nd experienced federal employees, as well as a proposal to allow t he mailing of ele ctronic nicotine d elivery syst ems for t he purposes of c onducting pu blic health research, investigations, a nd surveillance. National Institutes of Health 58 Over view by MechanismThe following tables are in millions of dollars.

Mechanism	2023	2024	2025	2025 +/- 2023
Research Project Grants (dollars)	26,581	26,308	27,141	+560
[# of Non-Competing Grants]	30,177	31,389	31,481	+1,304
[# of New/Competing Grants]	11,106	9,739	10,273	-833
[# of Small Business Grants]	1,893	1,845	1,882	-11
[Total # of Grants]	43,176	42,973	43,636	+460
Research Centers	2,881	2,853	2,931	+50
Other Research	3,337	3,190	3,918	+581
Research Training	984	1,021	1,034	+50
Research and Development Contracts	4,033	3,857	4,582	+550
Intramural Research	5,046	5,133	5,274	+228
Research Management and Support	2,331	2,442	2,690	+358
Office of the Director	81 2,022	1,841	2,063	+41
u}vrˆ	735	735	722	-13
Office of Research Infrastructure Programs	~v} 309	309	259	-50
OD Appropriation (non-add)	3,066	2,886	3,044	-22
Buildings and Facilities	82 380	380	400	+20
National Institute of Environment Health Services Interior Appropriation (Superfund)	83	83	83	--
Advanced Research ProjectsAgency for Health	1,500	1,500	1,500	--
NIH and ARPA-H Total, Program Level	49,178	48,609	51,617	+2,438

NIHBudgetTotals	2023	2024	2025	2025 +/- 2023
NIH Total,Program Level	47,678	47,109	50,117	+2,438
NIH and ARPA-H Total,Program Level	49,178	48,609	51,617	+2,438
Less Funds from Other Sources	-1,554	-1,662	-3,726	-2,173
Public Health Service Evaluation Funds	83 -1,412	-1,412	-2,018	-606
Mandatory Funding t Special Type 1 Diabetes (Proposed and Current Law)	84 -141	-250	-260	-119
Mandatory Funding t Cancer Moonshot	82 -----	1,448	-1,448	
NIH Total, Discretionary Budget Authority	46,125	45,447	46,390	+265
NIH and ARPA-H Total, Discretionary Budget Authority	47,625	46,947	47,890	+265

81 Num be r ofgrants an d d ollars f or the Common Fun d a nd Office of Res earch Inf rastructure P rograms compone ntsof the Office of the Directo r are d

istribu ted b y me chanism and the dollars are n oted h ere a s a non-add. Office of theDirecto r app ropriations are n oted a s a non-add because the rem aining fu nd s are accounte d f or unde r Office of the Dir ector Othe r. In c lud es 21st Cen tury Cures In novation Account. 82 In clud es B uildings an dFacilit ies ap propriation a nd fu nds for facility repairs and i mprove men ts at the National Cancer In stitute F ede rally Funde d Research and Development Center in Frederick, Marylan d. 83 Num be r ofgrants an d d ollars f or Program Evaluation Financing are d istribu ted b y me chan ism above ; therefore, the amou nt is dedu cted to provide s ub totals only for the Lab or/HHS B ud ge t Authority. 84 Num be r ofgrants an d d ollars f or mand atory Sp ecial Type 1 Diab etes an d Can cerMoonsh ot are distribu ted b y mechanism ab ove ; theref ore, thes e amou nts are dedu cted to p rovide s ub totals onlyfor Discreti onary B ud get Au thority. Substance u se And Menta lHealth Services Administrat ion 59 Substance use And Mental Health Services Administration The following tables are in millions of dollars. Mental Health 202385 202486 2025 2025 +/- 2023 Community Mental Health Services Block Grant 1,008 1,008 1,043 +35Public Health Service Evaluation Funds (non-add) 21 21 21 --Programs of Regional and National Significance 1,044 1,044 1,218 +174Prevention and Public Health Fund (non-add) 12 12 12 --National ChildTraumaticStress Network 94 94 94 -- Assisted Outpatient Treatment for Individuals with Serious Mental Illness 21 21 21 -- Community Mental Health Centers t Mandatory (Proposed) -- -- 413 +413Certified Community Behavioral Health Clinics 385 385 450 +65Children's Mental Health Services 130 130 180 +50Projects for Assistance in Transition from Homelessness 67 67 67 --Protection and Advocacy for Individuals with Mental Illness 40 40 40 --Subtotal,Mental Health 2,789 2,789 3,525 +736Substance Use Prevention Services 2023 2024 2025 2025 +/- 2023 Programs of Regional and National Significance 237 237 237 -- Subtotal,Substance Use Prevention 237 237 237 -- Substance Use Services 2023 2024 2025 2025 +/- 2023 Substance Use Prevention, Treatment and Recovery Block Grant 2,008 2,008 2,008 -- PHS Evaluation Funds (non-add) 79 79 79 -- Formula Grants to States to Address Opioids 1,575 1,575 1,595 +20Programs of Regional and National Significance 574 574 591 +17PHS Evaluation Funds (non-add) 2 2 2 --Subtotal,Substance Use Services 4,157 4,157 4,194 +37Health Surveillance and Program Support 2023 2024 2025 2025 +/- 2023 Program Support 85 85 85 -- Health Surveillance 51 51 51 -- PHS Evaluation Funds (non-add) 81 81 81 -- Public Awareness and Support 13 13 13 -- Drug Abuse Warning Network 13 13 13 -- Performance and Quality Information Systems 10 10 10 -- Data Requestand Publications, User Fees 1.5 1.5 1.5 -- Behavioral Health Workforce Data and Development, PHS Eval. 1 1 1 -- Congressionally Directed Community Project Funding 161 161 -- -161Subtotal, Health Surveillance and Program Support 335 335 174 -161SAMHSA Budget Totals 2023 2024 2025 2025 +/- 2023 Total,Program Level 7,518 7,518 8,130 +612Less Funds from Other Sources -147-147-560-413Prevention and Public Health Fund (non-add) -12-12-12--PHS Evaluation (non-add) -134-134-134-- Data Request and Publications User Fees (non-add) -2-2-2-- Community Mental Health Centers t Mandatory (Proposed) -----413-413Subtotal, Discretionary Budget Authority 7,370 7,370 7,570+199Full-Time Equivalents 722 865 865 --85 The FY 2023 column reflects final lev els, includ i ng requ ired a nd pe rmiss ive transfers. 86 The FY 2024 column representsthe a nn ualized amoun ts p rovided in the FY

2024Continu ing Resolution (Division A of Pu blic Law 118-15). Substance u se And M enta l Health Services Administrat ion 60 Substanc e use And Mental Health Service s Administration u] ›µo]Z˚oı vˆservice delivery efforts that pro motemental healt h, prevent subst ance misuse, and provide treat ments an d support s t o foste r rec ove rywhile ensuring equitable access and b etter o utcomes.The Substance use And Mental Health Services Administration (SAMHSA) leads HHS in advancing public health efforts to improve the behavioral health of the nation and the lives of individuals living with mental health and substa nce use disorders. SAMHSA works to ensure that people with, affected by, or at risk for mental health and substance use conditions receive care, achieve wellbeing, and thrive. The FY îì°'P˚›„}À]Xí billion for SAMHSA, an increase of $612 million above FY 2023. Of this amount, $413 million isproposed mandat ory funding for Community Mental Health Centers to expand and improve the quality of services available to people with mental illness. The budget continues to make significant investments to expand behavioral healthcare services, grow youth-oriented services, develop community harm initiatives, and increase services for substance use treatment. „˚›„°'ıZ˚]'ı„ı]}v['commitment to the Unity Agenda and the Mental Health Strategy to improve the lives of all Americans. INVESTING IN MENTAL HEALTH AND CRISIS RESPONSE In 2022, approximately 59 million Americans had a menta l illness. Of that amount, approximat ely 17 million Americans had serious thoughts of suicide.87 The FY îì°'P˚›„}À]Xñ billion, an increase of $736 million over FY 2023, toward À]˚„proposed investments will address youth mental health and suicide prevention, and expand community behavioral healthcare services. Suicide continues to be a significant issue within the United States. The suicide rate increased 4 percent between 2020 and 2021.88 This is the largest 1-year 87 2022 National Surve y on Drug Use an d Health 88 Ga rnett MF, Curtin S C. S uicide mortali ty in the United S tates, 2001t2021. NCHS Data Brief , no 464. Hyattsv ille, MD: National Ce nter for Health Statisti cs. 2023. DOI: https://d x.d oi.org/10.15620/cdc:12 5705. 89 Source f or Many Ad ults and Youth Expe rien ce S uicidal Thoug hts, Plans , an d A ttempts G raphic: https://www.sam hs a.g ov/d ata/sites/d ef ault/files /reports/rpt42731/2022-nsduh-main-highligh ts.p df 90 Sub stan ce A buse and Mental Health S ervices Administration. (2023). Ke ysu bs tance us e and mental he alth indica tors in the United States : Res ults from the 2022 National Su rvey on Drug Use andHealth (HHS P ub licat ion No. P EP23-07-01-006, NSDUH Se ries H-5 8) . Ce nter for Be hav ioral Health S tatistics a nd Qua lity, Su bs tance Ab us e an d Mental Health Se rvices Ad ministration. https://www.sa mhs a.g ov/d ata/report/2022-nsduh-annual-national-report 91 9-8-8 Life line P erforman ce Me tri cs. increase bet ween 20 01 and20 21 . In 2021, suicide was the 11th leading cause of d eath a mong people of a ll ages in the United Stat es89, disproportionately affecting tribal populations, sexua l and gender minorities, older adult s, an d vet erans.90 The FY 20 25 budget u pholds ı„ı]}v[' „]}„]ı]°' historic investm ent in suicide prevention programs a nd improving accessibility of t he 9-8-8 a nd Behavioral Health Crisis S ervices p rogra m. In J uly 2022, SAMHSA tran sitioned t he National Suicide Prevention L ifeline from a 10-digit numb er t o 9-8-8, a 24 /7 lifeline that combinescustom local care and resources wit h nat ional standards a nd best p ractices. Since it s inception, the L ifeline h as received a nd routed over eight million calls, text s, and ch at s.91 In FY 20 25, SAMHSA will dedicate $602 million to the lifeline, which is $1 00 million above FY 2023.

The increased funding would improve Lifeline infrastructu re, sta te a nd local response, and expand the Public Awareness Camp aign. Funding t he9-8-8 Lifeline a t this level would support the current level of Substance u se And Menta lHealth Services Administrat ion 61 contacts for services supported by the program. It will also provide additional resources to expand the 9-8-8 awareness campaign. This budget will also continue to support t he Spanish language services and specialized service access to LGBTQI+ youth and young adults. Mobile Crisis Response plays a critical role in the Behavioral Health Crisis Care continuum. The program provides grants to create or enhance mobile crisis response teams to assist adults, children, and youth experiencing mental health crises in lieu of law enforcement. This program plays a key role in shifting from the overuse of law enforcement, jails, and hospital rooms as t he default to more appropriate mental health crisis services. The FY 2025 budget provides $40 million for mobile crisis response, which is an increase of $20 million over FY 2023. At this funding level, 48 grants will support 92 2022 National Surve y on Drug Use an d Health 93 National Ins titute of Me ntal Health. (2023). Mental Illne ss . National Institute of Mental Health. Retriev ed from: https://www.ni mh. nih.g ov/health/statistics/m en tal-il lne ss 94 HUD Releas es 2023 AHAR Data: 12 Key Data Points to Und erstand the Current State of Homelessn ess in Ame rica communities improving crisis response capacity and integrate community 9-8-8 and crisis systems. Project AWARE was established in 2014 and is focused on building infrastructure within schools and communities to provide trauma-informed, developmentally-appropriate, and culturally-competent services to children, youth, students, their families, and communities. Among adolescents aged 12 to 17 in 2022, 4.8 million individuals had a past year major depressive episode. An estimated 3.6 million adolescents aged 12 to 17 had a past year major depressive episode with severe problems with doing chores at home, doing well at work or school, getting along with their family, or having a social life.92 The Administration proposes a $50 million increase for Project AWARE over FY 2023 to identify and refer approximat ely 135,000 school-aged youth to mental health and related services; and to train approximately 450,000 mental health and mental health-related professionals. The budget includes $180 u]oo Health Services, an increase of $50 million above FY 2023. In 2023, it is estimated that 49.5 percent of adolescents have any mental illness, while 22.2 percent have a severe impairment.93 Only 41 percent of these children receive treatment. SAMHSA expects to serve over 12,500 children and the train over 70,000 in mental health activities and practices. This program helps states, tribes, and communities deliver services and support to children and their families with serious emotional disturbances. In 2023, 653,104 individuals experienced homelessness, a 12 percent increase between 2022 and 2023.94 Individuals with a mental illness are more likely to experience homelessness and experience homelessness longer than the rest of the homeless population. Additionally, individuals who are unhoused are at increased risk for mental illness, substance use disorders, and other a dverse outcomes. In 2023, 137,076 individuals who experienced homelessness also reported experiencing severe 62 mental illness.95 Sixty-four percent of service providers report increases in unsheltered homelessness and an increase of 18 percent of those who are chronically homeless.96 Data suggests that homelessness in the United States is increasing

significantly. The FY 2025 budget maintains funding for the Projects for Assistance in Transition from Homelessness program at $67 million to maintain services at the level provided in FY 2023. This funding will continue to serve individuals experiencing homelessness who also experience serious mental illness. The Community Mental Health Block Grant is a significant source of funding that provides stable and effective services for some of the most at-risk populations. The FY 2025 budget requests $ 1.0 billion, an increase of $35 million above FY 2023, and would require states to set aside 5 percent of their allocation for evidence-based care programs to address the needs of individuals with early serious mental illness. Community-based care is an importan t method of reducing barriers and ensuring comprehensive and coordinated services reach individuals in need. The Certified Communit y Behavioral Health Clinics program meets people where they live or work by ensuring treatment is accessible, achieving the ı„ıMental Health Strategy of connecting individuals to care. The budget provides $450 million, an increase of $65 million over the FY 2023. The clinics will provide approximately 800,000 individuals with comprehensive and coordinated behavioral healthcare. In order to support the u]v]'ı„ıUnity and Mental Health Agendas, the budget re-proposes $413 million in new mandatory funding for the Community Mental Health Centers. The Community Mental Health Centers will restore and support the delivery of clinical services and address the needs of individuals with mental illnesses. This investment by SAMHSA continues to provide significant mental health services to some of the most vulnerable. 95HUD2023 Continuum of Care Homeless Assistance Population and Subpopulation 96 HUD Releases 2023 AHAR Data: 12 Key Data Points to Understand the Current State of Homelessness in America 97 Spencer MR, Miniño AM, Warner M. Drug overdose deaths in the United States,2001t2021. NCHS Data Brief, no 457. Hyattsville, MD: National Center for Health Statistics. 2022. DOI: https://dx.doi.org/10.15620/cdc:122556 Substance use And Mental Health Services Administration ADDRESS OVERDOSE EPIDEMIC AND SUPPORT RECOVERY In the United States, drug overdose deaths have been rising over the last 20 years.97 SAMHSA continues to provide substance use prevention and treatment activities to those most in need. The budget includes $4.2 billion in FY 2025, an increase of $37 million over FY 2023, for substance use services, including increased funding to and expand treatment for substance use disorders, develop community-based harm reduction activities, advance '°„À]°'X Recovery is a process through which individuals improve their health and wellness and strive to reach their full potential. These services may be provided in clinical treatment, recovery-based educational programs, employment supports, recovery housing, Substance u se And Menta lHealth Services Administrat ion 63 faith-based approaches, p eer and family support, a nd self-care t o achieve long-term recovery.98 The bud get mainta ins funding at FY 202 3levels for recovery supp ort services t o ensure th ose start ing or maint aining their recovery have access to a wide variety of services, including: Building Com munit ies of Recovery($16 million);Comprehensi ve Opioid Recovery Cent ers($6 million);Treatment , Recovery, and Workforce Support($12 million); andYouth Prevention and Recovery Init iative($2 million).The Pregnant and Postpart um Women program provides comprehensive residential substa nce use treatment, prevention, and recovery support services to women who are pregnant or postpartum, their children, and their

families through family-centered approaches. The budget includes $44 million, an increase of $5 million above the FY 2023. This increased funding will serve more women and their families who are in need of services. It represents the ı„ı}uu]ıu˚Á}u˚v[reducing maternal mortality. The budget would also fund a new technical assistance ˚vıhealth and substance use. The budget provides $4 million across the Center for Mental Health Services and the Center for Substance Use Services, an increase of $4 million above FY 2023, to establish this activity. The technical assista nce center would create a national system of clinical consultation and technical assista nce for health providers from various disciplines within the The Community Harm Reduction and Engagement Initiative was first created in the American Rescue Plan Act of 2021 to reduce the negative individual and public health impacts of alcohol and other substance use and substa nce use disorders. Harm reduction is an approach to engage individuals in lifesaving care that meets people where they are. The budget builds on 98 HHS Recovery C are an d S upport Services. 99 Source f or The Rate of Drug Overdos e De aths Sub stan tially In cr eas ed During the Pa nde mic G raph ic: Spe ncer MR, Min iño AM, Warner M. Drug ove rdose deaths in the United States , 2001t2021. NCHS Data Brief , no 457. Hyattsville, MD: National Cen ter for Health Statis tics. 2022. DOI: https ://dx. doi. org/10.15620/cdc:122 556. }(ìîíinvestm ent by p roposing $ 10 million, to establish the first an nual appropriation for harm reduction services. The bud get also p ropose s to maint ain funding for t he First Respond er Training p rogram at $56 million and Grants t o Prevent OverdoseDeat hs at $16 million. SAMHSA provides funding to states, tribes, and territories through critical formula grants to support prevention, harm reduction, and recovery support services. The budget provides $122 million for Targeted Capacity Expansion, which is flat with FY 2023. At this funding level, approximately 13,500 people will be served. The FY 2025 budget includes $2.0 billion for the Substance Use Prevention and Treatment Block Grant, flat with FY 2023. This program ensures individuals, their families, and communities have access to the range of substance use-related prevention, treatment, public health, and recovery support services99. At this funding level, SAMHSA will continue to provide assistance to states and jurisdictions that are adversely impacted by substance use disorders. The budget also proposes $1.6 billion for the State Opioid Response grant program, an increase of Substance u se And M enta l Health Services Administrat ion 64 $20 million above FY 20 23 .This grant p rogram provides reso urces t o stat es and territories t o enhan ce the d evelopment of comprehensive strat egies focu sed on prevention, intervention, a nd promotion of recovery from opioid use, overdose, and stim ulant use. Within this grant p rogram,the budget increases th e tribal set aside t o $60 million, an increase of $5 million above FY 20 23, to p rovide culturally responsive prevention and treatment services. HEALTH S URVEILLANCE AND PROG RAMSUPPORT SAMHSA is d e dicated to using and p romoting evidence-based pract ices a nd rigorous evaluation. SAMHSA maint ains several behavioral hea lth data collection systems and surveys, and supports publicawareness. The bud get includes $ 17 4 million to monitor a nd provide p rogr am oversight to na tionwideHealth Surveillance efforts. Agency for He althca re Research and Qua lity 65 Agency for Healthcare Research and Quality The following tables are in millions of dollars. Research on Health Costs, Quality, and Outcomes 2023 2024100 2025 2025 +/- 2023 Health Services Research, Data, and

Dissemination 111101 111 111 -- Patient Safety 90 90 90 -- Digital Healthcare Research 16 16 16 -- U.S. Preventive Services Task Force 12 12 18 -- Subtotal, Health Costs, Quality, and Outcomes 229 229 235 +6MedicalExpenditure Panel Survey 2023 2024 2025 2025 +/- 2023 Medical Expenditure Panel Survey 72 72 75 +3Subtotal, Medical Expenditure Panel Survey 72 72 75 +3Program Support 2023 2024 2025 2025 +/- 2023 Program Support 73 73 78 +5Subtotal, Program Support 73 73 78 +5Patient-Centered Outcomes Research Trust Fund 2023 2024 2025 2025 +/- 2023 Patient-Centered Outcomes Research Trust Fund 111 118 126 +15Subtotal,Patient-Centered Outcomes Research Trust Fund 111 118 126 +15AHRQ Budget Totals 2023 2024 2025 2025 +/- 2023 Total, BudgetAuthority 374 374 387 +14Total, Patient-Centered Outcomes Research Trust Fund 111 118 126 +15Total, Program Level 485 492 513 +29 {} oıZ„˚’˚ ’]˚v^˚v ˚ } Z˚oıZ „˚higher quality, more acce ssible, equitab le, an d a ffordable, an d t o wo rk within the Department of Health an d Human Services andwith o ther partne rsto make sure that t he evidence is understoo d an d used t o improve healthc aredelivery in t he Unite d Stat es. The Agency fo r Health care Research a nd Quality (AHRQ) is t helead federal agency cha rged with improving t he safety and q uality of healthcare for all Americans. The agency develops t he k nowledge, tools, and data needed t o improve t he h ealthca re system and help consumers, healthca reprofessionals, and policymakers ma ke informed health decisions. AHRQ accomplishes its mission by focusin g on t hree core areas: Health Services and Systems R esearch: Investing in research t hatgenerates evidence for delivering high-quality, safe, high-value healt hcare. Practice I mpr ovement: Creat ing m at erials to help health systems and clinicians p ut research results into pract ice. Data and Analytics: Generating da ta and measures used by h ealthcare d ecision mak ersto understa nd how the U.S. healthcare system is working and where th ere are opportun ities for improvement. 100 The FY 2024 funding lev el reflects the FY 2024 Annu alized C R. 101 FY 2023 has been ad justed to includ e res earchgrants an d contracts requ es tedfor the Long COVID portfolio to p rovide comparability to the F Y ^˚ vı[]Z˚ ˚„À]˚”” ˚u]vı] },ı{}o]}X The FY 2025 „u areas of health services research, p atient safety, digital healthca re, and susta ining key d at a resources. Specifically, the b udget requests $513 million for AHRQ. The request includes $387 million in budget aut hority and$126 million in m andatory transfers from the Patient-Centered Ou tcomes Research Trust Fund. The bud get allows for t he U.S. Preventive Services Task Force t o strengthen its focus on equit y during clinical reviews; susta ins t he M edical Expendit ure Panel Survey; an d ensures AHRQ has t he a dministrat ive resources t o carry out it s mission. HEALTH S ERVICES RESEARCH, DAT A, AND DISSEMINATION The principal goal of h e a l t h s e r v i c e s r e s e a r c h is to identify t he most effective ways to organize, m anage, finance, and deliver healthca re t hat is h igh quality, safe, equitable, and high value. AHRQ supports research on the m ost pressing questions faced by Agency for Healthca re Research and Qua lity 66 clinicians, health system leaders, policymakers, and others about how to best provide pat ient care with appropriate solutions. These qu estions range from how hospitals can provide equita ble care during labor and delivery to how healt hcare d elivery organizations and clinical teams can cont ribute to solving critical public health crises (e.g., ıZ˚ ı]}v[’ polysubstance a buse epidemic). This research is conducted through investig at or initiatedand directed research grant s programs and research contract s.

AHRQ also: Supports t he translation and implementat ion of these research findings by pa rtneringwith health delivery systems. Creates and d isseminates da ta a nd a nalyzes key t rends in the q uality, safety, equity, a nd healthca re cost to help u sers understand and respond to what is driving the delivery of care today. Develops m easures t o t rackquality, safety, equity, and healthca re cost changes over t ime, providing benchmarks anddashboards fo r judging the effectiveness of clinical interventions and policy changes. The FY 2025 budget provides $111 million, flat with FY 2023, for the health services research, data, a nd dissemination portfolio. AHRQ is a major national funder of investigat or- initiated health systems research. AHRQ-funded research generates new findings and develops knowledge into practice102. The budget provides $55 million, an increase of $2 million above FY 2023, to support new and continuing general research grants. This includes $14 million in new investigator-initiated grants. 102 Nationwide AHRQ G rant Sup port inc lud es fu nd ing from all s ources . Agency for He althca re Research and Qua lity 67 L ong C O VID Long COVID impact s a growing n umber of people who experience consequences a cross multiple organ systems, pot entially compounded by un derlying conditions, with negative impact s on health and q uality of life. The FY 20 25 budget invests $10 million to continue L ong COVID research a ctivities started in FY 20 23 . AHRQ Á]o˚v'µ„˚ healthca re delivery systems are p repared t o provide p at ient-centered, coordinat ed ca re. ENHANCI NG PATIENT SAFETY AHRQ is th e lead federal agency for pa tient safety research. Patient safety includes the prevention of diagnostic errors, medical errors, injury, or other preventable harm t oa patient and reducing t he risk of unnecessary ha rm associated with h ealthcare. AHRQ conducts critical research to advan ce t he field of pat ient safetyand develops t ools and resources t o ensure h ealth systems a nd professionals c an put th is evidence int oreal-world practice. AHRQ collects dat a ZP„°'' ›„˚À˚]vhealthca re settings. The FY 2025 budgetprovides $90 million, flat with FY 20 23, for pa tient safety research t o reduce pat ient safety risks a nd harms, support p at ient safety organizations, and a ddress healthca re-associated infections. DIG IT AL HEALTHCARE R ESEARC H The D igital Healthca re Research p ortfolio condu cts research to determine h ow the various components of the digital h ealthcare ecosyst em ca n b est come together t o positively affec t healthca re delivery andcreate value for pat ients and their families. The program funds research t ocreat e act ionable findings ^ÁZıı˚Zv}o}P]˚ °' (}}o^°„'W pat ients, clinicians, and health systems workingto improve healthca re quality. For the past decade, AHRQ-funded research has consistent ly informed and shaped p rograms a nd policy of the Office of t he Na tional Coordinator for Health Informat ion Technology, Centers f or M edicare & Medicaid Services, U.S. D epartm ent of Veterans Affairs, and other federal entit ies. The FY 2025 budget provides $16 million for t he AHRQ digital healthca re research p ortfolio, flat with FY 2023. U.S. PREV ENTI V E SERV ICES TASK FORCE The U.S. Prev entive Services Task Force is a n independent, volunt eer panel of nat ionalexperts in prevention, celebrat ing 4 0 years of m ak ing evidence-based recommendat ions. The bud get invests $ 18 million, an increase of $6 million above FY 2 02 3, to support the U.S. Preventive Task Force} ˚‰µ]ıÇUstrengthen transparency an d pat ient engagement, and increase resp onsiveness to new evidence. With these addit ional funds, AHRQ willfund t hree t ofive addit ional reviews, increasing t he n umberof final recommendations in future years. The

U.S. Preventive Task Force mak es evidence-based recommendat ions about clinicalpreventive services such as screenings, counseling ser vices, an d preventive medicat ions. AHRQ provides scientific a nd administrat ive support for the U.S. Preventive Task Force, ensuring it h as t he evidence needed to make recommendat ions; the ability to operat e in a t ransparent, scientifically rigorous, a nd efficient manner; and the ability to share recommendations clearly and effectively with t he healthca re commun ity an d the public. In FY 2023, t he U.S. Preventiv e Task Force issued 13 final recommendation stat ements. Recent notable recommendations include s creening for hypertensive disorders d uri ng pregnancy; prescription of HIV pre-exposure p rophylaxis for individuals at increased risk of HIV acquisition; folic acid supplementat ion for t he prevention of neural t ube defects; screen ing for anx iety and depression in c hildren and adolescents; and the u se of aspirin for the prevention of preeclampsia. Agency for Healthca re Research and Qua lity 68 MEDICAL EXPENDITUR E PANEL S URV EY The Medical Expenditure Panel Survey is the only nat ional source of comprehensive ann ualdat a onhow Americans use and pay for medical ca re. The Medical Expendit ure Panel Survey is a set of large-scale surveys of families an d individuals (household co mponent), their medicalproviders (m edical provider component), and employers (insurance component) a cross th e United Sta tes. It is designed to provide a nnual estimat es a t the n at ional level of healthca re ut ilization, expenditu res, and sources of pa yment and health insurance coverage of t he U.S. civilian non- institu tionalized population. The FY 20 25 budget p rovides $7 5 million, a n increase of $ 3 million for t he M edical Expenditure Panel Survey. The increase allows AHRQ to recruit a nd maintain the crucial levels of skilled interviewers n eeded t o support survey operations across all components. Ongoing support of the Medical Expenditure Panel Survey includes maint aining the precision level s of survey estimat es, maximizing survey response ra tes, a nd continuing to achieve t imeliness, quality, and utility of dat a products, all of whichwere severely a ffected by the COVID-19 pandemic. Key findings relea sed in FY 20 23 include: Nearly 4 1 percent of t he p opulat ion had no primary care spending; The percenta ge of mothers who were uninsured at the t ime of birth declined from 10 .4 percent to 5.9 percent, or by 43 .3 percent, between 2008t20 13 and 2014t 20 19 ; a nd In 2022, average h ealth insurance premiums were $7,590 for single cove rage and $21 ,93 1 for family cov erage, representing increases of 2.8 and 2 .6 percent, respectively, from 2 021 levels. PROG RAM SUPPORT The budget includes $78 million, an increase of $5 million above FY 2023, to primarily support s t a f f sa la r i e s a n d a d j u s t m e n t s t o b e n e f i t s a s w e l l a s g e n e r a l o p e r a t i o n }’ı’v° °’’ „Çı} „„Ç}µı[’ re sp o n s i b i l i t i e s . IMPLEMENTING PATIENTCENTERED OU TC OMES RESEARCH FINDINGS In FY 20 25, AHRQ will receive $126 million from the Patient-Centered Ou tcomes Research Trust Fund. This funding will: Provide t raining a nd careerdevelopment for researchers and institu tions in m ethods to conduct comparative effectiveness resear ch; Continue support for the patient-centered outcomes fellowship p rogra m; and „° Initiative.CMS t Overview 69 Centers for Medic are & Medicaid Services: Over viewThe following tables are in millions of dollars. Current Law 2023 2024 2025 2025 +/- 2024 Total, Net Outlays, Current Law 1,483,213 1,449,333 1,568,671 +119,698Proposed Law 2023 2024 2025 2025 +/- 2024 Total Proposed Law -- -- 2,706 +2,726Total, Net Outlays, Proposed Law 1,483,213

1,449,333 1,571,578 +122,225The Cente rs for M edicare & Me dicaid Services ensures effec tive and high-quality healthc are while pro moting more equit able and accessible care for all.As t he largest single health payer in the United Stat es, the Centers for M edicare &Medicaid Services (CMS) administers M edicare, M°^] ıZ°Insurance Program (CHIP), and the federal Ma rket place. Over 16 0 million Americans rely on CMS programs for high-quality health coverage. The FY îì îñ P°ıestimat es $1 .6 trillion in mand at ory a nd discretionary outlays for CMS, a net increase of $123.0 billion above FY 20 24 estimates. Net costs aredue to projected increases in Medicare and Medicaid enrollment and payment s between 2 024 and 2025. BUDG ETARY REQUEST CMS is dedicated to moving t oward a healthca re system t hat empha sizes equ ity, affordability, and accessibility f or all Americans. As t he nı]administrat orof h ealth benefit programs, CMS is uniquely positioned t o accelerate initiatives t hat ıZ° °vı o}vP-term health and well-being of sen iors, Americans in need, families, ı P°v°„ırequest includes strat egic investm ents t oreduce drug and healthca re costs, t ransform beha vioral healt h, modernize b enefits, improve long-term care services, and protect and strengthen p ublic health . As a steward of t axpa yer funds, CM S designed th e bu dget request to mak e efficient use of ta xpa yer resources and combat healthca re fraud. MEDIC ARE The bud get extends M edicare solvency indefinitely without cutting benefits, and it includes over $260.0 billion in n et savings over 1 0 years. Key improvements and investments in Medicare b enefits include preventing diabetes, providing further a ccess to nutrition and obesity counseling servi ces, expand ing access t o behavioral health services and community health workers, improving the quality a nd safety of long-term care services, and advancing equity. The budget a lso builds on effort s in t he Inflation Reduction Act t o lower prescription drug p rices. MEDIC AID AND C HIP The bud get includes M edicaid and CHIP investm ents over 1 0 years to mak e t he programs m ore accessible, susta inable, and equit able. Most notab ly, t he b udget invests $150.0 billion over 10 years in Medicaid home and community-based services, which would a llow CMS t Overview 70 seniors a nd people with d isabilities t o remain in their homes and communities and promote b ett er opportunities for h ome care workers a nd family caregivers. A dditionally, the b udget invests $204 million over 10 years in an optionalMedicaid benefit tha t expa nds coverage of mat ernal health support services a cross th e prenat al, labor a nd delivery, and postpa rtum periods, with enh anced federal funding available for th e first 5 years. Similarly, ^° Zcommitment to improving a ccess and coverage by lowering cost sharing for in dividuals dually eligible for Medicare a nd Medicaid and expanding cont inuous eligibility for c hildren in M edicaid an d CHIP. Ot her proposals rem ove barriers t o accessing m edications and vaccines, streamlines the eligibility process, an d improve carequality, all with the intent to improve health outcomes for benef iciaries. PRI V ATE I NSURANCE The bud get for privat e insurance programs invests $273.0 billion over 1 0 yearsto strengthen healthcare coverage for m ore Americans t hrough a permanent extension of the enhanced premium t ax credits, a key pillar in t he record-breaking M arketplace enrollment for 2 02 4. The budget also provides M edicaid-like coverage to low-income individuals in sta tes t hat have not expand edMedicaid under t he Affordable Care Act, paired with financial incentives t o ensure sta tes maint ain their existing expansions. The bud get further strengthens consumer p rotections in beha vioral an d menta l

healthcare, including a proposal to require coverage of t hree behavioral health visitswithout cost-sharing. Protections against u nwarranted facility fees for t elehealth and some outpatient services a re also included. The bud get extends t he Inflation Redu ction ïñ cost-sharing cap for a monthcovered insuli n product to the comm ercial ma rket. Finally, t he b udget a dvances t he p rogress made under the No Surprises Act by ext ending surprise b illing protections to ground ambulance services and ensuring agencies cont inue t o ha ve sufficient fundi ng t o execute and enforce the law. PROG RAM INTEGR ITY The bud get invests $4 .1 billion in new mandat ory Health Care Fraud and Abuse Control (HCFAC) resources ove r t he n ext decade at HHS and the U.S. Depart ment of Justice t o address ra pidly growing fraud , waste an d abuse threat s and schemes. These HCFAC investm ents, plus n ew legislat ive aut horities t o strengthen program integrity oversight, yield $5.0 billion in net savings over 1 0 years. DISC RETIONARY PROG RAM MANAG EMENT The bud get request of $ 4.3 billion for Pro gram Ma nagement, an increase of $2 04 million, supports the ongoing core administrat ive operations of t he Medicare, Medicaid, CHIP, and Ma rket place programs. Mult iple p receding years of flat budgets amid]v„°’]vP „°’›}v’]]o] ability to properly a dminister th ese core healthcare programs on behalf of 160 million Americans. The request invests $ 49 2 million to improve oversight of nursing h omes a nd other healthca re facilities, an d $15 million to advance h ealth equity. Thebudget also requests m anda tory funds start ing in FY 202 6 to stabilize financing of a nnua l nursing h ome inspections. CMS t Medicare 71 Centers for Medic are & Medicaid Services: Medicare The following tables are in millions of dollars. Current Law Outlays and Offsetting Receipts 2023 2024 2025 2025 +/- 2024 Benefits Spending (gross)103 1,026,987 1,033,166 1,152,457 +119,291Less: Sequestration -19,205-18,288-21,446-3,158Less: Premiums Paid Directly to Part D Plans104 -12,806-12,926-15,110-2,185Subtotal,Net Benefits 994,9751,001,953 1,115,900 +113,948Related-Benefit Expenses105 18,272 21,473 20,798 -675Administration106 11,039 11,449 13,582 +2,133Total Outlays, Current Law 1,024,287 1,034,874 1,150,280 +115,406Premiums and Offsetting Collections -176,754-188,075-202,920-14,845Total Current Law Outlays, Net of Offsetting Receipts 847,532846,800947,361+100,561Mandatory Current Law Outlays, Net of Offsetting Receipts107 839,114838,777936,189+97,412Proposed Law 2023 2024 2025 2025 +/- 2024 Medicare Proposals, Net of Offsetting Receipts108 139 +139Subtotal,Medicare Proposed Law 139 +139Mandatory Total Proposed Law Outlays5 839,114 838,777 936,328 +97,551Medicare p rovides h ealth benefits t o individuals who are a ged 65 or older, have a disability, orhave End-Stage Renal D isease. In FY 20 25 , t he O ffice of t he Actuary estimat es t hat gross cu rrent lawspending on Medicare b enefits will tot al$1 .1 trillion a nd the program will provide health benefits t o68 .7 million beneficiaries. HOW MEDIC ARE WOR KS t THE FOUR PART S OF MEDIC ARE Pa rt A Medicare Part A pays for healthcare services in inpat ient hospitals and skilled n ursing facilities, home healthca re relat ed t o a h ospital sta y,and hospice care. A 2.9 percentpayroll t ax, paid by both employees a nd employers, is t he p rimary financing mecha nism for Part A. Part A gross fee-for-service spendi ng will t otal an estimat ed$2 12 .6 billion in FY 20 25 . Individuals who have worked for 10 years (40 quart ers) and paid Medicare t axes during t hat time receive Part A benefits 103 Represe ntsall s pe nd ing on Medicare b en ef its b y either the fe deral gove rnmen t or

through other be ne ficiary premiums . 104 In P art D only, be ne ficiary premiums pa id d irectly to plans an d not from the Trus t Fun ds are netted out. 105 In clud es refundable p aymentsmad e to p roviders an d p lans , trans fe rs to Medicaid, accelerated a nd ad van cepaymen ts, and premiums to Medicare Ad vantag e p lans paidout of the TrustFun ds from benef iciary Socia l Se curity w ithholdi ng s. 106 In clud es CMS P rogram Man ag emen t, the Health Care Frau d a nd A bu se C ontrol P rogram, Qua lity Imp rovemen tOrga nizations , a nd other adm inistration. 107 Remove s discretionary Med icar e a moun ts and only includ es mandatory outlays. 108 Exclud es propos al to reauthorize State Health I nsurance A ss istan ce P rogramsun der the Medicare Im provem ents for Patien ts an d Providers A ct, which is d isp laye d in the ACL chapter. without paying a premium, but most services require beneficiary coinsurance. In CY 2024, beneficiaries pay a $1,632 deductible for a hospita l stay of 1t60 days, and a $204 daily coinsurance for days 21t100 in a skilled nursing facility. Medicare Part B pays for physician, outpatient hospital, End-Stage Renal Disease, and laboratory services, as well as durable medical equipment, home healthcare unrelated to a hospital stay, and other medical services. Part B coverage is voluntary, and more than 90 percent of all Medicare beneficiaries were enrolled in Part B in CY 2023, through either Original Medicare or Medicare Advantage. Beneficiary premiums finance approximately 25 percent of Part B costs with the remaining 75 percent covered by general revenues from the U.S. Department of the Treasury. Part B gross fee-for-service spending will total an estimated $228.3 billion in FY 2025. 72 The standard monthly Part B premium is $174.70 in CY 2024. Some beneficiaries also pay a higher Part B premium based on income. Those with annual incomes above $103,000 (single) or $206,000 (married) will pay from $244.60 to $594.00 per month in CY 2024, depending on income levels. The Part B annual deductible in CY 2024 is $240.00 for all beneficiaries. Medicare Part C, the Medicare Advantage Program, pays plans a capitated monthly payment to provide nearly all Part A and B services, and Part D services if offered by the plan. Plans can offer additional benefits or alternative cost-sharing arrangements that are at least as generous as the standard Parts A and B benefits under Original Medicare. In addition to the regular Part B premium, beneficiaries who choose to part icipate in Part C may pay monthly plan premiums that vary based on the services and efficiency offered by the plan. Over half of Medicare-eligible beneficiaries are now enrolled in Medicare Advantage. In CY 2023, Medicare Advanta ge enrollment grew to about 32 million beneficiaries, or 53.2 percent of all eligible Medicare beneficiaries. Between 2015 and 2024, private plan enrollment grew by 18.5 million enrollees, or 106 percent, compared to 22 percent growth in the overall Medicare population for the same period. Medicare payments for private health coverage under CMS t Medicare Part C are expected to total $533.5 billion in FY 2025. The Medicare Payment Advisory Commission reports payments to plans are higher than they would be to provide Part A and B benefits in Original Medicare, negatively affecting Part A solvency and increasing Part B premiums for beneficiaries. Medicare Part D offers a standard prescription drug benefit with a CY 2024 deductible of $545.00 and base beneficiary premium of $34.70 per month. Enhanced and alternative benefits are also available with varying deductibles and premiums. Participating beneficiaries pay a portion of their prescription drugs costs, which varies according to the phase of coverage and the amount

the beneficiary has already spent on medications that year. Medicare pays all or most of the premium up to a regional threshold amount for certain low-income beneficiaries enrolled in the low-income subsidy program. These beneficiaries have limited copayments ranging from $0 to $11.20 in CY 2024. For FY 2025, CMS expects Medicare Part D enrollment to increase 3.6 percent from FY 2024 to almost 56 million, including approximately 15 million beneficiaries who receive the low-income subsidy. CMS estimates total Part D program costs of $154.3 billion in FY 2025. Among beneficiaries with Part D coverage, CMS estimates 39 percent to be enrolled in a stand-alone Part D Prescription Drug Plan, 60 percent in a Medicare Advantage Prescription Drug Plan, and 1 percent in a qualifying employer sponsored retiree health plan in CY 2025. For each Medicare enrollee in either a stand-alone or Medicare Advantage prescription drug plan, Medicare pa ys plans a subsidy to cover 74.5 percent of standard coverage. The Inflation Reduction Act of 2022 made significant changes to the structure of the defined standard Part D drug benefit to expand access and lower drug costs for Medicare beneficiaries. Beginning in 2023, Part D enrollees pay no deductibleor cost-sharing for adult vaccines recommended by the Advisory Committee on Immunization Practices, and out-of-pocket costs for insulin are capped at $35 for a month[' supply of a covered insulin product. Beginning in 2024, the Inflation Reduction Act eliminates the five percent beneficiary coinsurance requirement in the catastrophic phase and expands CMS t Medicare 73 eligibility for f ull benefits u nder t he Part D low-income subsidy progr am to includemore Part D enrollees with low incomes and m odest assets. In 2025,beneficiary annu al out-of-pocket costswill be capped at $2 ,00 0. Further enh ancements t o the Part D p rogram made b y the Inflation Reduction Act are discussed below. CMS contracts with Quality Improvement Organizations (QIOs) t experts in quality improvement tto ensure Medicare beneficiaries have access to high-quality care, promote patient and family engagement,and to suppo„Z˚˚ıı˚„QIOs reviewcertain Medicare claims or engage targeted providersin quality improvement technical assistance to ensurecompliance with Medicare Conditions of Participation,improve beneficiary outcomes, and enhance thepatient experience. QIOs partn er directly withproviders, beneficiaries, families, and other federal,state, local, and non-governmental public healthpartners to achieve their objectives. The QIOs operateon a 5-year contract cycle. The 12th Statement of Workbegan in FY 2019 and concludes in FY 2024, while the13th Statement of Work commences in FY 2024 and isscheduled to conclude in FY 2029. During the 12thStatement of Work, QIO spending totaled $675 millionin FY 2023 and $3.9 billion over 5 years.There are three types of QIOsX109 The first type, Quality Innovation Network contractors, engage a set of ta rgeted, high-risk inpatient, ambulatory, and long-term care providers in quality improvement initiatives. Quality Innovat ion Network QIOs aim to control the spread of infectious diseases, manage chronic diseases, increase patient safety, improve behavioral health outcomes, and promote care coordination. The second type, the American Indian and Alaska Native quality improvement contractor, specifically engages providers operated by the Indian Health Service or tribal health programs. This contractor has similar goals as the Quality Innovat ion Network contractors, but with an increased emphasis on strengthening organizational capabilities, and caring for the unique needs of the American Indian and Alaska Native community. The third type, Beneficiary and Family Centered Care

}vı„ı }„'›°„(„}Preview work, including reviewing beneficiary complaints, concerns related to early discharge from 109Source for Quality Improvement Organizations Protect Beneficiaries' Quality of Care Graphic: Beneficiary and Family Centered Care QIO Database healthca re settings, and patient and family engagement. In t he ca se review cycle ending in Janu ary 2023, Beneficiary an d Family Engagement QIOs conducted 361,000 case reviews, an 111 percent increase from t he compa rable period ending in Ju ly 2018. RECENT PROGRAM DEVELOPMENTS The Inflation Reduction Act of 2022 lowers prescription drug spending for millions of Medicare beneficiaries, redesigns the Part D program, keeps prescription drug premiums stable, and strengthens the Medicare program both now and in the long run. CMS t Medicare 74 The law requires Medicareto negotiat e drug prices for certain high-expendit ure, single-source drugs directly with drug manufact urers for t he first time. This k ind of negotiat ion, used success fully for decades by the U.S. Depart ments of Defense an d Veterans Affairs and the Indian Health Service, will increase compet ition, expand a ccess to innovative, life-saving t reatment s, and lower costs for enrollee s and the Medicare program. In August 20 23, CMS a nnounced the first 10 drugs covered und er M edicare Part Dselected for negotiat ion. Negotiated prices for t hese 1 0 drugs will become effec tive beginning in 2026. Thelaw requires Medicare t o select and negotiate 15 more Part D d rugs for 2 02 7, 15more Part B or Part D d rugsfor 2 02 8, and 20 m ore PartB or Part D d rugs for each year after that . Drug man ufacturers are required to paya rebat e t o Medicare if t hey raise t heirdrug prices on certain Part B an d Part D d rugs a t arate that is faster tha n t he rate of inflation. Changes in the Medicare Part B programthat improve access t o high-quality, affor dable b iosimila rs became effective Oct ober 1, 20 22. Sta rting in 2023, Medicare beneficiaries have ex pand ed access t o recommended, preventive adult vaccines, including the shingles a nd Tetanus-Diphtheria-Whooping Cough vaccines, with no cost-sharing. Also sta rting in 20 23, beneficiaries who use insulin no w pa y no more t han $35 per covered insulin product for a 1-month supply, including when used with an external insulin pum p. Beginning in 20 24 , b eneficiaries with p rescription drug coverage under Medicare Part D n o longer pa y cost-sharing t oward t heir prescription drugs in the cat astrophic phase. In a ddition, low-income Medicare beneficiaries (those with incomes u p to 150 percent of the federal poverty line and who meet resource thresholds) re ceive expa nded assista nce to cover premiums and cost-sharing for t heir prescriptions. The Part D p rogram redesign takes effect in 2 025, including a n unprecedented $2 ,00 0 yearly cap on what a beneficiary pays out-of-pocket for Part D prescription drugs a nd an option to payprescription costs in cap ped month ly installment payments spread over t he year, rath er t han all a t once a t t he ph armacy. A new M anufact urer D iscount Program in Medicare Part D also t akes effect in 2025, requiring drug manu facturers to pay d iscounts on certain brand-name 110 Source f or The Inf lation Redu ction Act Lowers the Cost of P res cription D rugs for P eop le with Medicare an d Red uced Fe de ral Drug Spe nd ing Graph ic: https://www.cms .g ov/n ewsroom/fa ct-sh ee ts/ann ive rsary-inf lation-redu ction-a ct-up date-cms-impleme ntation https://a sp e.hh s.g ov/reports/inflation-redu ction-act-2022-one-year-ann ive rsary-high ligh ts-as pe-drug-pricing-reports drugs a nd biologic product s, bot h inthe initial coverage and cat astrophic ph ases of t he M edicareprescription drug benefit. Government reinsurance, the a mount tha t Medicare subsidizes Pa rt D p lans for t

he h ighest cost beneficiaries in t he ca tastrophic phase, will decrease fro m 80 percentto 20 percent for most brand-name drugs, biologic s , and b iosimila rs, and will decrease fro m 80 percentto 40 percent for generics beginning in 2 02 5. All t hese ch anges realign th e prescription drug program to reduce M edicare spending and remove previous incentives for drug p lans and manu facturers t hat led t o increased d rug prices.110 In February 2022, the Administration launched a far-reaching initiative to improve nursing home safety and quality. Early efforts included updating rules to raise the safety standards for poor-performing nursing homes, increasing penalt ies for violat ions, and CMS t Medicare 75 requiring nursing h ome owners t o und ergo federal back ground checks t o reduce fraud and abuse. CMS also enh anced tran sparency for consumers by improving t he Nursing Home Five-Star Quality Rat ing System a nd Care Comparewebsite, including releasing dat a publiclyon Medicare-enrolled nursi ng home ownership a nd changes of ownership (i.e ., mergers, acquisitions, a nd consolidat ions). In November 2 023 , CMS finalized a rule requiring th e disclosure of certain ownership, mana gerial, an d ot her information regarding nursing homes. Alongs ide t heConsumer Financial Protection Bureau, CM S is p rotecting residents an d their families b y drawing attention to illegal debt collection by nu rsing homes. The Administrat ion addressed weak nesses in infection control and p romoted safe and high-quality nursing home care byrequiring an infection cont rol specialist be on site and edu cat ing residents on the benefits of vaccines. In Septem ber20 23, CMS released its proposal to esta blish comprehensive staffing require ments for nursing h omesvincluding, f or t he first time, national minimum nurse sta ffing sta ndardsvto ensure a ccess to safe, high-quality ca re for the over 1 .2 million residents living in nursin g homes each day. As t helong-term care sector cont inues t o recover from t heCOVID-19 pandemic, the proposed sta ndards t ak e into consideration local realities in rural a nd u nderserved communities through stagge red implementa tion a nd 111 Source f or Teleh ealth Su pp ortsAcces s to Be havioral Health Se rvices G raphic: https://www.kff.org/ coronav irus-covid-19/iss ue-brief /telehe alth-has-played-an-outsized-role-mee ting-men tal-health-needs-during-the-covid-19-pand emic/ exemptions processes. To address hiring in conjunction with this proposal, CMS announced a national campaign with the Health Resources and Services Administration and other partners to make it easier for individuals to enter careers in nursing homes by investing over $75 million in financial incentives, such as scholarships and tuition reimbursement.111 CMS continues to improve the M edicare program by promoting person-centered behavioral healthcare to ˚vthat every American can access the behavioral healthcare they deserve. CMS is actively carrying out its Behavioral Health Strategy issued in 2022 to increase access to equitable and high-quality behavioral health services and improve outcomes for people covered by Medicare through coordinated a nd integrated care with a dat a-informed approach. The CMS Behavioral Health Strategy focuses on three key areas: 1) providing substance use disorders prevention, treatment, and recovery services; 2) ensuring effective pain treatment and management; and 3) improving mental healthcare and services. These areas are o]P{}outcomes -based domains: coverage and access to care, quality of care, equity and engagement, and data and analytics. Through recent regulatory action, CMS finalized a series of new policies in fee-for-service Medicare to improve access to behavioral

health services for beneficiaries and expand coverage of new behavioral health professionals under the Medicare program. CMS implemented provisions enacted by Congress to create a new benefit category for intensive outpatient program services for individuals with acute behavioral health needs and established payment and program requirements for the benefit across various settings, including hospital outpatient departments, Community Mental Health Centers, Federally Qualified Health Centers, and Rural Health Clinics. CMS extended coverage for intensive outpatient services in Opioid Treatment Programs for the treatment of opioid use disorder. CMS also finalized procedures to allow 76 Ma rriage an d Family Therapists and Mental Health Counselors, including addiction counselors or alcohol and drug counselors who meet all mental health counselor licensing requirements, to enroll as Medicare providers. For people with Medicare Advantage, CMS finalized policies requiring care coordination programs esta blished by M edicare Advantage organizations to include behavioral health services to move toward parity between behavioral health and physical health services and advance whole - person care. CMS also finalized policies to strengthen network adequacy requirements, by adding Licensed Clinical Social Workers and Clinical Psychologists as specialty types, for which network standards are set, reaffirming vıponsibilities for behavioral health services, and codifying wait-time standards, among other policies. Additionally, CMS continues to work to ensure that required, high-quality behavioral healthcare is provided in nursing homes. CMS is improving the M edicare beneficiary experience by requiring price transparency for each hospital operating in the United States. Since 2021, CMS has required hospitals to provide clear, accessible pricing information online about the items and services they provide. CMS recently finalized new changes to increase sta ndardization protocols of hospital charge information to improve (]o]ı]°'[ability to comply with the tran sparency requirementsıability to aggregat e information (e.g., for use in consumer-(„]°'ı„˚uo]vability to enforce the requirements. Hospital price transparency lays the foundation for a patient-driven health care system by making it easier for the public to understand charges and shop for care. Ultimately, price transparency initiatives should improve competition in the healthcare market. CMS also recently proposed to strengthen Medicare Advanta ge and Part D and protect beneficiaries. The proposed policies will help people with Medicare select and enroll in coverage options that best meet their healthcare needs by preventing plans from engaging in anti-competitive steering of prospective enrollees. The proposed guardrails protect the Medicare population and promote a competitive marketplace in Medicare Advanta ge, consistent with the goals of President ı}„]Competition in the American Economy. CMS t Medicare In 2023, CMS published a new rule streamlining the application process for Medicare Savings Programs which provide Medicaid coverage of Medicare premiums and cost-sharing. The rule reduces administrative burden on sta tes and beneficiaries and increases enrollment and retention of the 12.5 million people who rely on both Medicare and Medicaid for their health care needs. 20 25 LEGIS LATI V E PROPOSALS The bud get extends M edicare solvency indefinitely, without cutting benefits. Beginning in 20 25, the budget directs revenues fro m the net investm ent income ta x, including t ax code reforms t hat make high-income earners (those mak ing above $ 400,000) p ay their fair share, intothe Part A Trust Fund.

The bud get also credits an amount equivalent t othe savings from Medicare drug reforms int o t he Part A trust fund. CMS t Medicare 77 The FY 2025 budget includes a targeted package of proposed M edicare improvements and investments totaling $260.0 billion in savings over 10 years that ı„ı›„]}investing in mental health, strengthening nursing home oversight, and enhancing program benefits. Expand Medicare Drug Price Negotiation, Extend Inflation Rebates to the Commercial Market, and Other Steps to Build on Inflation Reduction Act Drug Provisions The landmark Inflation Reduction Act established a new Medicare Drug Price Negotiation Program and requires Medicare to directly negotiate drug prices for certain high-expenditure, single-source Medicare Part B and Part D drugs for the first time. This proposal builds on the success of the Inflation Reduction Act by significantly increasing the pace of negotiation, bringing drugs into negotiation sooner after they launch, expanding inflation rebates beyond Medicare and into the commercial market, and other steps to build on the Inflation Reduction Act drug provisions.112 Expanding the Medicare Drug Price Negotiation Program and inflation rebates accelerates the gains in access for Medicare beneficiaries to innovative, life-saving treatments enacted by the law, generating lower costs for people with Medicare and savings to the Medicare program. [$200.0 billion in savings over 10 years] 112 Sources for Medicare Pays More Than Other Payers for Prescription Drugs Graphic: https://www.gao.gov/products/gao-21-111 https://aspe.hhs.gov/sites/default/files/migrated_legacy_files//197401/Part-B%20Drugs-International-Issue-Brief.pdf Limit M edicare PartD Cost-sharing o n High Value Generic Drugs t o $2 La ck of afford ability and limited price transparency a re two of t he p rimary reasons M edicare beneficiaries m ay fail t o t ak e p rescribed medicat ions. W hile most PartD prescription drug p lans include a genericformulary t ier with low cost-sharing, the offering i s not standa rd, t he specific d rugs vary by p lan,and a deductible often applies. This p roposal a dds a n ew permanent benefit to Part D coverage and requires a ll Part D plans, including b oth standa lone prescription drug p lans and Medicare Advant age prescription drug plans, t o offer a Medicare sta ndard list of generic drugs a t a m aximum copayment of$2 for a 30-day supply across a ll phases of the p rescription drug b enefit unt il thebeneficiary reaches the out-of-pocketmax imum. Providing Medicare b eneficiaries a cce ss t o a standard list of h igh-value generic m edications at stable and predictable co-payment s increases benefici ary ad herence t o chronic care m edications, improves clinical outcomes, and reduces h ealthcare costs. [$1 .3 billion incosts over 10 years] Permit Biosimilar Substitut ion with out Prior FDA De termination of Int erchangeability The stat utorydistinct ion between biosimilars and interchangeable biosimilar s has led to confusion and misundersta nding, including among p at ients and healthca re providers, about t he safety and effectiveness of biosimilar s and about whether interchangeable biosimilar s are safer or more effective tha n other b iosimilars. This proposal woul d amend section 3 51 of t he Public Health Service Act to no longer include a separat e stat utory stan dard for a determinat ion of int erchangeability and to deem all approved b iosimilars to be intercha ngeable with t heir respective reference product s. This change mak es the U.S. bios imilar p rogram more consistent with cu rrent scientific u nderstanding as well as with the a pproach adopt ed b y other m ajor regulatory ju risdictions such as the European Union where biosimilars a r e interchangeable with theirrespective reference products u pon a

pproval. Permitting biosimilar substitu tion in this way is expect ed t o increase upt ak e of safe an d affordable biosi milars, with potential downstream effects of incr easing competit ion, and access. [Budget Neutral] 78 Apply the Mental Health Parity and Addiction Equity Act to Medicare Unlike most private and employer-based insurance and Medicaid plans, Medicare is not subject to the Mental Health Parity and Addiction Equity Act of 2008, which requires health plans that offer ment al health and substance use disorder benefits to provide coverage that is no more restrictive than the financial requirements or treatment limitations that apply to the medical and surgical benefits they offer. Complemented by additional proposals to improve behavioral health benefits in Medicare, this proposal ensures that the parity requirements of the law apply to the mental health and substance use disorder benefits offered by Medicare Advantage plans so that enrollees do not face greater limitat ions on reimbursement or access to care relative to medical and surgical benefits. Applying the parity requirements to Medicare in this way builds on efforts to enhance behavioral health coverage and improves access to comprehensive care for Medicare beneficiaries. This proposal improves health equity and confirms the notion t hat Medicare beneficiaries suffering from mental health and substa nce use disorders are just as deservingof protection and care as those with medical, physical, or surgical needs. [Not Scoreable] Eliminate the 190-day Lifetime Limit on Psychiatric Hospital Services Under current law, once an individual receives Medicare b enefits for 190-days of care in a psychiatric hospital during their lifetime, no further benefits of that type are available to that individual. This limitation applies only to services furnished in a psychiatric hospital, not to inpatient psychiatric services furnished in a distinct psychiatric unit of a general hospital. Eliminating the lifetime limit on psychiatric hospital services improves parity between Medicare mental health and physical health coverage by removing a limitation on coverage of mental health services for which there is no comparable limit on physical health services. It also increases the overall availability of inpatient psychiatric hospital services. This proposal improves equity by removing a barrier to accessing mental health services, which affects thousands of Medicare beneficiaries with mental illness, many of whom are under age 65. HHS commits to protecting the safety of patients with serious mental illness by establishing regulat ions to ensure appropriate lengths of stay and maintaining access to CMS t Medicare community-based ment al healthcare. [$ 2.9 billion in Medicare costs over 10 years] Revise Crite ria for Psychiatric Hospital Terminations from M edicare Current law requires CM S to terminat e p sychiatric hospital part icipation in M edicare after 6 month s of non-compliance with conditions of pa rticipation, even if t he d eficiency does n ot jeopardize pat ient health a nd wellbeing. This p rovision d oes n ot applyto any ot her provider cat egory. If a facility mu st b e t erminat ed, it diminishes access t o qua lity ment alhealth services by diverting reso urces a way from pat ient care, and any required termination couldcause pat ients with menta l illness t o forgo seeking t heappropriate care. This proposal gives CMS flexibility to allow a psychiatric hospital to continue receiving M edicare payments when d eficiencies a re not considered to immediately jeopardize th e h ealth and safety of it s pat ients a nd where th e facility is a ctivelyworking t o correct t he deficiencies id entified in an approved Plan of Correction. Without this flexibility for opt ions b eyond terminat ion from part icipat ion in Medicare, the communities with

psychiatric hospitals may suffer reduced a ccess to care, increased health disparities, and negative impacts on social det erminants of h ealth. [Budget Neutral] Mo dernize Medicare Me ntal He alth Benefits Currently, statutory limits on the list of p ract itioners and the scope of services th at a re eligible for M edicare payment restrict access t omenta l health services in Medicare. While t he Consolidated Appropriat ions Act, 20 23 added coverage of ser vices furnishe d by marriage and family t herapists and menta l health counselors, including licensed professio nal counselors, gaps remain in M edicarementa l health benefits. This p roposal allows M edicare to identifyand designate addit ional professionals who could enroll in Medicare an d be p aid when furnishin g behavioral health services within t heir applicable state licensure or scope of pract ice th at would otherwise be covered when furnished by a physician. The proposal a lso establishes a Medicare benefit cat egory for t hese p rofessionals tha t auth orizes direct b illing a nd payment for t hese p ractitioners; removes limits on the scope of services fo r which they can be p aid by M edicare; allows th ese pra ctitioners to bill M edicaredirectly for t heir ment al health services for covered P art A qua lifying Skilled Nursing Facility stays; esta blishes payment under Part B for services provided under an Assertive Community Treatment delivery syste m which provides treat ment for t he CMS t Medicare 79 severe functio nal imp airments associated with serious menta l illness; allows p ayment to Rural Health Clinics and Federally Q ualified Health Centers forthese addit ional behavioral health professionals providing menta l health services; and enables M edicare coverage of evidence-based digital applications and p latforms tha t facilitate the d elivery of ment al hea lth services. By aut horizing M edicare to add professionals in statu te tha t are able to receive direct Medicare payment for their m enta l health services, t his p roposal exp ands access t o ment al hea lth services in M edicare, especially in rural and underserved areas with fewer ment al health profess ionals, or communit ies m ore likely t o receive care from the referenced professionals. 113 [Not Scoreable] Require Me dicare to Cover Thre e Behavioral He alth Visits without Cost Sharing Medicare Part B includes coverage of b ehavioral h ealth visits t o a doctor, therap ist, or ot her clinician for services gener ally received outside of a hospital, but the annu al Part B deductible an d coinsurance apply, with limited except ions. This p roposal requires Medicare t o cover u p to three behavioral health visits per year without cost-sharing when furnished by part icipat ingproviders, beginning in 2 02 6. Eliminating cost-sharing f or individuals removes potent ial financial barriers to treat ment and gives m ore pat ients a ccess to the carethey need. This p roposal positiv ely impacts health equityby improving a ccess and adherence to treat ment, creating a pathway t o betteroverall health outcomes. [$1.5 billion in costs over 1 0 years] Broaden the Health Professional Short age Area Incen tive Program to Include Additional Non-physician and Behavioral Health Practition ers The Social Sec urity Act provides for incent ive payments under Medicare payment s for physicians who furnish medical services in geograp hic areas t hat are designated by t he Health Resources and Services Administrat ion as geographic Health Professional Shortage Areas. CMS defines the shortage designations f or t he Healt hProfe ssional S hortage Areas incentive payment s. This proposal would ex tend the 10 percent incentive pa yment for ph ysician'[services provided in Health Professional Shortage Areas to a broader ran ge of clinicians, such as n urse practitioners, 113 Sources for Ad dress ing

Mental and B ehavioral He alth Rema ins aPriority Graph ic: https://www.kff.org/m ed icare/issu e-brief /one-in-four-olde r-adu lts-report-anx iety-or-de pres sion-amid-the-covid-19-pan de mic/ https://p ub med.ncbi.n lm.n ih. gov /35331570/ https://www.sam hs a.g ov/s uicide /at-risk physician a ssi stants, an d certified n urse specialists, as well a s behavioral health pract itioners, including clinical psychologists, license d clinical social workers, menta l health counselors, an d marriage and family therap ists sta rting in CY 20 25. This p roposal responds t o the evolving delivery of healthca re in the United States. Academic research found tha t the share of medical visits d elivered by nurse pract itioners or physician assista nts increased from 14 percent to 26 percent amongMedicare beneficiaries between 2 013 and 201 9. Research also found tha t nurse p ractit ioners mak e up a larger share of t he p rimary ca re workforce in lower income an d rural areas. The incentive payment for a dded pract itioners would be set at 10 percent to align with 80 the existing program for physicians, and it would only apply in Health Professional Shortage Areas. [Not Scoreable] Provide Healthcare Coverage for Drugs, Vaccines, and Devices During a Public Health Emergency The Secreta ry has broad authority to temporarily waive or modify certain Medicare, Medicaid, or Health Insurance Program (CHIP) requirements in certain public health emergencies, but this emergency waiver authority does not permit the broadening of coverage to drugs and devices that the FDA authorizes under an Emergency Use Authorization, or other necessary products and services. This proposal provides the Secretary with broader authority for limited and temporary coverage of medical products and services directly relat ed to the diagnosis, treatment, and/or prevention (such as immunization) of a specific disease or diseases during a declared disaster, pandemic, or other public health emergency, in Medicare, Medicaid, CHIP, and for uninsured people. Under this proposal, the Secretary could authorize or require coverage of drugs, vaccines, or devices authorized by the FDA for emergency use, or other items and services used to treat a pandemic disease during a public health emergency, including associated administration, vaccine counseling, or dispensing fees, without cost-sharing to respond rapidly and effectively to a public health emergency. [Not Scoreable] Enable the Secretary to Temporarily Modify or Waive the Application of Specific Requirements of the Clinical Laboratory Improvement Amendments of 1988 Act The use of Medicare and Medicaid waiver authority emergency response activities during the pandemic. The Clinical Laboratory Improvement Amendments of 1988 program does not have similar statutory flexibilities. This proposal enables the Secretary to temporarily waive or modify the a pplication of specific requirements to ensure laboratory services are accessible to the maximum extent feasible in any federally declared emergency period and area, among other things. Exempting certain requirements strengthens preparedness by allowing laboratory flexibilities for testing performed during federally declared emergencies and public health emergencies, thus allowing for expanded testing to underserved communities. [Not Scoreable] CMS t Medicare LHold Long-Term Care Facility Owners Accountable for Noncompliant Closures and Substandard Care When a long-term care facility closes, it is typically the owner of the facility that has control of the finances (including profits) and authority over the closure, not the facility administrator. Yet under the current statute, the administrator is at risk for a civil money penalty, while the owner faces little recourse for

closing the facility in a noncompliant manner. This proposal changes the individual subject to a civil money („}ˆu]v]'ı„ı^}Áv°›°„ı}„U or (]oˆ›„}À]']that grants the Secretary authority to impose enforcement on the owners of a facility after the facility has closed. To protect vulnerable residents of long-term care facilities, the proposal allows for enforcement actions to be imposed against owners or operators of multiple facilities that provide persistent substandard and noncompliant care. CMS would be able to prohibit an individual or entity from obtaining a Medicare or Medicaid provider agreement for a nursing home based on the Medicare compliance history of their other owned or operated facilities. [Budget Neutral] Provide Authority for the Secretary to Collect and Expend Re-Survey Fees Current law requires CMS to pay states a reasonable cost for conducting surveys, on behalf of CMS, of healthcare providers to certify compliance with federal health and safety standards. The law prohibits CMS from imposing fees on prov iders or suppliers for the purpose of conducting these surveys. This proposal permits t he Secretary to charge long-term care (]o^„°-'°'to validate the correction of deficiencies identified during prior survey visits. The intent of these fees is to cover the associated costs necessary to perform these revisit surveys. CMS would have discretion in developing and adjusting fee levels. This fee will be repurposed t o help ensure quality of care in historically poor performing facilities when revisit surveys are required. [Budget Neutral] Increase Per Instance Civil Monetary Penalty Authority for Long-Term Care Facilities The Secreta ry is authorized to impose enforcement remedies, including civil money penalties, against long-term care facilities for failure to comply with federal CMS t Medicare 81 part icipat ion requirements in M edicare. The current cap on a civil money pena lty is $10 ,00 0, or approximat ely $2 1,000 a s adjusted for inflation. The proposal incre ases t he level of civil money p enalties and creates apenalty scalebased on the severity of t he deficiencies w ithin a facility. The most egregious offen ses of n o n-compliancewould be assigned a civil money penalty u p to $1 million. The substa ntive threshold for d etermining the seriousness of violat ion ıZv'ı]ıµı Z°]}µ '_ '°subject to themax imum civil money pena lty would b e determined by CMS t hrough rulemaking. For less egregiou s deficiencies, CMS would have the flexibility to apply per instance penalties tha t ex ceed t he cu rrent per instance upper level based on factorstha t will also be d etermined by t he Secretary t hroughpromulgat ion of rulemak ing. [Budget Neutral] Improve t he Accurac y and Reliability o f Nursing Home Care Compare Dat a Beginning in 20 25 , CM S would be required t o validate dat a submitted by nu rsing facilities for the Nursing Home Compare website ina mann erand frequency determined by t he Secretary. Care Compare allows consumers to find and compare M edicare- and Medicaid-certified nursing h omes b ased on a location and comparestaffing a nd the quality of care. CMS would be able t o take enforcement action a gainst facilities t hat submit dat a that is found to be ina ccurate by t he validation p rocess, which could include a two percent reduction in claims payments, similar t o the existing payment reduction for facilities tha t do n ot submit complete skilled nursing facility qu ality reporting d ata. [Budget Neutra l] Adjust SurveyFrequenc y for High-Performing and Low-Performing Fa cilities CMS requires long-term care facilities to be recertified annu ally for part icipat ion in t heMedicare p rogram regardless o f th e overall q uality of t he facility. By contrast, CM S cu rrently uses a risk-basedapproach for other facility types, such as a mbulat ory surgical cent ers and

outpatient p hysical th erapy cent ers, based on risk of p oor ca re. A risk-based approach for long-term care facilities a llow s CMS t o survey h igh-perfor ming facilities les s f requently an d redirect resources t o strengthen oversight, including facility insp ections a nd quality improvement for low-performing facilities, where it is most n eeded. [Budget Neut ral] Please refer to the Program Ma nagement and Program Integrity chapters for additional proposals that further Expand Cancer Care Quality Measurement President Biden prioritized the need to improve cancer data collection and research with the reignition of the Cancer Moonshot to end cancer as we know it. „}P{}^^„°’’care, the Prospective Payment System-Exempt Cancer Center Hospital Quality Reporting Program, only captures between four to five percent of cancer care nationally. While a few other CMS quality reporting programs assess limited aspects of cancer care, the measurement could be streamlined to provide more information about the quality of cancer care. This proposal creates a cancer care quality data reporting program for all Medicare providers. This program enables CMS to consolidate cancer care measures and data under one unified strategy, drive improvements in the quality of cancer care, and standardize da ta collection to identify and address potential inequities in care. [Not scoreable] Expand and Enhance Access to Medicare Coverage of Nutrition and Obesity Counseling As detailed by the White House National Strategy of Hunger, Nutrition, and Health, the Administration set a goal of ending hunger and increasing healthy eating and physical activity by 2030 so fewer Americans experience diet-related diseases, while reducing related health disparities. Integrating nutrition and }›ı-being and reduce healthcare costs. Currently, only a limited numb er of Medicare beneficiaries are seeking nutrition and obesity counseling services. This proposal expands access to additional beneficiaries with nutrition or obesity-related chronic diseases and makes additional providers eligible to furnish services. [$1.8 billion in costs over 10 years] Conduct a Subnational Medicare Medically-Tailored Meal Demonstration Currently, Original Medicare does not cover home delivery of meals. Beginning in 2025, this proposal esta blishes a 3-year demonstration to test Medicare 82 coverage of medically-ta ilored meals delivered to the home. Eligibility for this demonstration includes Medicare fee-for-service beneficiaries with a diet-impacted disease (e.g., kidney disease, congestive heart failure, diabetes, chronic obstructive pulmonary disease) likely to trigger an inpatient hospital stay and who ha ve at least one activity of daily living limitation. The demonstration will operate out of at least 20 hospitals across 10 different states. This demonstration design is similar to the introduced bill, the Medically Tailored Home-Delivered Meals Demonstration Pilot Act. The HHS Secretary has the discretion to consider certain modifications as it relates to implementation and execution of this demonstration. [Not scoreable] Provide Cybersecurity Support for Hospitals Hospitals are at risk for ransomware and other types of cyber-atta cks because of their scale of operations and the critical nature of their services. However, hospitals have many competing priorities and investments in cybersecurity do not necessarily result in visible differences to patients or yield financial benefits unless a cyber incident occurs, meaning some hospita ls have limited incentive to prioritize cybersecurity efforts at pace with escalating threats. The proposal establishes two incentive structures to encourage hospitals to upgrade their cybersecurity practices, steadily increasing expectations from ^°’’°to

elevate the level of hospital cybersecurity efforts stepwise over time and to evolve with the changing cybersecurity landscape. The cybersecurity initiative would leverage the structure of and provider familiarity with the Promoting Interoperability Program to efficiently collect information and make incentive payments to certain hospitals and assess penalties to strengthen the hospital cybersecurity response. This proposal first invests $800 million from the Medicare Hospital Insurance Trust Fund over FY 2027 and FY 2028 to approximately 2,000 high-needs hospitals. Beginning in FY 2029, new penalties would apply within the Promoting Interoperability program as specific consequences of failing to adopt essential cybersecurity practices. Hospitals that fail to adopt essential cybersecurity standards face penalt ies of up to 100 percent of the annual market basket increase and beginning in FY 2031 potential additional penalties of up to 1 percent off the base payment. Critical CMS t Medicare Access Ho spita ls t hat failto adopt the essential pract ices would incur an up to one percent payment '' is ca pped at a total of one percent if it would ot herwise incur higher tota l penalt iesdue other elements of t he Promoting Interoperability Program. The proposal a lso invests $ 50 0 million from the Medicare Hospital Insurance Trust Fund for all hospitals to implement enhan ced cybersecurity pract ices, available for FY 2 02 9 a nd FY 2 030. Beginning in FY 20 31 , CM Swould be able t o ad d enh anced cybersecurity pract ices t o t he list of required cybersecurity pract ices, subject to a h igher t otal max imum penalty level of 100 percent ofthe annu al mark et b asket increase and up to 1 percent off th e base payment. Critical Access Hospitals w ould be subject to upto a one percent payment reduction. A }ı tot al of one percent if it would ot herwise incur higher CMS t Medicare 83 tot al pena lties d ue ot her elements of t hePromoting Interoperability Program. [$1.3 billion over 10 years] Fully Cover Costs for all Living O rgan Donors for Me dicare Be neficiaries Currently, an y individual who d onates a kidney for tran splant surgery to a Medicare beneficiary is ent itled to benefits u nder Parts A and B with respect to such donat ion to aMedicare b eneficiary, with no donor liability for deduct ibles or coinsurance. There is no similar provisi on for living donors of non-r enal organs, such as a p ortion of a liver or lung. This p roposal entitles any living individual who donat es a n on-renal organ for t ransplant into aMedicare beneficiary t o benefits u nder M edicare Part A and PartB directly related to such donat ion. [Budget Neutral] Create a Permanent Me dicare Diabet es Preve ntion Program Be nefit The M edicareDiabet es Prevention Program is one of four CM S Innovation Center models th at was certified for exp ansion and is cu rrently ext ended through rulemaking. The exp anded model includes a n evidence-based set of services a imed t o help prevent the onset of type 2 diabetes among M edicare beneficiaries with an indication of prediabetes. Beginning in CY 20 25,this proposal exp ands t he current Medicare D iabetesPrevention Program model to be a permanent Part B b enefit under the M edicare program. The benefit design aligns with current Medicare D iabetes Prevention Program model param eters, including covered services, beneficiary eligibility crite ria, payment structure, no cost-sharing for beneficiari es, and supplier enrollment requirements and compliance stan dards. The permanent benefit includes cu rrent model flexibilities tha t allow virtual beneficiary part icipat ion in synchronous di abet es prevention session s. [Budget Neutral] Implement Value-Based Purchasing and Quality Programs for Me dicare Facilities Medicare u ses value-basedpurchasing p rograms for inpat

ient hospital services and certain other provider sett ings. Begi nning in CY 2027, this proposal implements new value-based pu rchasing p rograms for inpat ient psychiatric facilities, hospital outpat ient depart ments,ambu latory surgical centers, long-term care hospitals, cancer h ospita ls, inpat ientrehabilita tion facilities, hosp ices, rural emergency hospit als, and community menta l health centers with incentives a nd penalties to improve qua lity and h ealth outcomes. Total rewards and p aymentadju stments for each new value-based purchasing p rogram would be bu dget neutra l and HHS may grant hardship exempt ions. This proposal a lso implements a quality reporting program with penalty for noncompliance for communit y mental health centers a nd would introduce penalties for reporting noncompliance in t he Rural Emergency Hospital quality reporting program. [Not Scorable] Create a Permanent Me dicare Home He alth Value-Based Purchasing Program The Home Healt h Value-Based Purchasing Model, which t he CMS Inn ovation Center launched in 2 016 and expand ed n ationwide in 2 022, successfully improved the quality ofhome hea lthcare a t lower cost without evidence of ad verse risks. This p roposal converts the expand ed m odel into a permanent Medicare p rogram, similar t o value-based pu rchasing p rogram s already in place for other Medicare p roviders. [Budget Neutral] Add M edicare Cove rage o f Service s Furnished by Community H ealth Worke rs Under current law, services provided by commun ity health workers are n ot paid directly under Medicare. Effective CY 2026, t his p roposal provides coverage of select, evidence-based support services delivered by a community health workerunder the direction of a ›ı ›„}À] „navigation for chronic or behavioral health conditions, in addit ion to screening for social determinan ts of health and linka ge t o socialsupports. Preventive services delivered by Community Health W orkers would be exempt from M edicare cost-sharing. Services must be furnished under the general supervision ofvand billed b yva Medicare-enrolled provi der or a n ew cat egory of M edicare-enrolled Community Health Worker supplier und er a formal care arrangement with the provider, per a comprehensive commun ity needs assessment and/or a n individual pa tientengagement plan. In a ddition t o existingMedicare p roviders, the Secretary m ay enroll community-based organizat ions (e.g., non-profits, p ublic health departments, etc.) as community health worker suppliers t o broaden access to services, subject to program int egrity and pat ient safety guardrails. This p roposal ha s positi ve equity implications b ecause it increases access t o t he healthca re system for un derserved M edicare beneficiaries and allows comm unities to better target resources t o ad dress local p ublic health challenges. [Not Scoreable] 84 Authorize Tribal Health Programs to Pay Medicare Part B Premiums Directly on behalf of Tribal Members Indian Health Service and tribal healthcare providers are not authorized to require out-of-pocket payments from qualifying American Indian and Alaska Native patients regardless of their insurance status. Some Tribal Health Programs reimburse qualifying American Indian and Alaska Native beneficiaries for Medicare Part B premiums on an individual basis, but this process can be administratively burdensome and inconsistent. This proposal would allow Tribal Health Programs to pay Medicare Part B premiums on behalf of their t ribal members. The proposal would support health equity and access to care in two ways: 1) itwould incentivize American Indian and Alaska Native beneficiaries who receive care from Indian Health Service and tribal providers to enroll in Medicare Part B

upon eligibility since their enrollment would come at no personal or labor cost, and 2) as a result of increasing Medicare Part B enrollment among this population, the increased revenue from Medicare reimbursements to Indian Health Service and tribal providers would help to susta in the Indian healthcare delivery syst em. [Budget Neutral] Prohibit Billing of Beneficiaries after certain Medicare Bad Debt Payments After an unpaid beneficiary cost sharing amount is written-off as uncollectible, deemed worthless, and paid as a Medicare bad debt, certain providers sell outstanding bills to third party debt collectors, leaving patients subject to persistent and aggressive collections practices. This proposal would make Medicare Part A and certa in Part B bad debt payments, along with payments for Part A and Part B covered items and services, represent payment in full for beneficiaries enrolled in Original Medicare. Further, if a hospital sells or intends to sell debt to a third-party buyer, the hospita l cannot also count unpaid amount s for a Medicare beneficiary (Original Medicare or Medicare Advantage) as uncompensated care for purposes of Medicare Disproportionate Share Hospital payments. This proposal protects beneficiaries from aggressive debt collection practices when hospitals have been paid for the debt. [Budget Neutral] CMS t Medicare Create a Consolidated Medicare Ho spitalQuality Payment Program Medicare requires inpatient hospitals t opart icipat e in five qua lity and value-based p ayment reporting programs: Inpatient Quality Reporting Program; Hospital Value-Based Purchasing Program ; Hospital-Acquired Condition Reduction Program; Hospital Readmission s Reduction Program; and Hospital Medicare Promoting Int eroperability Program. This proposal esta blishes a new consolida ted hospital quality p ayment program that combines and streamlines a ll programs except for t he Promoting Interoperability Program. Start ing in 2027, the Medicare p ayment withhold amount increases from the current level of t wo percent by one percentage point per year until it reaches six percent. Hospitals could earn back some p ercenta ge of t hat reduction based on performance. Unified requirements reduce provider bu rden, drive quality improvement, lower healthca re costs, and a dvance healt h equity. Critical Access Ho spita ls m ust part icipate inthe reporting pa rt of the program but wouldnot be included in t he va lue- based pu rchasing part of t he program. [Budget Neutral] Refine the Quality Payment Program: Measure De velopment Funding for t he Quality Payment Program The current inventory of Merit-based Incentive Payment System q uality and cost m easures in the Quality Payment Program, value-based payment program for clinicians, is insuffic ient to fully tran sition toMerit-based Incentive Payment System Value Pathways. Introduced for t he 2023 performance year, Merit-based IncentivePayment System Value Pathways is a volunt ary reporting structure int ended to help clinicians pa rticipate in the program by easing t he reporting burden and developing sets of more meaningful mea sures tha t are grouped by specialty or condition. Development of new measures is current ly driven by t hird-part ymeasure developers a nd stewards, except for CMS-funded d evelopment of a limited number of cost m easures and quality outcome measures. This p roposal re news t he exp ired funding appropriation for quality measure development for FYs 20 25 t 202 9, mak ing $ 10 million available for each year. This p roposal a lso gen erates new measures for CMS t Medicare 85 use in t hetransition t o M erit-based Incentive Payment System Value Pathways and expands the types of measures t hat may bedeveloped t o include cost

performance measures. Measure development aimed at improving the value of h ealthca re services, including specialty services, will allow CMS t o ad dress h ealth priorities, improve clinical services, and reduce hea lth inequities. [$50 million in costs in Progra m Ma nagement account over10 years] Establish M eaningful M easures for t he End-Stage Ren al Disease Quality Ince ntive Program Current law stat es ex act ly which quality measures a re to be included in the End-Stage Renal D isease Q uality Incentive Program and d oes n ot provide authority t o the Secretary to alter the measures. This p roposal provides the Secretary with broad aut hority to add t o and removemeasures from the End-Stage Rena l Disease Q uality Incent ive Program through ru lemaking to drive quality improvements in End-Stage Rena l Disease care. The m easures would not belimited to specific t ypes of m easures o r m easure-related requirements. The Secretary ma y give preference to measures, such as p at ient outcomes, pat ient and family engage ment, patientsafety, hospital readmissions, cost, and efficiency. [Budget Neutral] Stre ngthen Medicare Advantage by Establishing Ne w Me dicalLo ssRatio Requirements for Supplementa l Bene fits Currently, t here is no minimum percentage of revenue tha t Medicare Advant age plans mu st spend on supplementalbenefits, m eaning th at there is an incentive for Medicare Advant age plans to offer benefits t hat at tract enrollment but arenot widely used by b eneficiaries. This p roposal requires Medicare Advanta ge p lans, excluding Employer Gro up Waiver Plans, to meet a m inimummedical loss ratio of 85 percent specifically for s upplementa lbenefits beyond basic Part A and B benefits, which aligns with the existing 85 percent m edical loss ratio a cross all types of benefit s. This n ew medical loss ra tio for supplementalbenefits creates incentives for M edicare Advanta ge p lans t o reduce administrat ivecosts a nd ensures th at taxpa yers a nd beneficiaries r eceive value from Medicare h ealth and drug plans. [Not Scoreable] Require Average Sales Price Report ing forO ral Me thad one Medicare b eneficiaries repr esent a growing p roportion of individuals diagnosed with O pioid Use D isorder. When taken as prescribed, methadone, a medication to treat Opioid Use Disorder and pain management, is safe and effective, helps individuals achieve and sustain recovery, and is an important component of a comprehensive treatment plan, which includes counseling and other behavioral health therapies to provide patients with a whole-person approach. Oral methadone is currently not separat ely payable as a drug or biological under Medicare Part B, and manufacturers are not subject to Average Sales Price reporting requirements. Available data indicate that Average Sales Price information is voluntarily reported for only 3 out of 50 National Drug Codes for oral methadone preparations. This proposal requires drug manufacturers to report Average Sales Price data for oral methadone. Required reporting will improve Medicare payment accuracy for Opioid Treatment Programs and ensure proper incentives for prescribing practitioners to meet the needs of Medicare beneficiaries and improve health equity for this vulnerable population. [Not Scoreable] Standardize Data Collection to Improve Quality and Promote Equitable Care Current law requires post-acute providers (i.e., inpatient rehabilitation facilities, long-term care hospitals, skilled nursing facilities, and home health agencies) to report standardized patient assessment data on five health assessment categories, as well as ˚P},„]ˆThere is no express statutory requirement for da ta reporting on social determinants of health. This proposal adds a new category of standardized patient

assessment dat^drivers of health,}'ı-acute care providers. This data could include transportation, housing, social isolation, and food insecurity. New data would enable real-time information exchange between the healthcare system and those entities best equipped to address individual needsvactivating government, community agencies, and healthcare providers to work together to support individuals of underserved populations and respond to public health needs. [Budget Neutral] Allow Collection of Demographic and Social Determinants of Health Data through CMS Quality Reporting and Payment Programs Current law does not allow some CMS quality reporting programs to collect patient demographic or social determinants of health data unless it is part of a quality CMS t Medicare 86 measure finalized t hrough program regulation. The current data on race a nd et hnicity obta ined through Social Security Administration is incomplete which o]u]]o] ''°' ˆ]'›„]ı]°'proposal a llows CMS p rogr ams t o collect p at ient demographic dat a beginning in 2 026, aswell a s social determinant sof h ealth dat a, for use in measure stratification. This will help CMS and providers ident ify and address health disparities a nd improve outcomes for individuals with social risk factors. [Budget Neutral] Increa se Transparenc y by Disclosing Accredit ation Surveys Current law prohibits t he Secretary fromdisclosing accreditat ionsurveys condu cted by Accrediting Organizations or any ot her nat ional accreditat ion body, except surveys for home health agencies a nd hospice programs, and surveys relat ed t o enforcement action ta ken by CMS. This p roposal removes t his d isclosure prohibition. Posting survey i nformat ion about facilities currently out of compliance addresses a n informat ion gap for members of the p ublic who would otherwise be }(›„}À] based solely o n their cont inued accreditation sta tus. [Budget Neutral] Remove Restrict ions o n t heCertificat ion of N ew Entities as O rgan Procurement O rganizations a nd Incre ase Enforce ment Flex ibility Current law prevents new entit ies from becoming certified a s an organ procurement organization. This proposal a llows CMS t o certify n ew ent ities a s organ procurement organizat ions and, u nder certain conditions, recertify organ procurement organizat ions that have recently t aken control of a low-performing service a rea and ha ve shown significant improvement during th e re-certificat ion cycle, but which do not yet meet the criteria for recertification based on outcome measures alone. The proposal provides the flexibility CMS needs to avoid organ procurement disruptions in previously low performing areas due to the loss of certification status of certain organ procurement organizations. [Budget Neutral] ˆ]vˆReview When a party files a request for review of an Administrative Law Judge decision on a claims appeal, ıu°vı°ˆ]Council is required to review the decision, de novo, from the beginning. This proposal changes the }appellate-level standard of review. The proposal allows the Council to focus on specific issues, thus reducing process redundancies and increasing adjudication capacity by up to 30 percent. The proposal furˆ]'ı]vPµ]'Zıadministrative appellate body and does not apply t o beneficiary appeals. [Budget Neutral] Establish the National Hepatitis C Elimination Program The national hepatitis C elimination program will have a significant impact on the Medicare population. Hepatitis C disproportionately affects baby boomers, many of whom are eligiblefor Medicare. Untreated, hepatitis C can cause adva nced liver disease, liver cancer, and death. An 8 to 12-week course of oral direct-acting antiviral medication cures hepatitis C in more than 95 percent of people. Under this program, the

federal government pays 100 percent of cost-sharing for Medicare Part D beneficiaries. [Medicare portion: $289 million in savings over 10 years] CMS t Medicare 87 Centers for Medic are & Medicaid Services: Medicare 5 Budget Proposals The following tables are in millions of dollars. Legislative Proposals 2025 2025-2029 2025-2034 Drug Pricing Expand Medicare Drug Price Negotiation, Extend Inflation Rebates to the Commercial Market, and Other Steps to Build on Inflation Reduction ActDrug Provisions -- -45,000-200,000Limit Medicare Part D Cost-Sharing on High Value Generic Drugs to $2 -- 475 1,342 Permit Biosimilar Substitution without Prior FDA Determination of Interchangeability -- -- -- Subtotal,Prescription Drug Reforms -- -44,525-198,658Transform Behavioral Health Apply the Mental Health Parity and Addiction Equity Act to Medicare * * * Eliminate the 190-day Lifetime Limit on Psychiatric Hospital Services 190 1,230 2,890 Revise Criteria for Psychiatric Hospital Terminations from Medicare -- -- -- Modernize MedicareMental Health Benefits * * * Require Medicare to Cover Three Behavioral Health Visits without Cost-Sharing -- 560 1,470 Broaden the Health Professional Shortage Area Incentive Program to Include Additional Non-physician and Behavioral Health Practitioners * * * Subtotal,Mental Health 190 1,790 4,360 Increasing Preparedness Provide Healthcare Coverage for Drugs, Vaccines, and Devices During a Public Health Emergency * * * Enable the Secretary to Temporarily Modify or Waive the Application of Specific Requirements of the ClinicalLaboratory Improvement Amendments of 1988 Act * * * Subtotal,Increasing Preparedness * * * Long-Term Care Hold Long-Term Care Facility Owners Accountable for Noncompliant Closures and Substandard Care -- -- -- Provide Authority for the Secretary to Collect and Expend Re-Survey Fees -- -- -- Increase Per Instance Civil Monetary Penalty Authority for Long-Term Care Facilities -- -- -- Improve theAccuracy and Reliability of Nursing Home Care Compare Data -- -- -- Adjust Survey Frequency for High Performing and Low Performing Facilities -- -- -- Subtotal,Long-Term Care -- -- -- Cancer Moonshot Expand Cancer Care Quality Measurement * * * Subtotal, Cancer Moonshot * * * Nutrition Expand and EnhanceAccess to Medicare Coverage of Nutrition andObesity Counseling 4 591 1,840 Conduct a SubnationalMedicare Medically-Tailored Meal Demonstration * * * Subtotal, Nutrition 4 591 1,840 CMS t Medicare 88 Legislative Proposals 2025 2025-2029 2025-2034 Medicare Moderniz ation and Benefit Enhancements Provide Cybersecurity Support for Hospitals -- 1,098 1,348 Fully Cover Costs for all Living Organ Donors for Medicare -- -- -- Create a Permanent Medicare Diabetes Prevention Program Benefit -- -- -- Implement Value-Based Purchasing and Quality Programs for MedicareFacilities * * * Create a Permanent Medicare Home Health Value-Based Purchasing Program -- -- -- Add Medicare Coverage of Services Furnished by Community Health Workers * * * Authorize Tribal Health Programs to Pay Medicare Part B Premiums Directly on behalf of Tribal Members -- -- -- Subtotal, Medicare Modernization and Benefit Enhancements -- 1,098 1,348 G ood G overnance and Quality Improvement Prohibit Billing of Beneficiaries after Certain Medicare Bad Debt Payments -- -- -- Create a Consolidated Medicare Hospital Quality Payment Program -- -- -- Refine the Quality Payment Program: Measure Development Funding for the Quality Payment Program 10 50 50 Establish Meaningful Measures for the End-Stage Renal Disease Quality Incentive Program -- -- -- Strengthen MedicareAdvantage by Establishing New Medical Loss Ratio Requirements for Supplemental Benefits * * * Require Average Sales

Price Reporting for Oral Methadone * * * Subtotal, Good Governance and Quality Improvement 10 50 50 Other T echnical Proposals Standardize Data Collection to Improve Quality and Promote Equitable Care -- -- -- Allow Collection of Demographic and Social Determinants of Health Data through CMS QualityReporting and Payment Programs -- -- -- Increase Transparency by Disclosing Accreditation Surveys -- -- -- Remove Restrictions on the Certification of New Entities as Organ Procurement Organizations and Increase Enforcement Flexibility -- -- -- µv]o['vˆ„°Á -- -- -- Subtotal, Other Technical Proposals -- -- -- Int eractions Subtotal,Medicare Legislative Proposals 204 -40,996-191,060Establish the National Hepatitis C Elimination Program 195 1,050-289Extension of Sequester -- -- -68,505Eliminate the 190-day Lifetime Limit on Psychiatric Hospital Services (Medicaid Impact - Non-Add) -50-330-770Total Outlays, Medicare Proposals 399 -39,946-259,854Medicare Pro posed Policy Total Outlays, Medicare Legislative Proposals 399 -39,946-259,854Savings from Program Integrity Investments -260-2,200-5,040Total Outlays, Medicare Proposed Policy 139-42,146-264,894-- Zero or b udget neutra l *Not scoreableCMS t Medicaid 89 Centers for Medic are & Medicaid Services: Medicaid The following tables are in millions of dollars. Medicaid provides critical health coverageto millions of Americans, including eligi ble low-income adu lts, children, pregnant p eople, elderly a dults, and people with disabilities, with an estimat ed enrollment of 82.9 million people in FY 2024. ı„ı]}v[' 'ı„°vPıZ°vMedicaid and the Affordable Care Act b yexpand ing access t o coverage, improving health equ ity, and mak ing our healthca re system less complex t o navigate. HOW MEDIC AID W ORKS Stat es d esign, implement, and administer t heir own Medicaid programs b ased on federal guidelines. The federal gover nment m atches sta te expenditures using a formula based on state p er ca pita income compared to the nat ional average; t hemat ching ra te ca n be n o lower t han 50 percent. In FY 2023, the federal share of Medicaid outlays was approximat ely $587.0 billion. Medicaid beneficiaries inclu de eligible lo w-income adult s, children, pregnant people, elderly adu lts, a nd people with d isabilities. Individuals m ust meet certain minimum categorical and financial eligibil ity stan dards. Stat es h ave flexibility to extend coverage to higher income groups, including medically needy individuals, through wa ivers and Medicaid sta te plan amendment s. Medically needy individuals a re t hose who do not m eet the income standa rds of t he cat egoricaleligibility groups but incur large medical exp enses and would otherwise qu alify for Medic aid. Stat es a lso ha ve t he option t o expand Medicaid to eligible a dults with modified adj usted gross inc ome up to 138 percent of the poverty level.114 The FY 2025 total for leg islative propos als doe snot includ e the -$23 milli on in n on-leg islative s aving s anticipate d from the Social S ecurity Adm inistration a llocat ion a dju stme nt propos al. This n umb er is accounte d f or in t he CMS P rogram In tegrity chap ter. Non-PA YGO savings from the HHS H ealth Care Frau d an d A buse Control P rogram allo cation a dju stment are a lso d isp laye d in the CMSProgram I ntegrity chap ter. Total ne t Medicaid policy out lays in FY 2025 are$588,913. Under Medicaid, states m ust cover cert ain services and have t he flexibility to offer a dditional b enefits. Medicaid is a lso t he largest payer across t he n at ion for long-term services and supports. Current Law Outlays 2023 2024 2025 2025 +/- 2024 Benefits Spending 591,314 540,890 560,180 19,290 State Administration 24,458 26,261 26,392 131 Total Net Outlays, Current Law 615,772 567,151

586,572 19,421 Proposed Law 2023 2024 2025 2025 +/- 2024 Legislative Proposals114 0 0 2,364 2,364 Mandatory Total Net Outlays, Proposed Law 615,772 567,151 588,936 21,785 90 RECENT PROGRAM DEVELOPMENTS During the COVID-19 Public Health Emergency, Medicaid enrollment increased by approximately 22.6 million individuals, due in part to the continuous enrollment condition tied to an increase in federal matching funds in the Families First Coronavirus Response Act. In the Consolidated Appropriations Act, 2023, Congress set March 31, 2023, as the expiration date for the continuous enrollment condition and the start of a phase-down of the increased federal match. The expiration of this condition and return to routine Medicaid eligibility and enrollment operations continues to present the single largest health coverage transition since the first open enrollment period of the Affordable Care Act. CMS offers support to states facing unprecedented volumes of work as they resume normal eligibility and enrollment operations and phase out flexibilities available during the COVID -19 Public Health Emergency. This includes providing guidance to states on processing eligibility renewals, prioritizing auto-renewals, and transitioning individuals to other forms of coverage, such as the Program (CHIP) or the Health Insurance Ma rketplaces. CMS also closely monitors ’ı eligibility renewal efforts to ensure compliance with federal Medicaid CMS t Medicaid requirements to protect access to health coverage, especially for childrenaction to address an eligibility system issue led to nearly half a million individuals, including children, having their coverage reinstated after improper disenrollment, and future protections against improper disenrollments. The Administration is committed t o advancing equity and reducing health disparities in Medicaid and ensuring every eligible person can access the coverage and care to which they are entitled. In 2023, the Administration strengthened its commitment to equity in healthcare access through several key developments in the Medicaid program. In the Consolidated Appropriations Act, 2023, Congress enacted 12 months of continuous coveragefor children under age 19enrolled in Medicaid and CHIP. This policy became effective on January 1, 2024, with guidance and support from CMS. This will ensure that eligible children enrolled in Medicaid and CHIP have uninterrupted coverage over the course of a year, helping children maintain access to the healthcare services they need. New demonstration opportunities offered states the flexibility and support to enhance their Medicaid programs. CMS approved innovative investments in evidence-based services to address social determinants of health and health-related social needs, including food insecurity and housing instability. These demonstrations will expand access to important upstream drivers of health outcomes and further our understanding of these interventions by evaluating their impact on disparities in access, quality, and health outcomes. Another new demonstration opportunity allowed states to cover a package of pre-release services for up to 90 days prior to a justice-involved]vˆ]À]covering high-quality services for Medicaid beneficiaries who are leaving incarceration, and returning home to their communities, the demonstration improves communication and efficiency between systems and addresses underlying health needs which can reduce the risk of recidivism and make our communities healthier and safer. CMS also published a new rule that streamlines the application and enrollment process for Medicare Savings Programs, which provides Medicaid-funded coverage of Medicare premiums and cost-sharing. The rule CMS t Medicaid 91 reduces administrative burden

on states and beneficiaries and will increase enrollment and retention of the 12.5 million people who rely on both Medicare and Medicaid for their healthcare needs. In addition, the President continues to support eliminating Medicaid funding caps for the five U.S. territories while aligning their matching rate with that of states. „˚ In 2023, the Administration built on the important groundwork enacted in key pieces of legislation to strengthen access to behavioral healthcare through wide-ranging Medicaid initiatives. CMS worked with states to identify ways to deliver behavioral healthcare where communities need it. Advances in mobile crisis services, school-based services, care for j ustice-involved individuals, and addressing health-related social needs will all support an integrated and robust approach to behavioral healthcare for Medicaid beneficiaries. The Bipartisan Safer Communities Act expanded critical CMS initiatives to improve behavioral healthcare including: Extending and expa nding t he existing Certified Community Behavioral Health Clinics Demonstrat ion, including through addit ional planning grants and technical assistance to allow more states t o participat e in the Demonstrat ion; Funding for st ate grants to implement, enhance, or expand school-based service s through M edicaid or CHIP, along with funding for critical guidance and technical assistance on healt h services in school sett ings; and Conducting comprehensive reviews across FY 20 23 and FY 2024 on state implementation of the mandatory M edicaidEarly and Periodic Screening, Diagnostic and Treatment benefit. Supported byCongress in the Consolidat e d Appropriat ions Act, 2023 , HHS is collabor at ing with states to develop guidance on the role ofMedicaid and CHIP in a continuum of crisis care that p romotes access to timely response services in the least restrictive appropriate setting a nd establish a technical a ssista nce center to support states in implementing crisis response services through Medicaid and CHIP. The Affordable Care Act appropriated $300 million and required CMS to establish a core set of adult health quality measures for the purpose of measuring overall national quality of care for Medicaid and CHIP beneficiaries, monitoring performance at the state level, and improving the quality of healthcare. CMS continues to work with states, the District of Columbia, and territories to improve reporting and quality of services in Medicaid and CHIP. CMS identified t he need t o improve the postpartum experience for Medicaid and CHIP beneficiaries and as a result, developed the Postpartum Care Learning Collaborative. This Collaborative provided states with strategies to improve outcomes, such as ensuring continuity of coverage for beneficiaries and improving screening and follow-up care for conditions associated with maternal morbidity and mortality. In FY 2023, all stat es, the District of Columbia, and Puerto Rico participated in at least 1 Quality Improvement Learning Collaborative webinar, and more than 30 states participat ed in at least 1 Quality Improvement Learning Collaborative Affinity Group. These Collaboratives bring together multi-disciplinary teams to create opportunities to build and exchange knowledge on measurement collection and improvement strategies. CMS publicly reported state performance on 29 of the 33 Adult Core Set measures in FY 2022, and all 50 states, the District of Columbia, and Puerto Rico voluntarily reported on at least 1 measure from the Adult Core Set. Beginning in FY 2024, state reporting on the Behavioral Health measures from the Adult Core Set will be mandatory, as enacted in the SUPPORT for Patients and Communities Act. In August 2023, CMS released a final ru le clarifying requirements for

mandat ory annual state reporting of the behavioral health measures on the Adult Core Set and all measures on the Child Core Set. CMS continues t o provide guidance and work closely with states to support successful mandatory reporting in 2024 and beyond. See the CHIP chapter for information on Child Health Quality. CMS t Medicaid 92 2025 LEGISLATIVE PROPOSALS Eliminate Barriers to Pre-Exposure Prophylaxis Under Medicaid and CHIP HIV/AIDS Pre-Exposure Pro phylaxis can reduce t he risk of gett ing HIV by at least 7 4 percent. State M edicaid coverage of Pre-Exposure Pr ophylaxis is in consistent , and states may employ ut ilization m anagement tact ics tha t further limit access t o this drug. This p roposal requires states t o cover Pre-Exposure Pro phylaxis a nd associated laborat ory servic es with n o cost sharing for Medicaid and CHIP benefici aries, and places guardrails on ut ilization management practices, likeprior aut horizat ionand step therapy, t hat canpose ba rriers to access a nd utilization of Pre-Exposure P rophylaxis. This p roposal aligns with other HHS workin t his a rea, such as t he Ending th e HIV Epidemic in the United Stat es initiat ive. [$10 .6 billion in savings over 1 0 years] Mo dify t he Medicaid Drug Rebat e Program in Territories Beginning J anua ry 1, 20 23,U.S. t erritorie s were required to participate inthe M edicaid D rug Rebat e Program. O nly Puerto Rico is cu rrently participating in the MedicaidDrug Reba te Program; territories n ot ready t o pa rticipate inthe program must request a waiver. The budget p roposes t echnical changes t o provide t erritories t he opt ion to part icipat e in the Medicaid Drug Rebate Program. In addition t o t his flexibility, the proposal a lso excludes territory prescription drug sales from cert ain d rugpricing calculations to ensure t erritories m ay cont inue accessing t he b est discounted drug prices a vailable t o them. Thesechanges support territoriesby opening access t o savings based on a model th at works for t heir unique Medicaid systems and providing medication access for vul nerable populat ions. [Budget Neutral] Authorize HHS t o Negotiat eMe dicaid Supplementa l Rebat es o n Behalf of Sta te s Currently, states m ay negotiate supplementa l rebat es, but t here is no federal program to negotiat e supplementalrebates for high-cost drugs on behalf of state Medicaid programs. As a result, the federal government and states lose billions of dol l ars in supplementalrebates each year. The proposal esta blishes a process under which CMS and part icipating stat eMedicaid p rograms pa rtner with a private sector contract or t onegotiat e supplementa l rebates from drug m anufact urers, thereby pooling their negotiation power to curb spending on high -cost drugs. [$5.2 billion in savings over 10 years] Allow States to Provide Continuous Eligibility up to Age 6 Disruptions in Medicaid and CHIP coverage often lead to delayed care, unfilled prescriptions, and less preventive care for beneficiaries. Stable coverage can help establish relationships between providers and (u]oı˚dual needs. This proposal builds on the requirement to provide 12 months of continuous eligibility to children in Medicaid and CHIP, enacted in the Consolidat ed Appropriat ions Act, 2023, by establishing a state option to provide continuous eligibility from birth until the child turns 6. This will provide more stable coverage for young children enrolled in Medicaid or CHIP, decrease state administrative burden, and may avoid higher costs by addressing preventable care needs. [$4.2 billion in costs to Medicaid over 10 years; $4.2 billion in net costs over 10 years] Allow States to Provide 36-Month Continuous Eligibility for All Children This proposal further builds on the requirement to provide 12 months of

continuous eligibility by establishing a state option to provide 36 months of continuous eligibility for children under t he age of 19. This works in tandem with the proposal above to promote continuity of coverage for children in Medicaid and CHIP. States selecting to implement both state options would provide continuous eligibility to children until they turn 6, then continuous eligibility periods of 36 months until they turn 19. This will provide more stable coverage, decrease state administrative burden, and may avoid higher costs by addressing preventable care needs. [$5.2 billion in costs t o Medicaid over 10 years; $5.4 billion in net costs over 10 years] Align Medicare Savings Programs and Part D Low-income Subsidy Eligibility Methodologies The Part D Low-Income Subsidy and Medicare Savings Program methodologies for counting income and assets are similar but not identical, causing eligibility process inefficiencies. The budget simplifies the eligibility processes for programs by removing elements of the income and asset determination process that apply t o one program and not the other. Aligning the eligibility methodologies for these CMS t Medicaid 93 programs reduces administrat ive barriers t o enrollment and eliminat es the need for t he federal government and states t o perform nearly identical eligibility determinations for t he same over-burdened individuals. [$4.3 billion inMedicaid costs over 10 years] Align Qualifie d M edicare Beneficiary Renewal Period with Other Medicaid Groups Currently, t here is a standa rd renewal period of 1 year for many Medicaid eligibility groups, but stat ute allows states to use shorter renewal periods for individuals in the QualifiedMedicare Beneficiary Progr am. Shorter renewal periods burden beneficiaries an d risk improper ineligibility de terminat ions. This p roposal estab lishes a 12-month renewal period for M edicare Savings Programs in statu te, whichwould allow CM S to establish a renewal period for individuals in the Qualified M edicare Beneficia ry Program no more restrictive than the renewal p eriod for people eligible for Medicaid based on Modified Adjusted Gross Income. By streamlining a nd simplifying t he renewal process, this p roposal reduces t he risk of disrupt ion and improves m aintena nceof eligibility for these beneficiaries. [Budget Neutral] Unify M edicare an d Me dicaid Appe als Proce dures Individuals enrolled in bot h Medicare and Medicaid face a complex process to appeal service denials. Although CMS has already taken a ction t o u nify Medicare and Medicaid appeal processes at t he p lan level, a sta tutory ch ange is required to protect beneficiary access t o care and the right to a Departmental h earing when enrollees a ppeal a ny plan decision to a higher level. Building on results from the Financial Align ment Initiative demonstrat ions, this proposal gives t he Secretary t he a uthority to unify t he procedures for M edicare and Medicaid review for individuals enrolled in integrated managed care plans by waiving amount-in-controversy minimums an d allowing b ene fits t o continue while a n appeal is pending. Unifying t hese ex ternal review procedures simplifie s a technical an d arduous process for enrollees and codifies key beneficiary p rotections. [Not scoreable] Allow Retro active Coverage of Part B Premiums for Qualified Me dicare Beneficiary Applicants While many Medicaid eligibility groups allow for retroactive eligibility, the Qualified M edicare Beneficiary Pr ogram, by statute, does n ot. Many applicants at or below 100 percent of the federal poverty level pay Medicare Part B premiums before enrollment in the program takes effect, which poses a significant financial burden. This proposal would allow for retroactive coverage of Medicare Part B

premiums for Qualified Medicare Beneficiary applicants. [$890 million in Medicaid costs over 10 years] Enhance Medicaid Managed Care Enforcement Currently, CMS has inadequate financial oversight and compliance tools in Medicaid managed care, lacking maximum flexibility to disallow and defer individual or partial payments associated with contracts with mana ged care organizations, prepaid inpatient health plans, and prepaid ambulatory health plans only recourse when it identifies compliance failures is to withhold all ’ıfederal financial part icipation under the contract, an untenable compliance option given potential beneficiary harm ˆ]’„µ›ı’ıı°[›„}P proposal conditions federal match for managed care plan contract capitat ion payment amounts on a service-by-service basis by allowing partial deferrals and disallowances and provides CMS with additional enforcement options. The proposed revisions enhance take meaningful actions to protect beneficiaries and enforce requirements, making these managed care compliance tools more effective and consistent with similar authorities in fee-for-service. [$1.7 billion in savings over 10 years] Require Remittance of Medical Loss Ratios in Medicaid Managed Care Medicaid and CHIP remain the only federal health care programs without a statutory mandate for a minimum Medical Loss Ratio, the share of total premium dollars that a managed care plan spends on medical care and quality improvement, excluding administration costs and profit. This proposal requires Medicaid and CHIP- managed care plans to meet a minimum Medical Loss Ratio of 85 percent, the statutory requirement for Medicare Advantage plans and the industry standard for large employer plans in the private health insurance market and requires states to collect remittances from managed care plans if they fail to meet the minimum Medical Loss Ratio. A minimum Medical Loss Ratio and required remittances will encourage investments in healthcare services and quality improvement activities 94 and prevent excessive profit retention. [$8.4 billion in Medicaid savings and $1.7 billion in CHIP savings over 10 years] Require Medicaid Adult and Home and Community-Based Services Quality Reporting State reporting on the Adult Core Set under the Adult Quality Measurement and Improvement Program and home and community-based services measures is currently voluntary. Data on these measures remain]v}v’]’ı˚vı]o]ıÇ to assess and improve quality and outcomes within and across their Medicaid and home and community-based services programs. Existing funding for the Adult Quality Measurement and Improvement Program will be expended by early FY 2025. This proposal provides CMS $15 million annually for this program and requires state reporting on the Adult Core Set 4 years after enactment. It also establishes and funds a Home and Community-Based Services Measurement Program at $10 million annually and requires reporting on a core set 4 years after enactment. This funding and authority align reporting requirements with those of the Child Health and Behavioral Health Core Sets, which are mandatory for state reporting beginning in FY 2024, and provide the resources needed for CMS to continue supporting health equity. [$299 million in CMS administrative costs over 10 years] Require 12 Months of Postpartum Coverage The American Rescue Plan Act of 2021 enacted a new state option to extend Medicaid postpartum coverage to 12 months; the Consolidated Appropriat ions Act, 2023 made this a permanent option for stat es. Expanding access to postpartum Medicaid coverage can reduce maternal and infant morbidity and mortality. To improve maternal and infant health outcomes, and align with

Administration initiatives like the CMS Maternity Care Action Plan, the budget requires states to provide 12 months of postpartum coverage in Medicaid and CHIP. [$440 million in costs to Medicaid over 10 years; $707 million in net savings over 10 years] Expand Access to Maternal Health Supports in Medicaid Medicaid provides pregnancy-related coverage to eligible individuals through pregnancy, labor and delivery, and at least 60-days postpartum. More than 4 in 10 births in the nation are covered by Medicaid. To help improve maternal health coverage and prioritize CMS t Medicaid person-centered care, the budget includes a n optional Medicaid maternal healt h support benefit which addresses equ ity in maternal health . Theoptional Medicaid benefit expand s coverage of m at ernal healt h support services a cross th e prenat al, labor and delivery, and postpa rtum periods, with enh anced federal ma tch a vailable for the first 5 years. The benefit will include coverage for services provided by doulas, commun ity healt h workers, nurse home visiting, an d peer support workers. Services may include group an d/ or individual counseling , and labor and postpa rtum supports. Rigorous evalu at ion is integral to this optional benefit, informing fut ure best pract ices for ma ternal care with in t he Medicaid program and beyond. [$204 million in Medicaid costs over 1 0 years.] CMS t Medicaid 95 Improve Medicaid Home and Community-Based Services Millions of individuals across the count„y t including people with disabilities and older Americans t rely on home and community-based services and the workforce that provides that critical care. However, many Medicaid beneficiaries are without adequate access t o servi ces in the commun ity. The bu dget invests in Medicaid home and commun ity-based services, enab ling seniors a nd people with disabilities to remain in their h omes a nd stay act ive in their communities. The p roposal also promotes b ett er quality j obs for home care workers a nd enhances supports for f amily caregivers. [$ 150.0 billion in costs over 1 0 years] CMS t Medicaid 96 Centers for Medic are & Medicaid Services:MedicaidFY 2025 Medicaid Budget Pr oposals The following table is in millions ofdollars. Legislative Proposals 2025 2025-2029 2025-2034 Prescription Drug Savings and Other Reforms Eliminate Barriers to PrEP under Medicaid and CHIP -730-4,280-10,550Modify the Medicaid Drug Rebate Program in Territories 0 0 0 Authorize HHS to NegotiateMedicaid Supplemental Rebates on Behalf of States 0 -1,360-5,180Subtotal, Prescription Drug Savings and Other Reforms -730-5,640-15,730Modernizing Benefits and Lowering Health Care Costs Allow States to Provide 36-Month Continuous Eligibility for All Children 100 1,800 5,240 Allow States to Provide Continuous Eligibility up to Age Six 30 1,210 4,160 Align Medicare Savings Programs and Part D Low-income Subsidy Eligibility Methodologies 320 1,810 4,340 Align Qualified Medicare Beneficiary Renewal Period with Other Medicaid Groups 0 0 0 Unify Medicare and Medicaid Appeals Procedures 0 0 0 Allow Retroactive Coverage of Part B Premiums for Qualified Medicare Beneficiary Applicants 50 340 890 Subtotal,Modernizing Benefits and Lowering Health Care Costs 500 5,160 14,630 Promoting Effective and Efficient Stewardship and Competition Enhance Medicaid Managed Care Enforcement -120-700-1,680Require Remittance of Medical Loss Ratios in Medicaid and CHIP Managed Care 0 -3,200-8,400Require Medicaid Adult and Home and Community-Based Services Quality Reporting (CMS Administrative Impact, non-add) 25 135299Subtotal,Promoting Effective and Efficient Stewardship and Competition -120-3,900-10,080Protecting the Health of All Americans Require 12 Months of Postpartum

Coverage 40 200 440 Expand Access to Maternal Health Supports in Medicaid 6 74 204 Subtotal,Protecting the Health of All Americans 46 274 644 Strengthening Long-Term Care in All Settings Improve Medicaid Home and Community-Based Services 3,000 28,700 150,000 Subtotal,Strengthening Long-Term Care in All Settings 3,000 28,700 150,000 Legislative Proposals in Other Chapters Impacting Medicaid Expand Vaccines for Children Program to all CHIP Children and Make Program Improvements 378 2,102 4,104 Convert Medicaid CCBHC Demonstration into a Permanent Program 0 864 11,418 Add 20,000 Special Immigrant Visas 35 290 550 Establish the National Hepatitis C Elimination Program -700-5,790-13,140Treat Certain Populations asRefugees for Public Benefit Purposes 32275405 Eliminate the 190-day Lifetime Limit on Psychiatric Hospital Services -50-330-770Other Medicaid Interactions -27-486-1,416Social Security Administration Program Integrity (non-add) -23-644-2,636Subtotal,Proposals in Other Chapters Impacting Medicaid -332-3,0751,151Total Medicaid Outlays 2,364 21,519 140,615 CMS t CHealth Insurance Program 97 Centers for Medic are & Medicaid Services: ˚ The following tables are in millions of dollars. Current Law 2023 2024 2025 2025 +/- 2024 Insurance Program 17,588 17,244 18,423 1,179 Total Outlays, Current Law 17,588 17,244 18,423 1,179 Proposed Law 2023 2024 2025 2025 +/- 202ð Legislative Proposals 0 0 -287-287Net Total Outlays, Proposed Law 17,588 17,244 18,136 892 BACKGROUND Esta blished by t he BalancedBudget Act of19 97, t he „}À]health insurance coverage for children inhouseholds with incomes too high t o qualify for Medicaid but too low t o afford p rivate h ealth insurance. Stat es a lso ha ve the option t ocover t argeted low-income, un insured pregnant people under CHIP. In FY 2023, t he CM S Office of t he Actu ary estimat ed t hat tot al CHIP enrollment was approximately 7 .2 million individuals. Since it s initiation, CHIP h as contribut ed greatly t o the decline in uninsured rat es among low-income children. Research indicat es t he p rogram works as intend ed t o provide a safety net for low-income children, part icularly during times of economic ha rdship. Children enrol led in CHIP experience better access t o care a nd fewer un met n eeds, and families ex perience much lower financial burden and stress in m eeting the ˚°˜’ children who a re uninsured. The Bipartisan Budget Act of 2 018 extended federal funding for C HIP a nd aut horized the Child Enrollment Contingency F und through FY 2027. The Consolidat ed Appropriat ions Act, 2023 further ext ended funding through FY 2029. HOW CHIP WORKS CHIP is a joint partnership between t he federal government and states, theDistrict of Columbia, and the five U.S. territories to provide ch ildren under age 19 from low- and middle-income households with health insurance coverage an d access to healthcare. Congress gran ts sta tes, the District of Columbia, and the five t erritories (referre d to inthe chapter as ^’ı flexi bility in designing th eir CHIP p rograms. They m ay implement ^ CHIP b y using CHIP fu nds t o provide Medicaid coverage t o CHIP-eligible c hildren, create a separat e CHIP, or u se a combination of th ese opt ions. All stat es, the D istrict of Columbia, a nd the five t erritories u se CHI P funding t o provide coverage t o children. Of t hese, 16 h ave a Medicaid expansion CHIP, two h ave a separat e CHIP, and 38 use a combination of t hese p rograms for th eir CHIP. Stat es u se a M odified Adjusted Gross Income standa rd t odetermine CHIP eligibility. CMS allocates funds to states and territories with approved CHIP plans according t o a statutory a llotm ent {} ìî ñ P˚ıU projects stat eallotm ents of $1 8.0 billion under t his

formula. The Bipartisan Budget Act of 2 018 revised t he CHIP a ppropriation to a lign with the total amount calculated forstate and t erritory allotments u nder t he statu tory formula beginning in FY 20 24 . This eliminates excess fundin g for stat e allotment s inthe program and has no programma tic impacts on states and t erritories. CHIP h as several financing mecha nisms t o ad dress potent ial state funding sho rtfalls. The Child Enrollment Contingency F und supports stat es, not including territories, that p redict a funding shortfall and have higher-tha n-expect ed enrollment. Since its esta blishment in FY 20 09, only four stat es h ave qualified for C ontingency Fund payment s. In addit ion, CMS recovers unused stat eallotm ent funding after states no longer ha ve access to these funds and redistribut es t hem to states, including t erritories, facing a funding shortfall. Since 2 012, CMS h as redistribut edapproximat ely $1 .9 billion in unused allotm ents t o32 states an d territories. RECENT PROG RAM DEV ELOPMENTS Supp orti ng C hil dren and F amili e s The Administrat ion is committ ed t o a dvancing h ealth equity a nd reducing health disparities in CHIP a nd 98 ensuring every eligible person can access the coverage and care for which t hey are eligible. The Consolidated Appropriat ions Act, 2023 included provisions to promote access to care and continuity of coverage for all CHIP-eligible children. This Act provides 12 months of continuous eligibility for all children under the age of 19 enrolled in CHIP starting on January 1, 2024. This Act also requires health screenings, re ferrals, and case management services for eligible juveniles in public institutions 30-days prior to release and removes certain long-standing federal funding limitations for this group to promote continuity of care as these youth transition back to the community. Under the American Rescue Plan Act of 2021, 43 stat es and the District of Columbia have extended postpartum coverage to 12 months under separate CHIP and Medicaid expansion CHIP. The Consolidated Appropriat ions Act, 2023 permanently extended this state option. CMS continues to work with states to ensure continuity of coverage and smooth transitions between forms of coverage as states continue normal eligibility and enrollment operations in Medicaid and CHIP after the COVID-19 Public Health Emergency. This includes tran sitions between Medicaid, CHIP, and the Marketplace. CHIP also includes programs to improve the quality of services children receive in Medicaid and CHIP and improve access to these services. The Bipartisan Budget Act of 2018 made stat e reporting on the Child Core Set of quality measures for Medicaid and CHIP mandatory starting in FY 2024. The Child Core Set serves as a foundational tool to assess the quality of health care and improve understa nding of health disparities experienced by children enrolled in Medicaid and CHIP. The Child Core Set includes several measures focused on behavioral health. CMS continues to work with states to prepare for mandat ory reporting and released a final rule in August 2023 followed by a Stat e Health Official letter in December 2023 with additional guidance. All states, including the District of Columbia, and Puerto Rico, voluntarily reported on at least one measure in the Child Core Set and 50 states reported on at least half of the measures in the Child Core Set for FY 2022. This robust state participation enabled CMS to publicly report on 24 of 25 Child Core Set CMS t C}P„u measures for FY 2022. CMS provides state Medicaid and CHIP agencies and their quality improvement part ners with information, tools, and expert support needed to improve care and health outcomes, as demonstrated by performance on the Child Core Set. Recent quality improvement

initiatives focused on the pediatric population include Quality Improvement Learning Collaboratives for infant well-child care, timely care for children in foster care, and oral health. The Bipartisan Budget Act of 2018 provided $60 million to continue this work, and the Consolidated Appropriat ions Act, 2023, provides an additional $15 million per year for FYs 2028 and 2029. Outreach and Enrollment Grants fund activities to educate families about the availability of Medicaid and CHIP with the goal of increasing Medicaid and CHIP enrollment of eligible children. The funding is used to directly assist families with the a pplication and renewal process, a crucial activity as states continue routine operations after the COVID-19 Public Health Emergency. On March 30, 2023, CMS awarded $5.9 million in cooperative agreements to seven organizat ions for American Indian and Nat ive Alaskan children, through the Connecting Kids to Coverage HEALTHY KIDS 2023 Outreach and Enrollment campaign. These grants provide critical support for the effective and targeted strategies needed t o enroll and retain eligible uninsured American Indian and Native Alaskan children in Medicaid and CHIP. Since grant funding initiatives began in 2009, CMS has issued approximately $270.9 million in total grant funding to more than 336 eligible entities. The Consolidated Appropriat ions Act, 2023 extended funding for CHIP Outreach and Enrollment grants, providing a one-time appropriation of $40 million for the FY 2028-2029 grants cycle. 2025 LEGISLATIVE PROPOSALS Apply Medicaid Drug Rebates to Separate CHIP States with separat e CHIP programs do not currently have authority to collect Medicaid drug rebates on drugs dispensed t o CHIP beneficiaries, potentially missing out on billions of dollars in rebate savings. This proposal allows states to extend rebates under the CMS t }P„u 99 Medicaid Drug Rebate Program to separate CHIPs starting in FY 2025, thereby aligning CHIP rebate policies with those of Medicaid and Medicaid expansion CHIPs. [$2.3 billion in savings over 10 years] Expand Vaccines for Children to all CHIP Children and Make Program Improvements The Vaccines for Children program is a Medicaid-funded program administered by CDC that provides doses of vaccines recommended by the Advisory Committee on Immunization Practices to children under the age of 19 who are Medicaid beneficiaries, uninsured, underinsured, or Indians as defined in the Indian Health Care Improvement Act. The approximately 3 million children enrolled in separate CHIPs do not qualify to receive vaccines through the Vaccines for Children program, which creates administrative burdens for providers, states, and the CDC.This proposal expands the Vaccines for Childrenprogram to children under the a ge of 19 enrolled inseparat e CHIPs, covers vaccine administration fee foruninsured children, and establishes a providerreimbursement rate floor for vaccine administrationfees under the Vaccines for Children program. Thisproposal aims to increase child access to vaccines,reduce administrative and financial burden onproviders, an d reduce financial burden on families of uninsured children. [$2.2 billion in saving s to CHIP over 10 years; 1.9 billion in n et costs over 1 0 years] Prohibit CHIP Enrollment Fee s and Premiums Under current CHIP policy, sta tes may choose t o impose cost s haring for ch ildren enrolled in CHIP, including enrollment fees a nd premiums, within the statu tory an dregulatory gui delines for co st-sharing. However, ch arging enrollm ent fees a nd premiums can contribut e t ocoverage disru ptions and create barriers to enrollment and retention of coverage fo r eligible children. This proposal removes enrollme nt fees a nd premiums inCHIP, aligning

CHIP p olicy wi th that of Medicaid for children a nd pregnant women, which does n ot permit these forms of cost-sharing. This a ims to reduce periods of un insur ance after p rocedural disenrollment s, eliminate gaps in coverage, an d help facilitat e cont inuity of coverage when t ransitioning between ot her forms of cov erage, such as M edicaid. This a lso com pliments CM facilitat e cont inuity of coverage and reduce ba rriers to coverage for M edicaid- and CHIP-eligible children. [$ 850 million in costs t o CHIP over 1 0 years; $816 million in n et costs over 10 years]CMS t C}P„u 100 Centers for Medic are & Medicaid Services: ˚Health Insurance P rogram FY 2025 Budget Proposals The following table is in millions of dollars. CHIP Legislative Proposals 2025 2025-2029 2025-2034 Prescription Drug Savings Apply Medicaid Drug Rebates to SeparateCHIP -220-1,230-2,290Modernizing Benefits and Lower Health Care Costs Expand Vaccines for Children to all CHIP Children and Make Program Improvements (CHIP Impact) -204-1,148-2,168Prohibit CHIP Enrollment Fees and Premiums 120 690 850 Subtotal, CHIP Legislative Proposals -304-1,688-3,608Legislative Proposals in Other Chapters Impacting CHIP Allow States to Provide 36-month Continuous Eligibility for all Children 20 310 400 Allow States to Provide Continuous Eligibility up to Age Six -- 130 180 Require 12 Months Postpartum Coverage in Medicaid and CHIP -- -- -- Require Remittance of Medical Loss Ratios for Medicaid and CHIP Managed Care Contracts -- -800-1,700CHIP Interactions -3-42-54Total Outlays, CHIP Proposed Policy -287-2,090-4,782 CMS t Stat e Grant s and Demonstrations 101 Centers for Medicare & Medicaid Services: State Grants and Demonstrations The following tables are in millions of dollars. Current Law Budget Authority115 2023 2024 2025 2025 +/- 2024 Demonstration Programs to Improve Mental Health Services 40 -- -- -- Grants to Improve Outreach and Enrollment -- 45 -- -45 Medicaid Integrity Program116 95 100 103 3 Money Follows the Person Demonstration 423 424 424 -- Money Follows the Person DemonstrationEvaluation 1 -- -- -- Money Follows the Person DemonstrationQuality Assurance 5 -- -- -- Total, Current Law Budget Authority117 564 569 527 -42 Current Law Outlays115 2023 2024 2025 2025 +/- 2024 Demonstrations to Increase Substance Use Provider Capacity 5 2 -- -2 Demonstration Programs to Improve Mental Health Services118 1 7 9 2 Grants to Improve Outreach and Enrollment 18 20 17 -3 Medicaid Integrity Program 94 98 99 1 Money Follows the Person Demonstration 355 294 278 -16 Money Follows the Person DemonstrationEvaluation 1 -- -- -- Money Follows the Person DemonstrationQuality Assurance 1 1 2 1 State Option to Provide Qualifying Community-Based Mobile Crisis Intervention Services 7 3 -- -3 Administrative t Postage Penalty Mail119 -- 53 -- -53 Total, Current Law Outlays 482 479 404 -75 The Centers for Medicare & Medicaid Services (CMS) Stat e Grants and Demonstrations account funds diverse act ivities including: Investm ents in behavioral health care; Outreach a ctivities t o enroll ch ildren into v˚ Program (CHI P); Strengthening M edicaid program int egrity; and Transitioning beneficiaries f rom institu tional settings to home a nd community-based settings. 115 Programs /lawswith less than $1 milli on in bu dget authority or o utlays are e xclud ed from e ach res pe ctive table. 116 Bu dget authority is adj us ted a nnually by Cons umer P rice I nd ex for All Urban Cons ume rs an d s eques ter. See theProgram Inte grity chap ter for additional inf ormation abou t this program. 117 Totals may not add du e to rounding. 118 Outlays includ e f un ds administered in coordination with the Sub

stance Use and Mental Health Se rvices Ad ministration (SAMHSA) . 119 Adm inistrative P ostag e P enalty Mail repres en tsoutlays for mailed mate rials inclu ding printing , pos tage , an ddistri bu tion. Bu dget Authority from P. L. 108-173, Sec. 1011 and P .L. 111-148, Se c. 4108 BEHAVIORAL HEALTHCAR E AND SUBSTANCE USE DISORDER TREATMENTS The Bipartisan Safer Communities Act expands and extend s the existing Certified Community Behavioral Health Clinics demonstration. From the $110 million in total funds appropriated for Medicaid and CHIP, $40 million is primarily for awarding new planning grants and providing technical assista nce to states seeking to set up demonstrations. The demonstration program provides states with an enhanced federal match for services rendered by part icipating clinics, supporting states to improve the availability and quality of community-based, comprehensive treatment and recovery support services for Medicaid beneficiaries living with mental illness or substa nce use CMS t Stat e Grant s and Demonstrations 102 disorders. Par ticipat ing clinics a cross each state are paid through a prospective payment system d esigned to cover the expect ed costsof p roviding th ese services. Clinics participat ing in thedemonstration program are certified b y states t o provide specific communit y-based mental health and substa nce use disorder services, advance integration of b ehavioral healt h with physical healthca re, assimilate and apply evidence-based practices consistent ly, and promote improved a ccess to high-quality care. Results from t he m ost recent HHS Report t o Congress indicate tha t clinics implemented a range of activities to improve access t o care; increased the numb er of clients serve d; expand ed services t o include various evidence-based pract ices; hired a nd trained staff; and changedmany of t heircare processes. On average, payment rates covered t he costs of services in all but one sta te, and the average rates cam e into greater a lignment with the a verage costs in the second year of the demonstration. Congress first aut horized t he demonstrat ion in 20 14. In 2015, HHS awarded $23 million in 1-year planning grants to support 24 states in their efforts t o part icipate inthis demonstrat ion program. In 201 6, HHS selected 8 states (of t he original 24)to part icipat e in the d emonstrat ion program. The program has received mu ltiple extensions a nd increases in funding. The Coronavir us Aid, Relief, and Economic Security Act instruct ed HHS to add two additional sta tes from t he original pool o f planning grantees t o t he demonstration program. Most recently, the Bipartisan Safer Communities Act extendedexisting demonstrat ions and expanded opport unities for new states to implement demonstrations. The legislation: Extended the end date and duration of enhanced federal match for t he original demonstrations through FY 2025; Extended the length and duration of enh anced federal ma tch for t he 2 additional sta tes from 2 to 6 years; Allowed HHS to fund addit ional planning grants; an d Expands t he demonstration every 2 yearsby up to 10 states each time beginning in 20 24 . The Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act invested $55 million in a new Medicaid demonstration program. Through this demonstration program, CMS encourages states to increase provider capacity in their Medicaid programs through enhanced federal reimbursement for increases in Medicaid spending on substance use disorder treatment and recovery services. In 2 019, CMS selected 15 stat es, including the District of Columbia, to receive planning grants to assess behavioral health treatment capacity and provider needs to

sustainably improve Medicaid provider networks treating substance use disorders. In September 2021, CMS selected 5 state Medicaid agencies to participate in the 36-month post-planning period: Connecticut, Delaware, Illinois, Nevada, and West Virginia. The goals of this d emonstration include: Supporting recruitment and training an d providing technical assista nce for providers offering subst ance use disorder treat ment or recovery services; Improving reimbursement for a nd expanding the treatment ca pacity of participating providers auth orized t o dispense Food and CMS t Stat e Grant s and Demonstrations 103 Drug Administration-approved d rugs for individuals with substa nce use disorders; and Improving reimbursement and expand ing ›„ı]]›ı]vP›„}À]˚„’ ı„˚ı ı} address the treatm ent n eeds of certain populations enrolled u nder the Medicaid state plan or waiver of such plan. The five post-planning period state grantees are ta rgeting a variety of populations and provider types for expanded substance use disorder treatment capacity, including buprenorphine providers, primary care providers, licensed behavioral health centers, and Federally Qualified Health Centers. Post-planning states reported several key facilitators of substance use disorder treatment expansion activities: the federal reimbursement, the structure of the demonstration to encourage collaboration with other state initiatives, and the ability to carry over funding from the planning grant to the demonstration. The American Rescue Plan Act of 2021 provides a state plan option to cover certain Medicaid services as qualifying community-based mobile crisis intervention services, which are available 24/7, provided outside of a hospital or other facility setting. These services are eligible for a federal match rate of 85 percent for up to 12 fiscal quarters during the 5-year state plan option period. The American Rescue Plan Act of 2021 invested $15 million into planning grants for states to develop the new authority in their state Medicaid programs. In 2021, CMS awarded grants to 20 states. As of November 2 023, eight of the awardee states have received approval for state plan amendments providing coverage of these community- based mobile crisis intervention services, making them eligible for the enhanced federal match. MEDICAID AND CHIP OUTREACH AND ENROLLMENT GRANTS The Outreach and Enrollment Program provides grants to a variety of entities including community-based organizations, nonprofit organizations, and healthcare providers, and a national campaign to improve outreach to, and enrollment of, children eligible for Medicaid and CHIP, with funding set aside specifically for serving American Indian and Alaska Native children. These grants aim to reduce the number of children eligible for, but not enrolled in, Medicaid and CHIP by educat ing families a bout the a vailability of affordable health coverage u nder M edicaid and CHIP, identifying children likely to be eligiblefor t hese p rogram s, an d assisting families with t he applicat ion and renewal process. The Bipartisan Budget Act of 2 018 appropriated $48 million for this work for FY 20 24 through FY 2027, and the Consolidat ed Appropriations Act, 2023 a ppropriated $ 40 million for FY 20 28 through FY 20 29 . O f these a mount s, 1 0 percent is set aside for evaluation a nd technical assistance t o grantees. Refer to the CHIP chapter for additional information. MEDICAID INTEGR ITY PROG RAM In FY 20 25,the M edicaid Integrity Progra m will receive $103 million in m andatoryappropriations. W hile states ha ve the primary responsibility for combat ing Medicaid fraud, waste, a nd abuse, t heMedicaid Integrity Program plays a n importa nt role supporting state efforts. CMS uses

t hese funds t o provide technical support t o statesand contract swith eligible entities to execute act ivities, such as a gency reviews, audit s, identification of overpayments, a nd educat ion activities. The M edicaid Integrity Program works in coordinat ion with Medicaid p rogram integrity act ivities funded b y t he Healt h Care Fraud and Abuse Control Program. Refer to the Program Integritychapt er for addit ional information. MONEY FOLL OWS THE PERSON DEMONS TR ATION Over the lifetime of t heMoney Follow s th e Person demonstration, 45 states, 2 territories, and the District of Columbia, have been awarded competitive grants and received an enhanced federal mat ching rat e t o help eligible individuals t ransition from qualified institu tional settings to qualified home or communit y- based settings. States h avedemonstrated positive outcomes, helping over 107,000 individuals in institu tions return to the commun ity over t he course of the Money Follows t he Person demonstration. The demonstration has also shown improvedpart icipant quality of life, reduced the likelihood of read mitt ance to long-term care institut ions, an d lowered t he cost of care. Most recently, the Consolid at ed Appropriations Act, 2023, extended the program t hrough FY 202 7 and appropriated $45 0 million each year for FY 20 24 through FY 2027. This funding, coupled with other resources, have ena bled stat es t o further exp and access to home and community-based services for CMS t Stat e Grant s and Demonstrations 104 individuals t ransitioning from institu tionsto community-based settings. 2025 LEGISLATIVE PROPOSALS Our country faces an unprecedented behavioral health crisis among people of all ages, and the lack of access to mental health treatment services exacerbates this crisis. The budget would convert existing and any new state demonstration programs to a permanent Medicaid state plan option. This proposal ensures that more Medicaid beneficiaries have access to all the behavioral health services these clinics provide. [$11.4 billion in costs over 10 years]CMS t Stat e Grant s and Demonstrations 105 Centers for Medic are & Medicaid Services: State Grants and Demonstrations FY 2025 Budget Proposals The following table is in millions of dollars. State Grants & Demonstrations Legislative Proposals 2025 2025-2029 2025-2034 Convert Medicaid CCBHC Demonstration into a Permanent Program (Impacts to Medicaid) -- 864 11,418 CMS t Private Insurance 106 Centers for Medic are & Medicaid Services: Pr ivate Insurance The FY 20 25 °’ P° „°(ı„ı]}v[’]ıu° ’ı„°vPıZ° Affordable Ca re Act and k eeping high-quality healthca re coverage accessi ble, a ffordable, a nd permanent for a ll Americans. Since it s passage 14 years a go, the Affordable Care Act h as reduced the numb er of uninsured Americans, ext ended critical consumer protections to over 10 0 millionpeople, and ’ı„°vP vı]}v[’oıZ Enhanced subsidies have made Ma rket place coverage even more a ffordable and accessible f or m illions of Americans. Despite historic gains, millions of Americans remain uninsured, including low-income individuals in states tha t have notexpand ed M edicaid, a crisisthis bu dget addresses. Th e Administration h as t ak enmeasures t o ensure more Americans ha ve access t o affordable healthca re coverage permanent ly, as well a s implementing surprise b illin g protections from the No Surprises Act. A robust set of p roposa ls t o increase access t o afforda ble coverage, improve access to prescription drugs, and help consumers access h igh-quality and comprehensive ment al healthcare are included in the b udget request. EXPANDING COV ERAG E AND AC CESS TOAFFORDABLE CAR E THROUG H THE MARKETPLAC ES Building on t he subsidy ex

pansions u nder t he American Rescue Plan Act of 2 021 , t he Inflation Reduct ion Act extend s provisions tha t improved health insurance affordability and access through 2 02 5. These provision s reduced the amount of income individuals are required to contribut e to t heir healthinsurance premiums and eliminated the 400 percent income cap of t he federalpoverty level for premium assista nce eligibility, ıZ˚. Under these provision s, millions of Americans ha ve been able to access h ealth insurance plans with low- or zero-cost monthly p remiums. Additionally, households over 400 percentof t he federalpoverty level were able t o obtain eligibilit y for M arketplace subsidie s. The 20 24 annual O pen Enrollment Period was a record-breaking success, in part d ue t o t he ex pansion of t hese subsidie s. From November1, 202 3, to J anuary 15 , 20 24, morethan 2 1.3 million Americans signed up for health insurance, includingmore t han 5 million who signed up for new coverage. Four out of five p eople returning t o HealthCare.gov were able t ofind plans for $1 0 or less a m onth afteraccounting for premium assista nce. NO S URPR ISES ACT The Administrat ion is working t o protectAmericans from surprise medical bills t hrough th e cont inued implementat ion of t he No Surprises Act. Consumers covered b y group and individual health insurance plans are p rotected from receiving t he m ost common types of surprise me dical bills, including t hose fo r out-of-network emergency services, out-of-network a ir ambu lance services, and certa in out-of-network CMS t Private Insurance 107 services at in-network facilities. If payment for t hese services are n ot sett led by the h ealth plans, issuers, providers, and facilities, billing d isput es m ay be resolved t hrough a specified sta te law or the Federal Independent Disput e Resolution Process. Under the No Surprises Act, uninsured and self-pay consumers may disput e charges tha t are significant ly higher t han good faith estimat es received th rough a Pat ient-Provider D isp ute Resolution Process. HHS, t he U.S.Depart ment of La bor, a nd the U.S. Depart ment of t he Treasury continue t o deliver ongoing s yste m enhancements, guidance, and technical assist ance to improve the Federal Independent Dispute Resolution Process. In response to the unexpectedly high volume of disput es submit ted to the Federal Ind ependent Dispute Resolution portal and to help facilitate complex eligibility determinat ions, t heDepartments, through contract support a nd additional staffing, are conducting p re-eligibility reviews and p roviding recommendat ions t o certified Ind ependent Dispute Resolution Entities regarding eligi bility of d isput es. The D epartm ents published the Federal Independent D ispute Resolution Operat ions p roposed rule, which, if finalized, would improve communicat ion between p ayers, providers, and certified Independent Disput e Resolution Entit ies; change t he a dministrat ive fee struct ure to improve t he accessibility o f th e process; and adju st specific timelines a nd steps of t he process to improve tran sparencybetween p arties a nd reduce t he complexity of eligibility determinat ions. Through these proposals, t he D epartments intend t o improve t he accessibility a nd operationof t he Federal Independent Dispute Resolution process and facilitat etimely payment d eterminat ions. 20 25 LEGIS LATIV E PROPOSALS The proposals included in the FY îì˚’]^˚vı[’ Budget strengthen healthcare coverage an d affordability and build on existing consum er protections to provide Americans with access to comprehensiv e ment al health and substan ce use disorder benefits. Ma ny ofthe proposals expand u pon the protections of the landmark PaulWellstone and Pete Domenici M enta l Health Parity and Addiction

Equity Act of 2 00 8. This law generally prevents group health plans and health insurance issuers t hat p rovide menta l health or substance use disorder benefits from imposing les s favorable limitat ions on those b enefits tha n onmedical or surgical benefits. The Affordable Care Act subsequently built on these protections by requiring non-grandfathered health plans in the individual and small group markets to include mental health and substance use disorder services as part of the package of essential health benefits. The FY 2025 budget further strengthens consumer protections by closing various loopholes that have resulted in disparate coverage practices and providing additional funding for enforcement of mental health parity requirements. It also makes healthcare more affordable by requiring coverage of three behavioral health visits and three primary care visits without cost-sharing. To support equitable treatment and increased a ccess of covered mental health and substance use disorder services plans and issuers, the budget also supports a standardized definition of mental health and substa nce use disorders, as well as a permanent expansion of telehealth and other remote care services. The enhanced premium tax credits, originally esta blished under the American Rescue Plan Act of 2021 and ext ended through 2025 under the Inflation Reduction Act, have played a vital role in expanding coverage for millions of Am ericans. Building upon these successes, this proposal would permanently expand premium ta x credit eligibility by eliminating the required contribution for individuals and families making 100 percent to 150 percent of the federal poverty level and limiting the maximum income contributions towards benchmark plans to 8.5 percent of household income. The proposal removes the 400 percent of the federal poverty level ($120,000 for a family of 4) cap on premium tax credit eligibility. This proposal also eliminates the annual indexing of the required contribution percentage, leading to more certainty for consumers as they calculate their required share of potential health insurance premiums. [$43.1 billion in costs over 10 years] The Affordable Care Act allowed states to expand Medicaid coverage for individuals making up to 138 percent of the federal poverty level. In states that have not expanded Medicaid coverage, over 2 million individuals who make less than 100 percent of the federal poverty level but too much to qualify for Medicaid in their state fall into a coverage gap without access to an affordable healthcare option. 108 This budget provides Medicaid-like coverage to individuals in sta tes that have not expanded Medicaid under the Affordable Care Act, paired with financial incentives to ensure sta tes maintain their existing expansions. [$200.0 billion in government-wide costs over 10 years] Nearly a quarter of all adults experienced some form of mental illness in the last year. The budget strengthens and improves consumer protections by requiring all plans and issuers, including group health plans, to provide mental health and substance use disorder benefits. The budget seeks to improve compliance with behavioral health parity standards by requiring plans and issuers to use medical necessity criteria for behavioral health services that are consistent with the criteria developed by nonprofit medical specialty associations, as well as put ting medical necessity at the forefront of care decisions instead of profit. It also authorizes the Secretaries of HHS, the U.S. Department of Labor, and the U.S. Department of the Treasury to regulate behavioral health network adequacy, and to issue regulations on a standard for parity in reimbursement rates based on the results of comparat ive analyses submitted by plans and issuers. [$1.0 billion in costs over

10 years] Access to primary care and behavioral health services improves long-term health outcomes by promoting prevention and early detection of potentially serious conditions. Even small out-of-pocket costs may deter consumers from seeking medical care, including behavioral health services. About half of U.S. adults say they or a family member delay care because of the cost. Members of historically underserved racial and ethnic groups are especially likely to forego necessary care and experience more difficulty accessing behavioral health services than white Americans. This proposal seeks to improve health outcomes by requiring all plans and issuers to cover three behavioral health visits and three primary care visits each year without charging a copayment, coinsurance, or deductible-related fee. [$428 million in costs over 10 years] CMS t Private Insurance Adequate enforcement is necessary to ensure that consumers benefit from the protections enshrined in law. This proposal provides $125 million in mandatory fundingover 5 years for grants to states to enforce mental health and substa nce use disorder parity requirements. Any funds stat es do not expend at the end of 5 fiscal years would remain available to the Secretary to make additional mental health parity grants. [$125 million in costs over 10 years] The No Surprises Act and Title II Transparency provisions, enacted as part of the Consolidat ed Appropriat ions Act, 2021, created crucial new consumer protections from surprise medical bills and entrusted the Departments of HHS, the U.S. Department of Labor, and the U.S. Department of the Treasury with many new or enhanced enforcement, oversight, data collection, and program operation requirements. To implement the law, the Departments scaled up expertise and resources for rulemak ing, technical builds, enforcement, and staffing. A one-time lump-sum appropriation of $500 million was provided to implement the No Surprises Act and Title II Transparency provisions. While the appropriation expires at the end of 2024, most No Surprises Act and Title II Transparency provisions statutory requirements are permanent. The Departments will have ongoing responsibilities such as enforcement of plan, issuer, and provider compliance; complaints collection and investigation; and auditing comparative analyses of non-quantitative treatment limits for mental health and substa nce-use disorder plan benefits. This proposal prov ides $500 million in additional mandatory funding for continued implementation of the No Surprises Act and Title II Transparency provisions, ensuring the Departments will have sufficient funding to enforce this law in the future. [$500 million in costs over 10 years] Under the No Surprises Act, Americans are protected from most forms of surprise medical bills. Ground ambulance services are excluded from these important protections. Beginning in 2026, this proposal extends surprise billing protections to ground ambulance bills across the commercial market. As a result, people who CMS t Private Insurance 109 ta ke an out-of-network ground ambulance ride during an emergency would only be subject to their in-network cost-sharing amount. [$1.0 billion in government-wide savings over 10 years] The Inflation Reduction Act limits Medicare beneficiary cost-ı›{}u}vıZsupply. This proposal extends the cap on patient cost-sharing to insulin products in commercial markets. This will allow more of the over 37 million Americans with diabetes to lock in this lower cost. [$31 million in costs over 10 years] As hospitals expand ownership of outpatient and physician office settings, consumers are seeing an uptick in fees for more than just the care provided to ^(acility fees_ are increasingly a driver of healthcare costs in America, and are

leading to consumers being charged as though they received treatment in a hospital even if they never entered one. This proposal would prohibit hospitals from billing unwarranted facility fees for telehealth services and for certain other outpatient services. [$2.3 billion in savings over 10 years] Thanks to action taken by this Admini strat ion, millions of seniors are saving money on their drug costs, and the Ad mini st ration announced the first 10 drugs for which prices wi ll be negotiated by Medicare as it cont inues implementa tion of the I nflat ion Reduct ion Act. The budget builds on this success by significant ly increasing the pace of negot iat ion, bringing more drugs into negotiation sooner after they launch, expanding inflation rebates }µır}(rbeyond Medicare and into the commercial market, and other steps to build on the Inflation Reduction Act drug provisions. CMS t Private Insurance 110 Centers for Medic are & Medicaid Services: Pr ivate Insurance FY 2025 Budget Proposals The following tables are in millions of dollars. Legislative Proposals 2025 2025-2029 2025-2034 Protecting the Health of All Americans Permanently Extend Enhanced Premium Tax Credits (non-add) 0 101,497 272,703 Premium Tax Credits (non-add) 0 53,144 142,771 Cost-Sharing Reductions (HHS Impact) 0 16,797 43,131 Other Government-Wide Impacts (non-add)120 0 31,556 86,801 Permanently Extend Coverage to Low-income Individuals in States that have not Expanded Medicaid (non-add) 8,500 89,000 200,000 Subtotal, Government-wide Impact (non-add) 8,500 190,497 472,703 SubtotalOutlays, Private Insurance Proposals 0 16,797 43,131 Transforming Behavioral Health Improve Access to Behavioral Healthcare in the Private InsuranceMarket (non-add) 0 9,782 31,224 Premium Tax Credits (non-add) 0 2,149 6,779 Cost-Sharing Reductions (HHS Impact) 0 313 1,045 Other Government-Wide Impacts (non-add)1 0 7,320 23,400 Require Coverage of Three Behavioral Health Visits and Three Primary Care Visits without Cost-Sharing (non-add) 0 11,733 18,714 Premium Tax Credits (non-add) 0 2,030 2,895 Cost-Sharing Reductions (HHS Impact) 0 293 428 Other Government-Wide Impacts (non-add)120 0 9,410 15,391 Provide Mandatory Funding for State Enforcementof Mental Health Parity Requirements 10 125 125 Subtotal, Government-wide Impact (non-add) 10 21,640 50,063 Subtotal Outlays, Private Insurance Proposals 10 731 1,598 Promoting Effective and Efficient Stewardship and Competition Replenish andExtend No Surprises Act Implementation Fund 103 500 500 Extend Surprise Billing Protections to Ground Ambulance (non-add) 0 -392-1,031Premium Tax Credits (non-add) 0 -70-176Cost-Sharing Reductions (HHS Impact) 0 -8-23Other Government-Wide Impacts (non-add)120 0 -314-832Subtotal, Government-wide Impact (non-add) 103 108-531SubtotalOutlays, Private Insurance Proposals 103 492477Modernizing Benefits and Lowering Healthcare Costs Ban Facility Fees for Telehealth and CertainOutpatient Services in Commercial Insurance 0 -850-2,250Limit Cost-sharing for Insulin at $35 a Month (non-add) 580 1,210 1,338 Premium Tax Credits (non-add) 115 218 218 Cost-Sharing Reductions (HHS Impact) 17 31 31 Other Government-Wide Impacts (non-add)120 448 961 1,089 Subtotal, Government-wide Impact (non-add) 580 -õíîSubtotalOutlays, Private Insurance Proposals 17 3131 120 Othe r Gove rnmen t-Wide Im pacts includ e costs to p rograms ov erse en by the Departmen t of the Treasu ry, the Postal Service, and the Office of P ersonne l Manag ement. CMSŒPrivateInsurance111TOTALSLegislativeProposalsInOtherChaptersAffectingPrivateInsurance

RequireStatestoProvide12MonthsofPostpartumCoverageinMedicaid(PrivateInsuranceImpact)13r63r140ExpandMedicaidandCHIPContinuousCoverageforChildren(PrivateInsuranceImpact)r1r15r47Total,GovernmentrwideImpact(nonradd)TotalOutlays,PrivateInsuranceProposals ííò í7,õóï ðñUìñì CMS t Program Integrity 112 Centers for Medicare & Medicaid Services: Pr ogram Integrity The following table is in millions ofdollars. Program Integrity 2023 2024 2025 2025 +/- 2024 Discretionary121 893 893 941 +48 Mandatory122 1,523 1,600 1,861 +261 Subtotal, Health Care Fraud and Abuse Control Program 2,416 2,493 2,802 +287 Medicaid Integrity Programíîí.,123 95 100 103 +3 Total,Budget Authority 2,511 2,593 2,905 +312 The FY îì°’ P° ’ı„˚vP integrity and sustainability of Medicare and Medicaid by investing in the prevention of fraud, waste, and abuse, protecting beneficiaries from ha rm or unnecessary payments, andeliminat ing wasteful spending. Two p rogramsvthe Health Care Fraud a nd Abuse Control (HCFAC) Prog ram and t heMedicaid Integrity Programvcomprise most of t hefederal investm ent inhealthca re program integrity. The budget provides $2 .9 billion in tot al mandat ory a nd discretionary investm ents for t he HCFAC and M edicaid Integrity Programs in FY 2025. HEALTH CARE FRAUD AND ABUSE CONTR OL PROG RAM The HCFAC pr ogram, esta blished in 1 996, serves a s th e primary federal investm ent thataddresses h ealthcare fraud a nd abuse t hrough a coordinat ed effort between HHS and the U.S. D epartment of Ju stice. It p rovides both mand atory an d discretionary funding t o ad dress the full spectrum of h ealthcare fraud andabuse interventions, including identifying and reducing improper payments, prevention and detection, and investigation and prosecution of fraud. Current HCFAC funding levels to combat fraud, waste, and abuse are helping t o safeguard federal health programs, but more could be d one t o ensure t he government is k eeping p acewith the size,scope, a nd complexity of the healthcare industry a nd federal programs. Without a dditional resources, HHS ma y have to forgo investigating s erious instances of fraud, waste, and abuse. As t he American p opulation a ges, opportunities for fraud will also increase. 121 The FY 2023 and F Y 2024 column s reflect en acted leve ls. 122 The FY 2023, FY 2024, an d F Y 2025 mand atory bas e includ es seque ster redu ctions . The FY 2025man datory lev el includ es $210 mill ion in propose d law funding . 123 Add itional inf or mation on the Medicaid Inte grity Program is includ ed in the S tates G rantsand Demon strations chapter. Top priorities for HCFAC part ner a gencies include: Increased Medicare fee-for-service m edical review t o identify and recover improper payment s; Oversight of n ursing homes, m anaged ca re, and community-based settings; La w enforcement and prosecution a ctivities t o combat existing and emerging fraud schemes; Investigations and forensic aud its t o uncover fraud a nd abuse; Increased specialized staffin g for enforcem ent and oversight; and Cutt ing-edge d at a analyticsto detect trends and outliers more quick lyand efficiently. The budget includes a significant new investment in the mandat ory HCFAC account totaling $4.1 billion over 10 years and a continuat ion of dedicated program integrity discretionary investments for HCFAC. These investments will more t han pay for itself based on years of documented recoveries to the Medicare Trust Funds and the U.S. Department of the Treasury. Under current law, the Medicare Part A Trust Fund provides over $1.6 billion in mandat ory HCFAC resources for FY 2025 allocated to the Medicare Integrity Program and other HCFAC partners. This funding

supports efforts across HHS, HHS Office of Inspector General, the U.S. Department of Justice, and the Federal Bureau of Investigations to combat healthcare fraud, waste, and abuse. CMS t Program Integrity 113 The budget raises the majority of the mandatory HCFAC funding streams by 20 percent to ensure the long-term effectiveness and stability of the program and return more money to the Medicare Trust Funds and the U.S. Department of the Treasury. See details of the mandatory HCFAC proposal in the legislative section below. The budget requests $941 million in discretionary HCFAC funding, $48 million above FY 2023. This is the level authorized in the Fiscal Responsibility Act of 2023. Discretionary HCFAC funding and can be used for the same purposes as the mandat ory HCFAC funding. The budget assumes discretionary HCFAC spending will continue over the 10-year budget window through dedicated program integrity discretionary investments. Of the $941 million, CMS will receive $704 million, the U.S. Department of Justice will receive $126 million, and the HHS Office of Inspector General will receive $112 million. Program integrity spending is a proven cost-effective investment. According to the latest Medicare and Medicaid Annual Report, Medicare program integrity efforts yield a robust rate of return representing $8.20 for every $1 spent based on a 3-year rolling average and consistently generates savings of over $11.0 billion annually. The 3-year rolling average return on investment for HCFAC law en forcement activities is $2.90 recovered for every $1 spent. In FY 2022 alone, these activities returned nearly $1.7 billion to the federal government or private individuals, including $1.2 billion to the Medicare Trust Funds and $126 million in federal Medicaid recoveries and audit disallowances to the U.S. Department of the Treasury. In 2022, Health Care Fraud Strike Force Teams, in }}„ˆ]vı„v°’°the combined resources of federal, state, and local law enforcement entities to prosecute complex healthcare fraud cases involving the illegal prescription, distribution, and diversion of opioids. Strike Force accomplishments included investigating 392 defendants who allegedly billed healthcare programs and private insurers approximat ely $2.2 billion; obtaining 395 guilty pleas; and securing imprisonment for 323 sentenced defendants. In J une 202 3, the St rike Force an nounced a strategically coordinat ed, 2-week nationwide law enforcement act ion th at resulted in criminal cha rges against 78 defendan ts for t heir alleged p articipat ion in healthca re fraud and opioidabuse schemes t hat included over $2 .5 billion inalleged fraud. In connection with the enforcement action, millions of dollars in ca sh, a utomobiles, a nd real estate were seized or restrained. MEDIC AID I NTEGR ITY PROG RAM Using HCF AC as a model,the D eficit Reduction Act of 20 05 esta blished the Medicaid Int egrityProgram as t he vı]}v[’ ›„}P]vı˚P„] ˚({} {} Medicaid. The ma ndat oryappropriation for t he Medicaid Integrity Program adju sts annu ally for inflat ion and will t otal $103 million in FY 2025. Stat es a re t he first response for comba ting fraud, waste, and abuse in t heMedicaid program, and t he Medicaid Integrity Program plays a n important role supporting t hese efforts . Funded a ctivities include reviews, audit s, educat ion activities, and technical 114 support to states. The Medicaid Integrity Program coordinates with Medicaid program integrity activities funded by the HCFAC Program. Combined with CMS Program Management and other accounts, Medicaid Integrity Program funding improves critical Medicaid systems, supporting program integrity. Continued investments in CMS program operations and Medicaid program integrity ensures CMS can enhance transparency and

fund critical updates to Medicaid information systems, such as the Transformed Medicaid Statistical Information System, vı(]„˚›}’] claims and encounter data. 2025 LEGISLATIVE PROPOSALS The FY 2025 budget includes a robust package of program integrity legislative proposals. It proposes significant new investment in the mandatory HCFAC program. Other program integrity proposals expand nursing home oversight and promote good governance. Together, this program integrity agenda yields over $5.0 billion in net savings over 10 years. Increase Mandatory HCFAC Funding The Health Insurance Portability and Accountability Act of 1996 established mandatory HCFAC funding streams for: the Medicare Integrity Program; the Medicare- Medicaid data match program; HHS Office of Inspector General; the Federal Bureau of Investigation; and an account allocated between HHS and theU.S. oo˚ FY 2010, the Affordable Care Act increased these mandat ory funding streams by providing temporary, incremental funding amounts that expired a t the end of FY 2021; and a permanent, annual inflationary increase. The funding levels for the mandat ory HCFAC streams have not increased in over a decade, creating an expanding gap between growth in Medicare, Medicaid, and other federal healthcare expenditures and program integrity resources used to provide oversight of these programs. The budget grows all but 1 mandat ory HCFAC funding stream by 20 percent over current law baseline levels; the HHS Wedge stream would grow by 10 percent. The additional mandatory HCFAC investment will support top priorities such as Medicare fee-for-service medical review; addressing emerging fraud schemes; fraud and abuse audits and investigations; increased staffing for oversight and enforcement; cutting-edge data analytics CMS t Program Integrity to detect trends and out liers; and fraud and abuse law enforcement and prosecution a ctivities. This a dditional investm ent isprojected to total $4.1 billion over the 10-year budget window a nd yield $5.0 billion in net savings over 10 years. The ma ndat ory HCFAC prop osal a lso ma kes modifications to HCFAC sta tut ory p urposes, definitions, and reporting requirements th at have n otbeen changed since 19 96, including: Expanding the HHS Office of Inspector General invest igations of C MS p rograms t o include Marketplaces and related act ivities, such as a dvanced premium tax credits, a s their current aut hority is limited to Medicare and Medicaid activities; Clarifying th at HCFAC a llowa ble purposes apply t o bothpublic and private plans given there is some confusion am ong h ealthcare prosecutors th at these au thorities only ap ply to Medicare and M edicaid; and Program in t he Medicare-Medicaid dat a mat ch program so CM S can a udit andCMS t Program Integrity 115 investigate the $ 20.0 billion th at providers bill to this program. Increase Private Equity and Real Estate Investment Trust Ownership Transparency in Long-Term Care Facilities Current law does not require skilled nursing facilities with private equity or real estate investment trust ownership to disclose pro fit/loss statements, detailed expense reports, and other financial documents beyond the basic annual cost report filing required of most Medicare -certified providers. Visibility into skilled nursing facilities owned under either of these two types of arrangements is critical considering recent research linking such ownership with poorer health outcomes among residents across a variety of metrics. This proposal requires skilled nursing facilities with either of these ownership types, whet her direct or indirect, to provide a dditional financial disclosures above and beyond other provider types. Additionally, for all Medicare

providers/suppliers, the proposal expands the requirement that owners with a five percent or greater direct or indirect ownership ›„}À]^°„l'µ››o]enrollment application, to require owners with any percentage-level of interest be reported. [Budget neutral] Implement Targeted Risk-Adjustment Pre-Payment Review in Medicare Advantage In FY 2023, Medicare Advantage had an improper payment rate of 6 percent and overpayments exceeded $16.0 billion. Beginning in CY 2025, this proposal confirms diagnoses submitted by Medicare Advant age Organizations for risk-adjustment with the medical record prior to CMS making risk adjusted payments. The proposal focuses prepayment review on plans, diagnosis, or beneficiaries at elevated risk of improper payments and determines the threshold at which plans would be required to submit medical record documentation in support of the risk-adjustment. This proposal excludes certain types of plans, as determined by the Secretary. Confirming diagnoses before making risk-adjusted payments improves payment accuracy in Medicare Advantage. [Budget Neutral] Expand Too lsto Ide ntify and Invest igate Fraud in t he Me dicare Advanta ge Program This p roposal requires M edicare Advanta ge plans t o collect valid ordering, referring, or prescribing p rovider identifiers for healthca re services a nd report t his informat ion as pa rt of encount er da ta submission s to CMS. By requiring M edicare Advanta ge plans t o collect key provider dat a to assist with investigat ions, this proposal prov ides CM S and the HHS Office of Inspector General with improved capabilities to hold wrongdoers account able and prevent program losses a nd beneficiary harm. This proposal does not require addit ional funding. [Not Scorable] Ensure Providers that Violate Medicare Safety Requirement sand Have Harmed PatientsCannot Quickly Ree nter the Program Under current sta tut e, Medicare-certified providers/sup pliers whose a greements ha ve been involunt arily t erminated due t o a failure to meet Medicare p articipation requ irements cannot enter into a new agreement untilthe reasons for t he t ermination have b een removed. This conflicts with a regulation tha t requiresa minimum 1-year reenrollment bar a fter „}À]^°„l'µ››o] right to reenter t he p rogram afterthe Secretary determines t here is reasonable assurance t hat the core issues wil l not recur supersedes t he regulatory minimum of a one-year reenrollment bar. This proposal prov ides t he Secretary with aut hority to ˚v{} ˚assurance period for M edicare-certified providers/sup pliers in cases of pa tient harm or neglect. The Secreta ry would be able t o review t he t otality of the facts at hand to determine whet her abar would be appropriate. The bar would only be used in egregious cases, thu s allowing t he Secretary t o further focus on signif icant patient harm issues. [Budget neutral] Prohibit Unsolicite d Medicare Beneficiary Cont act s Amplified b y t he COVID-19pand emic,Medicare scams have p roliferated that utilize unsolicited cont act s with Medicare b eneficiaries f or t he p urpose of ordering or rendering h igh-cost items and services, such as medically u nnecessary labor at ory t estingand COVID-19 personal protect ive equipment, a s well a s collecting ˚v˚(]]„]˚„ uı›„}›}'would disallo w certa in ordering or referr ing p roviders, home hea lth agencies, laboratories, other p roviders and suppliers a s identified b y t he Secretary, a nd other individuals or ent ities a cting on behalf of such CMS t Program Integrity 116 providers a nd suppliers fro m mak ing certain u nsolicited contact s with Medicare b eneficiaries. Pro hibited contact s would include ph one ca lls, text messages, direct m essaging a pplications, and e-mail. The proposal woul d also grant the Secretary auth ority to announce

rulemaking t o modify t he p arameters restricting un solicited provider cont act s with beneficiaries to address emerging fraud threat s th at CMS identifies in the fut ure. [Not Scorable] OTHER FY 20 25 BUDG ET POLIC IES The FY 20 25 budget includes a continuat ion of dedicated program int egrity discretionary investm ents for t he Social Security Administrat ion to conduct continuing disability reviews a nd Supplementa l Security Income redeterminat ions t o confirm tha t part icipant s remain eligible t o receive benefits. These increased workloads are projected to yield savings t o Medicare a nd Medicaid t otaling $ 12 .2 billion over 10 years a nd incorporated into t headju sted b aseline. CMS t Program Integrity 117 Centers for Medic are & Medicaid Services: Pr ogram Integrity FY 2025 Pr ogram Integrity Budget Proposals The following tables are in millions of dollars. Legislative Proposals 2025 2025-2029 2025-2034 Long-Term Care Increase Private Equity and Real Estate Investment Trust Ownership Transparency in Long-Term Care Facilities -- -- -- SubtotalOutlays, Long Term Care Proposed Policy -- -- -- Subtotal, Medicare Impact (non-add) -- -- -- Subtotal, Medicaid Impact (non-add) N/A N/A N/A Good Governance Implement Targeted Risk-Adjustment Pre-Payment Review in Medicare Advantage ** ** ** Ensure Providers that Violate Medicare Safety Requirements and Have Harmed Patients Cannot Quickly Reenter the Program -- -- -- Prohibit Unsolicited Medicare Beneficiary Contacts ** ** ** Expand Tools to Identify and Investigate Fraud in the Medicare Advantage Program ** ** ** SubtotalOutlays, Good Governance in Proposed Policy -- -- -- Subtotal, Medicare Impact (non-add) -- -- -- Subtotal, Medicaid Impact (non-add) N/A N/A N/A Non-PAYGOImpacts Proposed Legislative Policy IncreaseMandatory HCFAC Funding Gross Investment from 20% Rebasing ofFunding Streams (non-add) $217 $1,780 $4,064 Gross Savings from Return-on-Investment (non-add) -$477 -$3,980 -$9,104 Net Savings: Increase Mandatory HCFAC Funding -$260 -$2,200 -$5,040 Savings from Discretionary Investment Capture Savings to Medicare and Medicaid from HCFAC Discretionary Investments (net impact) -$773 -$3,825 -$8,338 Savings from New Investment (non-add) -- -$858 -$3,079 Capture Savings to Medicare and Medicaid from Social Security Administration Discretionary Investments -$243 -$3,200 -$12,215 Medicare Impact (non-add) -$163 -$2,308 -$8,861 Medicare Impact (non-add) -$80 -$892 -$2,636 Subtotal,Medicare and Medicaid Adjusted Baseline Savings -$1,016 -$7,025 -$20,553 -- Zero or b udget neutra l *Not scoreable CMS t Centerfor M edicareand Medicaid Innovation 118 Centers for Medic are & Medicaid Services: Center for Medicare and Medicaid Innovation The following table is in millions ofdollars. Current Law 2023 2024 2025 2025 +/- 2024 Innovation Center Obligations124 614 1,047 1,347 +300 A healthcare system t hat achieves equitable outcomesthro ugh high-quality, a ffordable, person-cent ered care. The Center for Medicare and Medicaid Innovation (Innovation Center) within CMS tests innovative payment and service delivery models with the potential to improve the quality of care and reduce federal healthcare spending. The Innovat ion Center is integral to bipartisan efforts to accelerate the move from a healthcare system that pays for volume to a system that pays for value and encourages innovation. Congress appropriated $10.0 billion in FY 2011, $10.0 billion in FY 2020, and an additional $10.0 billion in appropriations in every 10-year period thereafter (beginning in FY 2030) to support Innovation Center activities. INNOVATION CENTER OVERVIEW Paying for improved health outcomes instead of high- volume and

low-value care is the central premiseof the , encouraging the emphasis of quality rather than volume of care. To date, the Innovation Center has launched more than 60 models, including Accountable Care Organization models; episode-based payment models; disease-specific payment models; primary care tran sformation models; models focused on specific populations such as Medicaid enrollees, ˆ„˚ Program (CHIP) enrollees, or dually-eligible individuals; initiatives to accelerate development and testing of new payment and service delivery models; and initiatives to speed adoption of best practices. The Innovation Center also implements demonstrations established directly by Congress. The Innovation Center uses independent evaluators to assess the impact of each model routinely and rigorously on quality and expenditures. Evaluations include carefully selected comparison groups, wherever possible, or advanced statistical methods to determine model performance and success. Having a robust evaluation process allows the Innovation Center 124 FY 2023 nu mbers are actuals. FY 2024 and FY 2025 are e stimates. to determine, on an ongoing basis and at the end of the testing period, whether a model represents a high- value investment of taxpayer dollars. The Innovat ion Center uses ongoing assessments to improve model testing, making evaluation results public as they become available. The Innovation Center prioritizes impacts on health equity, person-centered care, and health system transformation t efforts that align with CMS-wide goals. When a model test provides evidence of improved quality without increasing spending or limiting coverage, or decreased spending without reductions in quality or limiting coverage, certification by the Secretary and the CMS Chief Actuary allows the Innovation Center to expand models nat ionwide. Innovation Center models can also have significant impact on healthcare programs without having been formally certificated. Accountable care models have contributed to the design of the M edicare Shared Savings Program in multiple ways, such as how CMS recently scaled features of the Accountable Care Organization Investment Model into the program. CMS also incorporated elements of the Financial Alignment Initiative into relationships between states and Dual Eligible Special Needs Plans. Other Innovation Center models, CMS programs, and healthcare entities have adopted the health-related social need screening tool tested as part of the Accountable Health Communities model. To date, the CMS Chief Actuary certified four Innovation Center models for expansion: The Pioneer A ccounta ble Care Organization Model supported the coordination of ca re for pat ients across care settings, improving continuity and reducing d uplicative care and testing. CMS incorporated several success ful elements of t he m odel into t heMedicare Shared Savings Program through ru lemaking. CMS t Centerfor M edicareand Medicaid Innovation 119 The Medicare Diabetes Prevention Program aims to prevent the onset of Type 2 diabetes among pre-diabet ic M edicare beneficiaries. Through the expand ed m odel, suppliers deliver clinical interventions t hat seek to achieve a t least five percent weight loss by pa rticipants. Refer t o theMedicare ch apter for a legislat ive proposal thatesta blishes a permanent program. The Medicare Prior Aut horiza tion M odel for Repetitive, Scheduled Non-Emergent Ambulance Transport was certified for national expansion und er t he authority of th e M edicare Access and CHIP Reau thorization Act of 2015 . As of August 1, 2022, CM S completed a phased nat ionwide expansion of t he m odel. The model ensures ambu lance suppliers comply with applicable Medicare coverage,

coding, and paymentrules b efore r endering services and submitting claims to improve the Medicare improper payment rate. The model contribut ed to a decrease in Medicare spending of about $ 1.0 billion over its first 5 years whilepreserving qua lity of, and access to, care. CMS expa nded the Home Health Value-Based Purchasing Model to Medicare h ome health agencies in all 50 stat es a nd U.S. territories, effective January 1, 2022. The exp anded model builds on the success of the original Home Health Value-Based Purchasing M odel, which decreased unnecessary emergency room visits, improved p at ient mobility, and reduced M edicare spending. Refer t o the Medicare chapter for a legislat ive proposal esta blishing a permanent p rogram. ST RAT EG IC VISION AND PRIORIT IES The Innovation Center is working with its federal part ners and external stakeholders t o ad vance t oward a health system that a chieves equ itable out comes through h igh-quality, affordable, p erson-centered care. To achieve lasting ch ange, the Innovation Center is committ edto incorporating pat ient and caregiver perspectives across th e lifec ycle of its models, implementing more pa tient-reported outcomes dat a to measure what matters to beneficiaries, an d evaluating pat ient and caregiver ex perience in models. strat egy for the futu re organizes aro und five objectives. These object ives guide m odels a nd priorities, an d CMS measures progress toward achieving goals for each objective t o assess impa ct. 1. Drive Accountable Care: Increase t he n umber of Medicare fee-for-service and Medicaid beneficiaries i n a care relat ionship with a provider t hat is account ablefor qu ality and total cost of care. 2. Advance Health Equity: Embed healt h equity in every aspect of Innovation Center models and increase the focus on u nderserved populations. 3. Support Innovation: Leverage a ra nge of supports th at enable int egrated, p erson- centered care such as act ionable, pract ice- specific dat a, technology, d isseminat ion o f best pra ctices, peer-to-peer learning collaborat ives, and p ayment flexibilities. 4. Address Affordability: Pursue strategies to address healthcare prices, affordability, and reduce un necessary or duplicative care. 5. Partner t o Achieve System Transformatio n: Align prioritie s and policies a cross CMS an d aggressively e ngage pa yers, purchasers, providers, states, and beneficiaries t o improve quality, achieve equitable outcomes, and reduce healthcare costs.120 DRIVING ACCOUNTABLE CARE Accountable care reduces fragmentation in patient care and cost by giving providers the incentives and tools to deliver high-quality, coordinated, team-based care. The Innovation Center aims to increase the number of beneficiaries in accountable care relationships with providers, such as advanced primary care providers and Accountable Care Organizations. Quality of care and outcome measures should be measures that matter and include patient values and perspective. The Accountable Care Organization Realizing Equity, Access, and Community Health (ACO REACH) Model tests new ways for providers to collaborate and jointly assume responsibility for the quality and total cost of care of their pat ients, provide beneficiaries with access to enhanced benefits, and increase the a vailability of high-quality, coordinated care. The model promotes health equity through innovative testing of increasing payment benchmarks for Accountable Care Organizations serving higher proportions of underserved beneficiaries, implementing a Health Equity Plan to identify and reduce health disparities, and collecting and reporting demographic and social needs data. The redesigned ACO REACH Model launched in 2023; the performance period runs through 2026. The Making

Care Primary Model aims to build on knowledge gained from previous primary care tran sformation models. The model will improve care for beneficiaries by supporting the delivery of advanced primary care services, such as improving care management and care coordination, equipping primary care clinicians with tools to form part nerships with healthcare specialists, and leveraging community-ˆ„˚›ıand health-related social needs, including housing and nutrition. CMS is promoting multi-payer alignment by part nering with State Medicaid Agencies to operate this model in eight states: Colorado, North Carolina, New Jersey, New Mexico, New York, Minnesota , Massachusetts, and Washington. This model is designed to provide a pathway for primary clinicians with varying levels of experience in value-based care to adopt population-based payments and integrate CMS t Center for Medicare and Medicaid Innovation behavioral and specialty care. The model will launch July 1, 2024, and will run for 10.5 years. The Enhancing Oncology Model aims to drive tran sformation and improve care coordination in oncology care by preserving and enhancing the quality of care furnished to beneficiaries undergoing treatment for cancer, while reducing program spending under Medicare fee-for-service. Participating oncology practices take on financial and performance accountability for episodes of care surrounding systemic chemotherapy administration to patients with common cancer types. The Enhancing Oncology Model tests how to improve heoı„}À]ˆ˚„’deliver care centered around patients, consider ›ı]‰₀˚˚ˆ/ˆ˚o]way that generates the best possible patient outcomes. The Enhancing Oncology Model supports the ˚’nd Cancer Moonshot initiative to improve the experience of people and their families living with and surviving cancer. The model began July 1, 2023, and runs through 2028. ADVANCING HEALTH EQUITY The Innovat ion Center continues to strengthen efforts to address health equity by embedding equity in the design, testing, and evaluation of all models. The Innovation Center now develops models considering health equity as a core principle. Models prioritize increased participation of underserved beneficiaries and safety net providers, and increasingly include State Medicaid Agencies as cooperat ive partners in model implementation. Moving forward, CMS will continue to embed health equity in model design, implementation, and evaluation, including targeted technical assistance, tools, and other resources for model teams and participants. The Transforming Maternal Health Model aims to reduce disparities in maternal healthcare access and treatment. The model will work with state pa rticipants to improve outcomes and experiences for mothers and their newborns, while also reducing overall Medicaid program expenditures. The Transforming Maternal Health Model centers whole-person care delivery and person-focused outcomes. The model, announced on December 15, 2023, is projected to launch in fall 2024 and will run for 10 years. CMS t Centerfor M edicareand Medicaid Innovation 121 Medicare Advantage Value-Based Insurance Design The Value-Based Insurance Design Model, which provides Medicare Advantage plans additional flexibilities to alter their benefit packages, tests whether offering these flexibilities increases the uptake of high-value services, reduces costs, a nd improves quality outcomes. The model continues to evolve with an expanded focus on health equity that leverages the (o˚Æ]]o]ı]˚’January 1, 2017, and runsthrough December 31, 2030. SUPPORTING CARE INNOVATIONS The Innovation Center will test approaches to close care gaps and deliver whole-person care by driving progress in areas like integrated care, behavioral health, and

social determinants of health. Work in this objective also includes leveraging data, technology, and payment flexibilities to enable care in homes and communities. The Innovation in Behavioral Health Model aims t o improve the overall quality of care and outcomes for adults with moderate to severe mental health conditions and/or substance use disorders, and enrolled in Medicaid and/or Medicare, by connecting them with the integrated physical, behavioral, and social supports needed to manage their care. The model provides upfront support and assistance for states and provider participants to build capacity and scale up to a state-implemented alternative payment model. This model will use a value-based care approach, in which part icipants will be paid based on the quality of care provided and the improvements in patient outcomesefforts to promote health equity and ensure all populations can achieve optimal health outcomes. The model will launch in fall 2024 and run for 8 years. The Guiding an Improved Dementia Experience (GUIDE) Model focuses on dementia care management and aims to improve quality of life for people living with dementia, reduce strain on their unpaid caregivers, and enable people living with dementia to remain in their homes and communities. The model tests an alternative payment for provider participants who esta blish dementia care programs that provide ongoing, longitudinal care and support to people living with dementia and their caregivers. The model addresses several key barriers to high-quality and equitable dementia care, addressing unpaid caregiver needs, including respite services, screening beneficiaries for health-related social needs, defining a standardized approach to dementia care delivery, and providing an alternat ive payment model to support a team-based collaborative care approach. The model includes two tracks for established and new dementia care programs. The model will launch July 1, 2024, and run for 8 years, through June 2032. ADDRESSING AFFORDABILITY The Innovation Center pursues strategies to address healthcare prices and affordability, as well as to reduce waste. It seeks to address affordability directly and indirectly, such as through models that waive cost-sharing for high-value services or focus on moderating drug prices, and through models that target low-value care and sources of waste that drive up patient costs and have p roven challenging to confront in prior primary care-based models. To build on the historic provisions of the Inflation Reduction Act that lower prescription drug costs, President Biden issued Executive Order 14087, ’„°„]v’on October 14, 2022, to further address prescription drug affordability through the work of the Innovation Center. As described in the report in response to the Executive Order, the Secretary selected three models for development and testing to lower the high cost of drugs and promote accessibility to life-changing drug therapies, while maintaining or improving qua lity of care and beneficiary experience. Since the release of the report, the Innovation Center has further developed the three selected models, focusing on conducting targeted analyses to validate feasibility and effectiveness, gathering input from internal and external parties, and identifying operational and timeline considerations crucial to success (e.g., Inflat ion Reduction Act implementation efforts). Cell & Gene Therapy Access The Cell and Gene Therapy Access Model aims to improve the quality of life for Medicaid beneficiaries living with rare and severe diseases by increasing access to potentially transformative treatments. In this model, CMS coordinates and administers outcomes-based agreements with manufacturers for certain cell CMS t Centerfor M edicareand Medicaid Innovation 122

and gene t herapies, start ing with t reat ments for sickle cell d isease. The model t ests whether a CMS-led approach improves benefici ary access t o innovative treat ment, improves h ealth outcomes for M edicaid beneficiaries, an d reduces long-term health costs. CMS announced the m odel January 3 0, 2024,and ant icipat es a Janua ry 1, 2025, launch d at e. Model agreements are p rojected to last for 6 years. Me dicare $ 2Drug List The M edicare$2 D rug L ist Model allows Part D plan sponsor s to offer a low, fixed co-paymentof n o more tha n $2 per month ly supply across a ll cost-sharing phases of t he Part D drug benefit, u p to the out-of-pocket limit, for a sta ndardized M edicarelist of generic drugs. The included d rugs would ta rget common chronic conditions a mong Medicare beneficiaries, including h ypertension a nd hyperlipidemia. The model would test the impa ct of standa rdizing t he Part D benefit for high-value generic d rugs on beneficiary affordability, access, health outcomes, and M edicare spending. The Innovat ionCenter found tha t in p lan year 20 23, only 20 .5 percent of Part D b eneficiaries (or about 8 million beneficiaries) are enrolled in plans offerin g a benefit as generous as what isproposed for }ˆ°o[’ vˆ }ıyet b een an nounced, as CMS is still in t heprocess of compiling stak eholder inpu t and developing m odel specificat ions. Refer t othe Medicare chapter for a legislative pro posal establis hing th is p olicy as a permanent change t o Part D b enefit design. Accele rating Clinical Evidence The Food and Drug Administration approves cert ain ˆ„µP’ ›„}°’ı° based on interim clinical results, b ut some d rug manu facturers fail t o complete confirmatory trials by the agreed upon dat e atthe t ime of accelerated approval. CMS develops payment m ethods for d rugs approved u nder accelerated a pproval, in consultat ion with the Food a nd Drug Administrat ion, to encourage timely confirmat ory t rial completion and improve access t o post-mark et safety and efficacy da ta . This model tests t he efficacy of t argeted ad justm ents in Part B fee-for-servi ce pa yments to improve t imely t rial completion and reduce Medicare spending, while maint aining or improving q uality of care. start and end dat es h ave not yet b een a nnounced a s CMS is still in the process of compiling stak eholder input and consulting with the Food a nd Drug Administrat ion on model development . PARTNERING TO ACHIEVE HEALTH SYSTEM TRANSFORMATION ’Çtran sformation is ambitious and requires collaboration with, and actions by, a wide range of stakeholders. The Innovation Center asks state Medicaid agencies, private payers, and purchasers to increase the number of providers participating in value-based payment models and make their pa rticipation sustainable across payers. Achieving this vision requires collaborating with states, employers, and health plans as well as with patients, caregivers, providers, and community organizations. This includes a focus on opportunities to prospectively drive multi-payer alignment, especially with Medicaid programs, leveraging the Health Care Payment -based strategic initiatives during the development of new models. The States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model aims to increase investment in primary care, provide financial stability for hospitals, and support beneficiary connection to commun ity resources that address social drivers of health, such as housing and transportation. This model is a state total cost of care model th at seeks to drive state and regional healthcare transformation and multi-payer alignment, with the goal of improving the total health of a state population and lowering costs. A participating state uses its authority to assume

responsibility for managing healthcare quality and costs across all payers, including Medicare, Medicaid, and private insurers. States also assume responsibility for ensuring health providers in their state deliver high-quality care, improve population health, offer greater care coordination, and advance health equity by supporting underserved patients. The model will provide participating states with funding and other tools to address rising healthcare costs and support health equity. The first cohort of states enter the model in 2024; the model runs for 10 years. In 2023, CMS released 33 evaluation reports and posted data on 18 models to the Virtual Research Dat a Center, allowing other researchers and organizations to generate insights on the impact of models on patients, the care delivery system, and costs. CMS also released roughly 17 publications to share new learnings and information. A multitude of information on each model is available on the]ı˚ CMS t Program Ma nagement 123 Centers for Medic are & Medicaid Services: Pr ogram Management The following tables are in millions of dollars. Discretionary Administration 2023125 2024126 2025 2025 +/- 2023 Program Operations2,915 2,915 2,979 +64Federal Administration783 783 858 +75Survey and Certification 407 407 492 +85Research12720 20 -- -20Subtotal, Discretionary Budget Authority 4,125 4,125 4,329 +204Mandatory Administration128 2023 2024 2025 2025 +/- 2023 Medicare Improvements for Patients and Providers Act (2008) 3 3 3 -- Protecting Access to Medicare Act (2014) 5 2 2 -3Improving Medicare Post-Acute Care Transformation (2014) 5 5 5 --Bipartisan Budget Act (2018) 5 5 5 -- Consolidated Appropriations Act (2021) 49 16 16 -33Bipartisan Safer Communities Act (2022) 5 5 1 -4InflationReduction Act (2022) 90 44 44 -46Consolidated Appropriations Act (2023) 36 -- -- -36Subtotal,Mandatory Administration 198 79 76 -122ReimbursableAdministration 2023 2024 2025 2025 +/- 2023 Medicare andMedicaid Reimbursable Administration 586 624 725 139 Marketplace Reimbursable Administration129 2,206 2,112 2,091 -115Subtotal,Reimbursable Administration 2,792 2,736 2,816 +24Proposed Law 2023 2024 2025 2025 +/- 2023 Program Management Implementation Funds -- -- 300 +300Program Management Other Legislative Proposals -- -- 35 +35Subtotal,Proposed Law -- -- 335 +335BudgetTotal 2023 2024 2025 2025 +/- 2023 Total Program Management Program Level, CurrentLaw 7,115 6,940 7,221 +107Total Program Management Program Level, Proposed Law 7,115 6,940 7,556 +442The FY 20 25 discretionary budget request for CMS Program Ma nagement is $ 4.3 billion, a n increase of $204 million,or 5 percent, above FY 20 23. Including mand at ory a ppropriations a nd user fees, total Program Ma nagement spending from a ll sources in FY 20 25 is $7 .6 billion. Program Ma nagement is t hekey funding source th at supports m ost of t he essential administrat ive operations a nd customer service ı]À] ˚ ıZ˚125 The Fiscal Yea r (FY) 2023 column reflects final lev els, includ ing requ ired a nd permissive trans fe rs,exclud es su pplemen tal resou rces , an d includ es CMS allocations from G en eral Provision227 fun ding forMedicare p rogram activit ies . 126 The FY 2024 column representsthe a nn ualized amoun ts p rovided in the FY 2024Continu ing Resolution (Division A of Pu blic Law 118-15), includ ing tentative CMS allo cations from G en eral Provision 227 fu nd ing forMedicare p rogram activit ies . 127 Rese arch f un ding is reques tedas pa rt of the Program Ope rations fu nd ing in F Y 2025. Within P r ogram Ope rations , Rese arch f unding is un chan ge d from the F Y 2024 Continu ing Res oluti on. 128 The FY 2023, FY

2024, an d F Y 2025 mand atory resou rces includ e s eq uester redu ctions , where app licable. 129 Marketplace reimbursab le a dministration inc lud es collections of us er fees charged to iss ue rs in fede rally fa cil itate d Marketplaces, state-bas ed Marketplaces on the fed eral platform, an d Risk Ad jus tment. Insurance Program (CHIP), and other CM Sprograms.]À] Z˚ Á]ıZapproximat ely 51 percent of th e U.S. p opulation accessing h eal th coverage through th ese programs in 2023 vP˚u˚vı[not kept pace with the growth in enrollments, statu tory responsibilitie s, an d complexitywithin Medicare, Medicaid, and CHIP, put ting beneficiaries and taxpayers a t risk. Enrollment in theseprograms 124 reported b y the CMS act uaries h as jump ed 35 percent from 2014 t o20 23, yet Program Ma nagement budget shrank 22 percent, adjusted for inflation. The budget requests the addit ional funding n ecessary t o susta in customer service levels for senior s and people with disabilities, strengthen nursing h ome oversight, modernize cybersecurity prot ections, advance health equity, and improve quality measurement to support account able care. BUDGET ACCOUNT SUMMARIES The budget requests $3.0 billion for Program Operations, which is $64 million, or 2 percent, above FY 2023, to fund critical payment, information technology, and public outreach activities for Medicare, Medicaid, CHIP, and private insurance ›„}PPZo]]˚vıadministrative expenses account for only 1 percent of the overall funds expended on Medicare, Medicaid, CHIP, and Marketplace benefits for Americans. The requested fundingincrease is required to ensure the agency can continue to deliver high-quality service to beneficiaries and taxpayers in a cost-effective manner. Priority act ivities for FY 2025 include: Medicare Fee-for-Service Operations Medicare to become one of the fastest, most reliable, and efficient health insurance payers in the world. CMS t Program Management Approximately 33 percent of th e FY 2025 Program Operat ions request, or $979 million, supports ongoing Medicare fee-for-service co ntra ctor operat ions, including claims processing and related activities ($83 9 million), shared systems ($88 million), an d essential supp ort functions ($ 52 million). This funding enables p rocessing over 1.2 billion Medicare Part A and B claims from providers a nd suppliers, enrolling providers a nd suppliers in the Medicare p rogram, processin g 2.5 million first level a ppeals, responding to 12 .3 million inquiries from providers, and educating over 1 millionproviders a bout program changes. Me dicare Appeals The bud get includes $ 62 million to process approximat ely 20 0,000 second level fee-for-service appeals in a timely m anner. The budget also includes $3 9 million to process appro ximat ely 95,000 second level Part C and D appeals. CMS act ively supports t he u˚vı['˚({} ˚^] process at a ll levels of ap peal. Past efforts helped reduce t he b acklog of pend ing t hird-levelappeals and resulted in lower administrative costs for HHS and ta xpa yers. Information Techno logy Syste ms and Support The bud get includes $ 74 4 million to support t he effectiveness a nd efficiency of CM S informat ion technology systems a nd operations while p rotecting the consumerhealth data of millions of A mericans from outside th reats. The budget a llows CM S to susta in cybersecurity cap abilities and continue its multi-year effort to complywith systems upgrade requirements across t he entire information t echnology landscape. The bud get alsoenables CMS t o continue progress t oward modernization of the Medicare payment systems, which will support claims processing, dat a collection, and infrastructu re in both t he Cloud and the M ainframe environment s. The request will also support CMS

efforts to comply with federal requirements for cont inuity of operations planning an d disaster recovery efforts for m ission-essen tial functions. Me dicaid andCHIP O perat ions The bud get requests $1 51 million, $100 million or 40 percent b elow FY 20 23 , for adm inistrative a ctivities to improve the M edicaid and CHIP p rograms and assist other functions tha t support sta tes and enhan ce Medicaid operations. This reduct ion relative to FY 2023 is n ot a reduct ion in service, but rath er reflects CMS t Program Ma nagement 125 an anticipated shift in costs from CMS to stat es for Current Sources of Income verification, an optional service that facilitates eligibility determinations for Medicaid coverage. This request will invest in the improvement of the Medicaid and CHIP Business Information Solution. This solution provides data infrastructure and automated tools to drive improved operations for the Medicaid and CHIP programs that provide care to millions of adults and children across 56 states and territories. Additionally, this request will enhance National Home and Community-Based Services Quality Enterprise oversight and support, promoting service improvements and addressing quality measure gaps. These services ensure older adults and people with disabilities who have Medicaid can live in the community and have equal access to support. Advancing Health Equity CMS is working to advance health equity by eliminating avoidable differences in health outcomes experienced by beneficiaries who are disadvantaged or underserved, including rural populations, and providing the care and support that all people covered by CMS programs need to thrive. The budget provides $15 million to build analytic capabilities that integrate data and identify disparities related to underserved populations across programs, enhance language access and culturally ta ilored services, provide t ools to help states, territories, and tribes with identifying barriers and opportunities to advance equity as they implement CMS programs, and expand research opportunities to improve minority health. Inflation Reduction Act Implementation The budget includes $12 million to support successful and timely implementation of the Inflation Reduction Act in delivering lower drug costs for the Medicare population and reduced healthcare costs for millions of other Americans. The budget supports provisions of the law that did not receive direct appropriations, including targeted outreach and education efforts to low-income subsidy beneficiaries to improve enrollment in the program and uptake of expanded benefits because of the new law. The FY 2025 budget requests $858 million for CMS federal administrative costs, which is $75 million or 10 percent above FY 2023.]voμ'ı }ıal program level, will support a direct, full-time staff level of 4,205, an increase of 46 full-time equivalent employees above the FY 2023 level. Of the total increase, $25 million will support costs related to the FY îìμˆPincrease. Increased funding supports new staffing needed to serve more beneficiaries and meet new responsibilities established under recently enacted legislation. To place in context, in FY 2014 CMS provided just over 120 million Americans with high-quality health coverage; this number has grown to a projected 160 million Americans in FY 2025. With each new beneficiary added to the number of beneficiaries served, CMSDespite major ˚v„}oP„}P„u'P˚vÇdiscretionary administrative budget has not increased comparably since FY 2014. The request also includes $8 million for the CMS Digital Service team to support information technology portfolio and fund reimbursable detailees to continue to support CMS programs in their customer experience and service delivery efforts. The budget

requests $492 million for Survey and Certification, an increase of $85 million or 21 percent above FY 2023. This investment will strengthen health, quality, and safety oversight for approximately 69,000 participating Medicare or Medicaid provider facilities. Despite the tens of billions of federal ta xpayer dollars flowing to nursing homes each year, too many facilities continue to provide p oor, substa ndard care tha t leads to avoidable resident harm. Since 2 018 , most nursing homes (approximat ely 1 3,000) were cit ed for an infection p revention and control d eficiency in 1 or more years. The overall numb er of nursing h ome complaints has sharply increased in recent years. CMS expects that sta tes would need t o conduct over 90 ,000 nursing home complaint surveys in FY 20 25, a 13 percent increase over FY 20 22. Approximately 90 percent of Medicare Survey and Certification is for direct surveys p erform ed b y Stat e Survey Agenci es. Survey and certificat ion funding has remained relatively flat since FY 20 15, which over t ime ıZ˚ „}P ›]ı{} 'ıvˆ initial, recertificat ion, and validation surveys. At t he budget request level, stat es will be a bleto complete 85 percent ofnursing h ome inspections, below t he 100 percent required in statut e but a bove t he 65 percent completion rat esupported b ythe FY 20 23 CMS t Program Ma nagement 126 funding level. The Administrat ion remains committ ed to surveying every n ursing home, every year and to ensure t hat other healt h care facilities fulfil th eir obligations t o protect t he h ealth and safety of pat ients. Aligned with this goal, t he budget also p roposes a n ew financing ap proach for t he nursing h ome s urvey work starting in FY 20 26 (see details in legislati ve proposals section b elow).]o]ı]˚'request will continue to focus great er survey frequencies a t ta rgeted high-risk facilities, specificall y hospitals and end-stage renal disease facilities. In t otal, states will complete ap proximat ely 2 2,000 initial surveys a nd recertifications in FY 20 25. The COVID-19 pand emic has u nderscored t he Survey P „}oholding n ursin g homes and other facilities account able for m eeting infection cont rol sta ndards a nd protecting the health and safety of b eneficiaries. Fifteen million of this request supports specific CMS actions outlined in the White House 2022 fact sheet aimed at improving safety and quality of cıμ„']homes. This includes addressing the backlog of complaints, revising the special focus facility program, and expanding financial penalties for poor-performing facilities. The budget continues to request 2-year budget authority for the M edicare Survey and Certification program, which accommodat es states with different fiscal years than the federal government, assists states with long-range staffing plans, and increases CMS administrative flexibility. CROSSCUTTING SUMMARIES The budget funds the National Medicare Education Program at $569 million, including $385 million in discretionary budget authority. The National Medicare Education Program provides personalized information and assistance when beneficiaries have questions or concerns about their Medicare coverage. CMS is committed to ensuring beneficiaries have access to educational mat erials and tools to find accurate and up-to-date information on coverage options and available benefits. This program drives customer experience improvements for Medicare beneficiaries. The budget provides a program level of $299 million, including $180 million in budget authority, to support the 1-800-MEDICARE call center, which provides beneficiaries access to customer service representatives 24 hours a day, 7 days a week, to answer questions about the Medicare program. The request supports an estimated 24 million calls with an average speed-to-answer of approximately 3 to 5 minut es.

Beneficiaries can also use 1-800-MEDICARE to report instances of possible fraud or abuse. The budget includes a program level of $140 million for beneficiary materials, including $75 million in budget authority. Most of these funds support the printing and distribution of 52 million paper copies of the Medicare & You Handbook. CMS is required by law to mail Medicare education materials to beneficiaries annually unless they opt out. Currently, only about 6 percent of beneficiary households opt out of receiving a hard copy of the handbook. Updates to rates and plan information occur as needed for monthly mailings to newly eligible beneficiaries. The budget request reflects increases in recent years in the CMS t Program Ma nagement 127 costs of publication and shipping of paper handbooks and other necessary printed materials for a growing population of Medicare enrollees. The budget requests $2.3 billion to operate the Federally Facilitated Marketplace, of which $2.2 billion is funded by Marketplace and Risk Adjustment user fees and $186 million is funded by other CMS funding sources. The budget preserves the successof the record -breaking open enrollment season for plan year 2024 that saw 21.3 million individuals sign up for health coverage through robust year-round outreach and education efforts, including fully funded Navigator programs. Critical core functions of the Ma rketplaces, including plan and issuer oversight; payment and financial management; and eligibility and enrollment services are also protected under the budget. These components are critical to keeping the Marketplaces competitive and user friendly. For plan year 2025, HHS is responsible for operating the Ma rketplaces in 28 states that elected not to esta blish one on their own. HHS is also partnering with three states to leverage the federal eligibility and enrollment platforms. 2025 LEGISLATIVE PROPOSAL S The Department proposes legislat ive changes to modernize and improve the efficiency of the administration of Medicare, Medicaid, and CHIP. See the Medicare chapter for a description of a package of proposals to strengthen nursing home oversight and quality. annual funding for health and safety surveys has remained flat for years, while the number of nursing home complaints have surged. Additionally, flat funding has made it difficult for many states to offer competitive wages to the healthcare personnel who work as surveyors, leading to surveyor workforce shortages in some areas. These factors make it challenging for states to complete all statutorily required nursing home surveys and complaint visits, and can place nursing home residents at increased risk of abuse and neglect. This proposal, effective in FY 2026, will shift funds for nursing home surveys from a discretionary appropriation to a m andatory appropriation and increase the funding t oa level necessary t o achieve a 100 percent survey frequency, adju sted a nnually for inflat ion. This p roposal will guarantee sufficient funding t o promote the h ealth a nd safety of t he na „’] „°’]^°vı’X [$ 346 millioncost over 10 years] Please refer to the Medicare cha pter foraddit ional legislative pro posals on Surv ey and Certification. „°›},„ı]vPSee Medicaid chapter for details. [$299 million cost over 10 years] See Medicare chapter for details. [$50 million cost over 10 years] This request includes $300 million in proposed mandat ory funding to cover the costs associated with u°vı[’oı changes to Medicare, Medicaid, and other CMS programs. Administrat ion for Children an d Families 128 Administration for Chil dren and Fami lies: Over viewThe following table is in millions ofdollars. ACF Budget Authority, Proposed130 2023131 2024132 2025 Discretionary, Program Level 37,434 33,254 37,784 Mandatory 38,438 37,919 53,972 Total,

Administration for Children and Families Budget Authority 75,872 71,173 91,756 The mission o f the Administrat ion for Children and Families is to fosterhealt h a nd well-being by providing federal leade rship, partnership, and re sources forthe compassionate an d e ffective delivery of hu man service s.The Administrat ion for Children an d Families (ACF) part ners with sta tes, t ribes, and communities to provide critical assista nce t o ensure foster children, youth, families, and communities a re resilient, safe, healthy, and economically s ecure. The FY 20 25 °’ P° „°‰µ°’ õ1.8 billion for ACF. The President' s Budget prioritizes lowering child care costs b y guarant eeing afford able, high-quality child care for working families, potent ially benefiting over 16 million children a nd saving families su bstant ial month ly costs. The budget focuse s on bu ilding a strong founda tion fo r families th rough universal preschool for 4-year-olds, with plans t o expand t o3-year-olds. It alsoincreases fun ding for Head Start t o a chieve pay parityover t ime between its sta ff a nd public elementa ryschool teachers with similar qualificat ions.The bud get supports th e Child Care D evelopment Fund, which aids low-income working families in accessing affordable and h igh-quality child care. Its two components are the Child Care Entit lement, p roviding guaranteed federal funding t o states for child care needs, and t he Child Care Development Block Grant, offerin g stat es a dditional funds t o improve child care quality, safety sta ndards, professional dev elopment for providers, and access for vulnerable populat ions. The Child Care Development Fund served over 1.3 million children from 79 7,200 families in FY 20 21 . The Child Care Development Fund will serve an estimat ed 2 million children in FY 20 25. The bud get further supports low-income and working families a nd promotes upward economicmobility through p rograms such as Low Income Home Energy Assistan ce, Child Support Services, an d Temporary Assistan ce for Needy Families. These programs promote economic independence, productivity, and 130 Note: Totals may not add due to roundi ng 131 The FY 2023 column reflects fi nal levels, includi ng required and permissive transfers. 132 The FY 2024 column repre sents t he annualized amounts provided in the FY 2024 Continui ng Resolution (Division A of Publ ic Law 118-15), where applicable. well-being by helping parents enter the workforce, care for their children, and form strong social networks and (u]o„°ı]uvˆıZwelfare programs promote safety, well-being, and permanency through services to stabilize families and prevent child maltreatment, foster care when necessary, and reunification, adoption, and support for youth transitioning to adulthood. New proposals increase and streamline child welfare funding to tribes and enhance support for older youth. The budget adds support for kinship placements and guardianships, provides services to homeless youth, strengthens prevention-focused outcomes, and promotes equity in the child welfare system. P° „}u]’and reflects a commitm ent to caring for unaccompanied children safely and humanely in alignment with child welfare best practices. Finally, }o°survivors of gender-based violence through emergency shelters and supportive services and the Office on Trafficking in Persons identifies victims and provides them with access to benefits and services.Administration for Children & Families t Discretionary 129 Administration for Chil dren and Fami lies: Disc retionary The following tables are in millions of dollars. Early Childhood Programs 2023133 2024134 2025 2025 +/- 2023 Head Start 11,997 11,997 12,541 +544Child Care Block Grant (discretionary) 8,021 8,021 8,521 +500Preschool

Development Grants 315 315 250 -65Subtotal,Early Childhood Programs 20,333 20,333 21,312 +979Programs forChildren and Families 2023 2024 2025 2025 +/- 2023 Runawayand Homeless Youth 146 146 146 -- Child Abuse Programs 214 214 233 +19Child Welfare Programs 339 339 366 +27Adoption Incentives 75 75 75 --Chafee Education and Training Vouchers 44 44 48 +4Native American Programs 61 61 66 +5Family Violence Prevention and Services Programs 261 261 261 --Promoting Safe and Stable Families (discretionary) 87 87 77 -10Subtotal,Programs for Vulnerable Populations 1,226 1,226 1,271 +45Refugee Programs 2023 2024 2025 2025 +/- 2023 Unaccompanied Children 5,506 5,506 5,506 -- Transitional and MedicalServices 564 564 564 -- Refugee Support Services 307 307 307 -- FY 2023 Continuing Resolution E mergency Supplemental 1,775 -- -- -1,775FY 2023 Division M Emergency Supplemental 2,400 -- -- -2,400Contingency Fund for Unaccompanied Children (discretionary BA) 6 -- -- -6Contingency Fund for Unaccompanied Children (emergency BA) -- -- 652 +652Proposed Emergency-Designated Funding -- -- 2,914 +2,914Survivors of Torture 19 19 19 -- Victims of Trafficking 31 31 31 -- Subtotal,Refugee Programs 10,608 6,427 9,994 -615Research and Evaluation 2023 2024 2025 2025 +/- 2023 Disaster Human Services Case Management 2 2 2 -- Federal Administration 219 219 231 +12Social Services Research and Demonstration 143 143 31 -112Subtotal,Research and Evaluation 363 363 263 -100Other ACF Programs 2023 2024 2025 2025 +/- 2023 Low Income Home Energy Assistance Program 4,000 4,000 4,111 +111Infrastructure Investment and Jobs Act 100 100 100 --Community Services Block Grant 770 770 770 -- Other Community Services Programs 34 34 34 -- Recission of Prior Year Funds -- -- -71-71Subtotal,Other Programs 4,904 4,904 4,944 +40Total,Budget Authority 33,159 33,154 34,117 +958Funds from Other Sources 2023 2024 2025 2025 +/- 2023 FY 2023 Continuing Resolution E mergency Supplemental 1,775 -- -- -1,775FY 2023 Division M Emergency Supplemental 2,400 -- -- -2,400Contingency Fund for Unaccompanied Children -- -- 652 +652133 The FY 2023 column reflects final lev els, includ i ng requ ired a ndpe rmiss ive transfers. 134 The FY 2024 column representsthe a nn ualized amoun ts p rovided in the FY 2024Continu ing Resolution (Division A of Pu blic Law 118-15). Administrat ion for Children & Families t Discretionary 130 Early Childhood Programs 2023133 2024134 2025 2025 +/- 2023 Emergency Funds -- -- 2,914 +2,914Infrastructure Investment and Jobs Act 100 100 100 -- Total,Program Level135 37,434 33,254 37,784 Full-Time Equivalents íUòóõ îUíñó îUîñð +349ñóñThe mission o f the Administration for Children and Families is to foste rhealt h a nd well-being by providing federal leade rship, partnership, and re sources forthe compassionate an d e ffective delivery of hu man service s. The FY îì°’ P° „°‰µ°’ billion in discretionary funding for th e Administration for Children a nd Families (AC F) , an increaseof $ 34 9 million over FY 20 23 . The budget invests in the early childhood educat ion workforce t o ensurechildren have access t o high-quality early learning opportunities and provides supp ort for vulnerable individuals and families, including refugees and unaccompanied children. INV ESTING IN EARLY CHILDHOOD AN D LEARNING High-quality early care is critical to our neconomic gro wth and economic security. Early care and educat ion give young children a strong sta rt in life. Unfortunat ely, too m any families a nd individuals struggle to access t he a ffor dable, high-quality early care a nd educat ion th ey need. In recognition of t his need, HHS invested

over $ 39.0 billion from the American Rescue Plan Act of 20 21 in child ca re, including $ 24.0 billion to help child care providers k eep their d oors open a nd to provide child care workers with higher pay, bonuses, and other b enefits. To dat e, these efforts have helped over 22 5,000 child care programs serv ing a s many as 10 million children across the country.136 Advisers also f ound tha t t hese funds h ad an impact on the broader economy. Child care stab ilizat ion funds alone helped families save more th an $1,200 in a nnua l child care costs p er child; sped the return or entry of hundreds of t housands of women with young children into t he workforce; and contribut edto a 10 percent increase in the real wages of child ca re workers.137 In April 20 23, President Biden signed an Executive Order with the m ost comprehensive set of execut ive act ions a ny President has ever t ak en t o improve care 135 FY 2023 exclud es $2.5 b illion in one-time sup plemen tal fu nd ing for LIHEAP, discre tionary child ca re, an d p rograms within the Child ren and Families Appropriation. 136 https://www.whitehou se .g ov/brief ing-room/s tatemen ts-releases/2024/01/29/fact-sheet-biden-harris-adm inistrat ion-ann ounces-new-actions-to-adv ance-pay-equity-on-the-15th-annive rsary-of-the-lilly-led be tter-fair-pay-act/#:~ :text=Th e%20ARP%20Child %20Care%20Stabilizat ion,recei ve d%20ass istance%20are%20wom en %2Downed . 137 https://www.whitehou se .g ov/wp-conten t/uploads /2023/11/Child-Care-Stabili zation.p df 138 https://www.hhs .g ov/about/n ews/2023/11/15/biden-harris-admin-propose s-new-rule-to-streng then-the-head-start-workfor ce-increas e-wage s-su pp ort-qu ality-programming. html for hard-working families while supporting care workers and family caregivers. The Executive Order charged agencies with working within their existing authorities to lower the cost of care for families, enhance job-quality for care workers and caregivers and boost the supply of high-quality care. The Administration continues to call on Congress to make significant new investments to give families in this country more breathing room when it comes to care. The FY 2025 °’Budget requests an increase of $1.0 billion to prioritize programs serving families across the country that support young children and their families. See the ACF mandatory chapter for „uıu]v]’ı„ıZ]’proposals to guarantee affordable, high-quality child care from birth to kindergarten for low- and middle-income working families and provide universal preschool for all 4-year-olds. The Head Start program provides grants to local public and private non-profit and for-profit agencies to provide early learning and development services to eligible children and families. The budget requests $12.5 billion, an increase of $544 million above FY 2023, to support the Head Start workforce, and fund an estimated 755,242 slots for eligible children and pregnant women through nearly 1,600 local agencies in states, territories, and tribes across the United States. This increase would build on the more than $1.2 billion in funding increases for Head Start that the Administration has secured in the past 2 years. Despite historic funding increases, Head Start has experienced a persistent workforce shortage that has forced many Head Start classrooms to close.138 Administration for Children & Families t Discretionary 131 Supporting early educat ors is essential to accomplishing t he Head Start mission. On November 20 , 2 023, ACF published a notice of proposed rule mak ing in the Federal Regist er: Support ing t he Head StartWork force and Consistent Quality Programming.139 Thechanges t o t he Head Start Program Performance Standa rds described in t he proposed rule would, among other

improvements, ensure fair compensation is a key component of providing high-quality earlycare a nd educat ion. The Administrat ion is comm itted to achieving p ay pa rity over t ime between Head Start staff a nd public elementa ry school t eachers with similar qualifications to stabilize t he Head Startworkforce and ensure children and families most in need h aveaccess to Head Start services. The bud get also includes a legislative pro posal t o revise the eligibility requirements for American Indian and Alaska Nativeand Migrant and Seasonal Head Sta rt t o include morechildren. Recent d emographic cha nges have m ade it more difficult for t hese p rogram s to serve the very ch ildren t hey weredesigned to serve. The proposed ch anges t o t he American Ind ian and Alaska Native Head Sta rt programshonor t ribal sovereignty by allowing t ribes t o det ermine which tribalmembers will most benefit from Head Start services. Likewise, the proposed ch anges t o t he Migrant a nd Seasonal Head Start will ensure t hat rising incomes for fa mily members working in agriculture will n ot contribut e t o ineligibility f or Head Sta rt. The bu dget a lso includes legislative chan ges to aut horize ACF to take add itional administrat ive actions when mak ing a wards to grant recipients t hat are currently not a vailable. These are 139 https://www.hhs .g ov/about/n ews/2023/11/15/biden-harris-admin-propose s-new-rule-to-streng then-the-head-start-workfor ce-increas e-wage s-su pp ort-qu ality-programming. html technical changes to address unnecessary burden a nd administrative challenges, while maintaining the integrity of the Designation Renewal System. The budget provides $8.5 billion, an increase of $500 million above FY 2023, in discretionary funds for the Child Care and Development Block Grant. The Child Care and Development Block Grant aids low-income families in affording child care and enhances its quality for all children. However, it currently serves only approximately one in six eligible children from low- and moderate-income families, and does not effectively reach struggling middle-class families. This increase will allow states, territories, and tribes to serve an estimated 2 million children, while continuing the historic progress the Administration has made in stabilizing the child care sector and helping more Americans afford child care. Increased funding will support implementation of a rule that will lower costs for families receiving federal child care assistance, and,]v„˚’for thousands of child care providers. The request continues to include several important policy changes to improve the a dministration of the Child Care and Development Block Grant. The budget proposes a one percent federal administration set-aside to carry out the program and ensure successful implementation. The budget continues to propose reducing bureaucratic burden on tribes and states by giving tribes authority to submit fingerprint background checks directly to the Federal Bureau of Investigation. Finally, the budget proposes to waive the family work eligibility requirement for caregivers of children in foster care and experiencing homelessness, allowing these children to remain in a stable child care environment during these transitions. 132 The budget includes $250 million for the Preschool Development Grant program. This program is critical }ustate systems of early learning, stabilize child care, and respond to significant mental health and workforce challenges in early childhood education. Program granteeswill continue to advance mental health consultation and supports for early educators; esta blish and expand apprenticeship programs; and improve workforce compensation and recruitment. PROGRAMS FOR CHILDREN AND FAMILIES ACF oversees

programs that provide social services which promote the growth and development of children, youth, and their families, and protective services and shelter for children and youth in at-risk situations. These programs provide financial assista nce to states, community-based organizations, and academic institutions to provide services, carry out research and demonstration activities, and manage training, technical assistance, and informat ion dissemination. HHS is committed to reducing child abuse and providing fam ilies with the support needed to remain safely together. The discretionary budget includes a total of $599 million for these activities, an increase of $46 million over FY 2023. Funds are provided to state and local government agencies, universities, and non-profit organizat ions. Within this total, an increase of $19 million is requested to support ongoing efforts to build state capacity to engage individuals with lived experiences in planning and decision-making processes and offer culturally-responsive supports to historically underserved and marginalized communities. Increased efforts to bolster family support and prevention services reduce the likelihood of child abuse an d placements in foster care for all families and may help to reduce disparities in the child welfare system. Research d emonstrating the effectiveness of family support and prevention services with families of color or other diverse populations is limited. Funds will increase evidence of the effectiveness of these services and activities with historically marginalized populations. The discretionary budget also includes $27 million for new competitive research and demonstration grants Administration for Children & Families t Discretionary for child welfare workforce recruitment and retention, to address racial inequities, and evaluate culturally-specific prevention and preservation interventions to meet technical assistance requirements of the Family First Act. Early findings from the fourth round of the Child and Family Services Reviews indicate the workforce crisis is a profound challenge for child welfare agencies, posing a risk to child safety, permanency, and well-being. These grants will esta blish national efforts for a new initiative for recruitment, onboarding, training, retention, and dat a analytics designed to address the current workforce crisis. Grants will also support a National Child Welfare Lived Experience Institute to engage diverse individuals to address racial inequities in child welfare, reduce overrepresentat ion of children and families of minority heritage in the foster care system, and reorient child welfare systems towards a prevention-first model. ı ZCare and Permanency ($10.8 billion for FY 2023) and the mandatory component of Promoting Safe an d Stable Families ($345 million for FY 2023). Foster Care and Permanency reimburses states and tribes for certain costs related to foster care, adoption, guardianship, services to prevent child maltreatment, and programs and supports for older youth who experienced foster care. Promoting Safe and Stable Families funds prevention services and includes a competitive grant program to address substance misuse and child welfare. The budget includes $66 million for Native American programs, which is $5 million above FY 2023. These]vÀ°’ıu{}commitment to addressing critical tribal needs, will ensure the preservation and enhancement of Native American languages. This increase would support up to 20 new grant awards, which will ensure the survival and continuing vitality of Native American languages by using current grant programs and funding strategies for Native American language preservation and maintenance. The budget includes $2 million to support implementation of the Durbin Feeling Native American

Languages Act of 2 022. These funds will support a survey on the use of Native American languages in the United States. This survey will be used to provide Congress and the public information on which Native languages are currently spoken, types of Nat ive language projects and practices, and policies needed to Administration for Children & Families t Discretionary 133 prevent further erosion and extinction of Native languages. Innovating Tribal Early Childhood Programs The budget also includes a legislative proposal t o provide t ribes, as sovereign nations, the authority to create tribally-determined, culturally-informed, high-quality early childhood services for young children and their families. Tribes will be able to fully integrate funding across Head Start, the Child Care and Development Fund, and the Tribal Mat ernal, Infant, and Early Childhood Home Visiting programs. This integration and funding flexibility will ensure tribes can embed their culture, language, and values in these crucial programsvreaching children during their most formative years. This proposal would provide necessary authority for self-governance, which is not currently possible under existing laws. ACF supports a range of programs to address domestic violence across the United States. The Family Violence Prevention Services program is the primary federal funding stream supporting survivors of domestic violence and their children through funding efforts to prevent incidents of family, domestic, and dat ing violence, as well as funding shelters and support services for adults and youth. In 2022, grantees served approximately 1.2 million clients th rough 1,621 domestic violence shelters and programs. In 2022, domestic shelters answered 2.6 million crisis hotline calls and provided 7.8 million shelter nights. ACF also funds the National Domestic Violence Hotline, which operates 24-hours a day and is available to adults, youth, family members, and any other people impacted by domestic violence. In 2022, the Domestic Violence Hotline answered 429,481 total contacts across all platforms. The Hotline digital services received a total of 246,242 contacts via chat and text. The budget includes $261 million, the same a s FY 2023, for Family Violence Prevention programs. This includes $21 million for the Domestic Violence Hotline. The Administration supports bipartisan efforts to reauthorize the Family Violence Prevention Services Act. Bipartisan reauthorization efforts currently under consideration by the 118th Congress would allow states, territories, and tribes to offer ’µ„À]À}„’ of domestic violence and their children the critical safety 140 Morton, M. H., Dworsky, A., & S amu els, G.M. (2017). Miss ed opportunities : Youth hom eles sness in Ame rica. N ational es timates .Chicag o, IL: Cha pin Hall at the Unive rsity of Ch icag o. and stability of shelter and supportive services they need to be safe and regain self-sufficiency. One in 30 ad olescents between the a ges of 13 and 17, and 1 in 10 adults between the ages of 18 and 25 experience homelessness over the course of a year.140 This is approximately 4.2 million youth and young adults. The budget includes $146 million for Runaway and Homeless Youth programs, the same as FY 2023. The budget will serve 658 programs across the country to provide comprehensive services to an estimated 48,664 homeless youth who are at heightened risk for exploitation, victimization, and other long-lasting, negative outcomes. The budget supports continuation funding for the Runaway and Homeless Youth Prevention Demonstration grant program to implement prevention services tailored for youth, young adults, and their families at risk of experiencing homelessne ss. The demonstration projects include engagement in community planning to

identify prevention strategies that support the diverse needs of youth and young adults. The budget also continues to support reauthorization and amendment of the Runaway and Homeless Youth Act. The requested 5-year reauth orization will provide program stability and directly support youth experiencing homelessness and those at greatest risk of homelessness. UNACCOMPANIED CHILDREN AND REFUGEES ACF provides care for unaccompanied migrant children and services to refugees and other new arrivals such as Cuban and Haitian entrants, and those granted a sylum. Budgeting for these programs is challenging because the number of people requiring services fluctuates. To handle this uncertainty, this budget includes a contingency fund to provide ad ditional resources if the number of unaccompanied children arriving in a month exceeds a certain threshold. ACF provides shelter, care, and support for unaccompanied children referred by the U.S. Department of Homeland Security or other law enforcement authorities. These children have different reasons for undertaking thelong and dangerous journey to the United States. ACF provides care for Administrat ion for Children & Families t Discretionary 134 these children while working to identify suitab le sponsor s as quick ly a nd safely a s possible. W hile in o˚Pservices, ph ysi cal a nd mental h ealthcare, educat ion, and recreation services. Sponsors, usually parent s or other relat ives, t hen care for t hese ch ildren while t heir immigration cases p roceed. Currently, more t han 98 percent of ch ildren are h oused in stan dard shelters, whichare operat edby grant ees, under the close supervision of ACF staff. The numb er of a rriving chil dren ca n increase rapidly. To a ccept children from the U.S. D epartment of Homeland Security border facilities a s quickly as p ossible, ACF maint ains influx care shelters with quickly a djusta ble capacit y. These shelters meet the samestanda rds as The bud get includes $ 5.5 billion in ba se funding for th e unaccompa nied children program. This funding ›]ıta rget level of 16 ,00 0 b eds in calendar year 2025. Current funding levels coul d support 1 6,00 0 standard beds but only13 ,000 a re currently operational, largely because of difficulties grant ees face with recruiting and clearing staff to work with children and obtaining state licensure. The bud get includes funds a llowing t he O ffice of Refugee Reset tlement to continue the p rogramma tic improvements th e Administration has made. These include expanding a ccess to counsel t o help children navigate complex immigration court proceedings, enhancing case ma nagement and p ost-release services, and reducingthe time ch ildren spend in congregat e care shelters so t hey can beunified with their families as quick ly a nd safely as possible. These service expansions wi ll further the Office of Refu gee ˚ıı o˚u˚vı[’ efforts t o protect ch ildren a gainst labor trafficking an d exploita tion. The bud get includes a cont ingency fund for t he unaccompa nied children program, expanding on t he fund Congres s ena cted in FY 20 23. The existing contingency fund provides addit ional resources if t he numb er of referrals ex ceeds 1 3,000 p er month. Based on current p rojections, the existing cont ingency fund would not provide a ny ad ditional resource s in FY 20 24 or FY 20 25 . The p roposed cont ingency fund would be more responsive to on-the-ground condit ions, providing addit ional resources if t he n umber of referrals ex ceeds 1 0,000 amonth . Based on current projections, the p roposed fund would provide a n addit ional $652 million in FY 20 25. Anyadditional funding triggered by the proposed contingency fund would be designated as emergency. Funds would expand shelter capacity to ensure ACF can continue to quickly

take children from the U.S. Department of Homeland Security border facilities. Services for Reunified Families In December 2023, the district court approved the settlement in the Ms. L. case, a class act ion litigation filed in 2018, seeking injunctive relief relating to the separat ion of parents and children at the southwest border. Under one part of this settlement, HHS will provide t ime-limited behavioral health services, housing assistance, and cover copayments incurred by class members receiving services at Federally Qualified Health Centers. The budget also requests eligibility for class members for public benefits including Medicaid, Supplemental Nutrition Assistance, and Supplemental Security Income. Working through states, local governments, and a network of nonprofits, ACF assists refugees and other eligible new arrivals to become self-supporting, independent, and integrated into life in the United States. Assistance includes up to 12 months of financial support and medical services. Other services include: English as a second language;Job training and employment;Interpreta tion a nd translation;Child care a nd h ealthcare navigat ion;Citizenship and nat uralization services;Support to school age children; andAssistan ce t oelderly refuge es a nd those withchronic health problems.The budget assumes 4ï7,000 eligible new arrivals in FY 2025, including 125,000 refugees, and 250,000 Cuban and Haitian Entra nts. Refugee arrivals are subject to an annual ceiling, but numbers of other populations can fluctuate. Nearly 350,000 Cuban and Haitian Entrants arrived in FY 2023, up from 251,000 in FY 2022 and 37,000 in FY 2021. To address this volat ility, the budget maintains base funding for refugee transitional, medical, and support services at $871 million and requests $2.9 billion in emergency funds. Congress provided emergency funding of $4.2 billion to support this program in FY 2023. HHS recently completed a study looking at the net fiscal impact (revenue from taxes minus government Administration for Children & Families t Discretionary 135 benefits) of re fugees a nd asylees from 20 05 t o 2 019 . The study found a positive impact of $124.0 billion. Including imm ediate familymembers decreases th e net fiscal b enefit to $1 6.0 billion, largely due to K-12 educat ion expenditures for the children of refugees and asylees who were born in the UnitedStat es b ut who are not old enough to pay ta xes. The Administrat ion has t aken significant steps t o address t he humanitarian needs of refuge es a nd migrant s and remains a leader on the world stage for refugee resettlement. The U.S. Depart ment of Sta te, in part nership with HHS, launched the Welcome Corps, empowering private citizens to support the first 90 ˚(µP°˚ „˚(µ P˚ „„]Ào securing a nd preparing initial housing, greeting th em at the airport, enrolling ch ildren in school, and helping adult s find employment. COMMUNITY SERVICES PROGRAMS The Low Income Home Energy Assistance Program helps low-income households access home energy and weatherization assista nce, vital tools for protecting °’weather and climate change. States administer the Low Income Home Energy Assistance Program, typically making payments to utility companies and other home energy vendors on behalf of eligible households. Preliminary FY 2022 data shows an estimated 5.7 million households received heating assistance and nearly 60,000 households received weatherization assista nce funded by federal Low Income Home Energy Assistance Program dollars. Common weatherization measures include sealing air leaks, adding insulation to walls and attics, and repairing heating and cooling systems. Since the Low Income Household Water Assistance Program expired at the end of FY 2023, the budget proposes to

expand the Low Income Home Energy Assistance Program to advance the goals of both programs. Specifically, the budget proposes giving states the option of using a portion of their Low Income Home Energy Assistance Program funds to help low-income households pay their water bills. The budget includes $4.1 billion, an increase of $111 million over FY 2023. This is in addition to $100 million available for the Low Income Home Energy Assistance Program from the Bipartisan Infrastructure Law. As part of the Justice40 initiative, ACF plans to continue its efforts to prevent energy shutoffs and increase support for households with young children and older people or high energy burdens. The Community Services Block Grant provides funds to states, territories, and tribes to administer support services that alleviat e the causes and conditions of poverty in under-resourced communities. The Community Services Block Grant services 99 percent of U.S. counties through over 1,000 eligible entities. The budget includes $770 million for the block grant, which is flat with FY 2023. These funds will support services to address employment, education, housing assistance, nutrition, energy, emergency services, health, substance use, and poverty reduction. Funding will be directed to community action agencies, who develop local solutions for local problems. The request continues to support the Community Services Block Grant reauthorization, which will further ı„ı ı]provide support for underserved communities. The Office of Community Services also supports the Community Economic Development, Rural Community Development, and Neighborhood Innovat ion Programs. The budget includes $34 million for these programs, which is flat with FY 2023. The budget will continue to ensure that a minimum of $3 million is directed to communities whose economies are supported by legacy energy sources, such as coal and oil, to help expand renewable energy efforts. The budget also continues to support updating the Community Services 136 Block Grant Act to provide more resources for evaluation and quality improvement and broaden eligibility for T ribal and Native communities. EVALUATION AND INNOVATION Program evaluation and use of data and evidence are critical for ACF and its partners to improve service delivery and increase program effectiveness. The budget includes $20 million to continue the Diaper Distribution Pilot Program, building on lessons learned from the Newborn Supply Kit project. Dedicated funding of $3 million is also included to continue the Whole Family Service Delivery demonstration, esta blishing a State Accelerator team to ease application burdens across federally funded social safety programs. À]o˚coordination and collaboration for human services entities to support socially vulnerable people following disasters or emergencies. The budget includes $2 million, which is flat with FY 2023. The budget includes legislat ive proposals allowing HHS to esta blish a disaster human services emergency fund and develop coordinated national disaster response for human services programs. People served by these crucial programs, as well as the programs themselves, are often disproportionately harmed by all types of disasters. These proposals will give HHS the a uthority Administration for Children & Families t Discretionary to respond effectively to the significant administrative challenges faced in thewake of disasters and serve the real and urgent needs of communities and families. By creating a streamlined authority to allow human and social services programs to coordinate during a crisis, HHS can provide real-time policy and program decisions to serve communities when they need it most. These

proposals are founded in the ı„ı}uu]ıu˚›„}À]comprehensive support during emergencies. The budget requests $231 million for fed eral administration, which is $12 million above FY 2023. This funding will allow ACF to continue leading agency-wide improvements to information technology management systems and maintain the level of staff needed to effectively administer critical human services programs. The budget level ensures ACF has sufficient funding for these required administrative costs. The budget also includes funding to support the Whole Family Services demonstration by providing permanent support for the state technical assista nce team. The Fellowship will be open to program evaluation staff in the federal government and will strengthen the capacity of the federal government to execute and use program evaluation to better understand the effectiveness of programs and policies, while enhancing the capabilities of the federal program evaluation workforce.Administrat ion for Children an d Families t Ma ndatory 137 Administration for Chil dren and Fami lies: Mandatory The following tables are in millions of dollars. Current Law Budget Authority 2023 2024 2025 2025 +/- 2024 Affordable Child Care for America -- -- -- -- Universal Preschool -- -- -- -- Child Care Entitlement to States 3,550 3,550 3,550 -- Child Support Services and Family Support 4,628 5,028 5,323 295 Zv'ıv˚ 35 35 35 -- Foster Care and Permanency 10,810 9,882 10,170 -288Promoting Safe and Stable Families (Mandatory only) 467 475 325 -150Social Services Block Grant 1,603 1,603 1,603 -- Temporary Assistance for Needy Families 16,737 16,738 16,738 -- Temporary Assistance for Needy Families Contingency Fund 608 608 608 -- Total, Current Law Budget Authority 38,438 37,919 38,352 433 Proposed Law Budget Authority 2023 2024 2025 2025 +/- 2024 Affordable Child Care for America -- -- 9,900 9,900 Universal Preschool -- -- 5,000 5,000 Child Care Entitlement to States -- -- -- -- Child Support Services and Family Support -- -- -164-164Zv'ıv˚ -- -- ----Foster Care and Permanency -- -- 509509Promoting Safe and Stable Families (Mandatory only) -- -- 375375Social Services Block Grant -- -- -- -- Temporary Assistance for Needy Families -- -- 5 5 Temporary Assistance for Needy Families Contingency Fund -- -- -5-5Total,Proposed Budget Authority -- -- 15,620 15,620 The Administrat ion for Children a nd Families (ACF) promotes th eeconomic a nd social well-being of families, children, individuals, an d communities through m andat ory p rograms, including: Child Care Entitlement to States;Child Support Services and Family Support ;Foster Care and Permanency;Promoting Safe and Stable Families;Social Service s Block Grant; andTemporary As sistance for Needy Families(TANF). 20 25 Budget requests $5 4.0 billion in bu dget a uthority for ACF mand atory programs, with an estimat ed$5 3.0 billion in out lays. The bu dget °'o]˚access t o afforda ble, h igh-quality child care a nd free, high-quality preschool to help children learn, give families b reathing room, and grow t he economy. „}›}'als also streng then and improve the child welfare syste m with enhanced support for prevent ion services th at keep childrenwith their families, including increased funding an d flexibility for tribes, support for children to live with kin when t hey are in foster care, and help for youth who experienced foste r ca re t o success fully t ransition to adulthood. EARLY C ARE AND EDUCAT ION Child Care Entitlement to State s The bud get includes $ 3.6 billion in bu dgetaut hority for the Child Care Ent itlement in FY 20 25,the same level a s FY 20 24 . The program provides states, territories, an d tribes with funding t o subsidize child care costs for children from birth through age 1 2 in families with low

incomes. States must spend at least 7 0 percent of funding on families receivin g TANF, t ransitioning from TANF, or a t risk of b ecoming eligible for TA NF. Sta tes, territories, and tribes are required t o spend a m inimum of n ine percent of Child Care a nd Development Fund resources on act ivities designed to improve the quality of ch ild care services a nd increase pa rental opt ions for, 138 and access to, high-quality child care. States, territories, and some tribes must also spend a minimum of three percent of Child Care and Development Fund funds on a ctivities to improve the quality and supply of child care for infants and toddlers. Expand Access to Affordable, Quality Child Care for Low- and Middle-Income Families When child care is reliable, high-quality, and affordable, parents can make ends meet, advance their careers, and sta y in the workforcevwhile children benefit from opportunities to socialize with peers. The Administration is committed to providing relief to families. The budget creates a historic new program under which working families with incomes up to $200,000 per year would be guaranteed affordable, high-quality child care from birth until kindergarten, with most families paying no more than $10 a day, and the lowest income families paying nothing. This would provide a lifeline t o the parents of more than 16 million children, saving the a verage family over $600 per month in care costs per child, and giving parents the freedom to select a high-quality child care setting. This investment could help hundreds of thousands of women with young children enter or re-enter the Á}„l{}Economic Advisers found that recent federal investments in child care have increased labor force participation among mothers with young children by roughly 3 percent, equivalent to over 300,000 more women in the force. The proposal would also ensure that workers who provide early care and education receive fair and competitive pay. [$400.0 billion in costs over 10 years] Expand Access to Free, Universal Preschool The budget funds voluntary, universal, free preschool for all four million of the nı]-year-olds and charts a path to expand preschool to 3-year-olds. High-quality preschool would be offered in the setting ı„˚vı[from public schools to child care providers to Head Start. This proposal would support healthy child development, help children enter kindergarten ready to learn, and support families by reducing their costs prior to school entry, and allowing parents to work. [$200.0 billion in costs over 10 years] Administration for Children and Families t Mandatory CHILD S UPPORT SERVIC ES AND FAMILY SUPPORT PROG RAMS The child support program is a joint federal, state, tribal, and local pa rtnership, operating under t itle IV-D of t he Social Security Act. The b udget includes $5 .2 billion inbudget aut hority for Child Support Services to esta blish pat ernity, support access and visitat ion, a nd estab lish and enforce child support orders, among oth er act ivities. The child support program provides economic, medical, andemotional support for children from bot h parent sto be healthy and successfu l. The program funct ions in 54 stat es a nd territories a nd 60 tribes, serving over 1 2 million children in FY 20 22 . The child support program collects more t han $4 in child support for every $1 spent bythe program, giving it a h igh value return onstate and federal investment. The bud get authority for Child Support Services also funds the Repat riation Program, whichprovides temporary a ssista nce t o U.S. citizens and their dependents who retu rn t o the United States from a foreign countr y because of destitut ion, illness, war, or similar crises. Recent repatriation efforts include, but are n ot limited to, evacuat ing U.S. citizen s and their dependent s from the Caribbean in FY 2017 and FY 20 18

, China in FY 2021, and Afghanistan in FY 2022. ACF works with the U.S. Departm ent of Sta te to identify a nd aid these individuals. Administrat ion for Children an d Families t Ma ndatory 139 Improve Internal Revenue Service Data Disclosure to Tribal Child Support Services and Child Support Services Contractors Current law prevents child support program contractors and tribal child support programs from accessing Federal Tax Information, impeding collaboration and enforcement of child support orders. The budget proposes to amend the Internal Revenue Code and the Social Security Act to grant child support program contract ors and tribal child support programs access to Federal Tax Information, including data from the Federal Tax Refund Offset Program. The proposed changes aim to align the Federal Tax Information disclosure authority for contractors and tribes with federal, state, or local child support services employees. This proposal enhances child support enforcement efficiency, increases support for children, and creates a standardized framework for secure information sharing, improving the nationwide child support system, including services in tribal communities. [$1.2 billion in savings over 10 years] Enhance Repatriation Readiness The Repatriation program has an annual cap of $1 million for temporary assistance. In years with a higher number of repatriates, this cap poses challenges for the Office of Human Services Emergency Preparedness and Response, impeding their ability to promptly assist U.S. citizens returning to the United States. To address this concern, the budget increases the repatriation ceiling to $10 million and indexes the cap to inflat ion. This will ensureACF can provide immediate assistance to repat riates without seeking a time-limited cap increase from Congress during a crisis. [$10 million over 10 years]]’ıstate training and technical assistance on child support activities and the operation of the Federal Parent Locator System, which aides state child support agencies in locating noncustodial parents. The Federal Parent Locator System includes the National Directory of New Hires, a national database of wage and employment information. The budget includes $35 m illion in budget a uthority which, together with ı]}v’›„}Psupport contracts and interagency agreements, salaries and benefits of federal staff, and associated overhead costs of t he Federal Parent Locator System. FOST ER CAR EAND PERMANENCY Authorized under title IV-E of th e Social Security Act, the Foster Care, Adoption Assistance, Guardianship Assistan ce, Prevention Services, and John H. Chafee Program for S uccessful Tran sition t o Adulthood programs provide safety and permanency for children separat ed from t heir families, support services t o prevent childmaltreat ment a nd the n eedfor foster care, and supports a nd act ivities t o prepare older youth in foster care for adu lthood. Stat es receive part ial reimbursement for board, personal care, and related administrat ive costs for eli gible children in foster care ($5.1 billion in FY 20 23) a ndsubsidies t o support adopt ion and guardianship ($4.3 billion inFY 20 23). The Chafee Program for Successful Tran sition t o Adulthood ass ists youth in or formerly in foster care up to age 21 or 23, d ependingon t he state,to obta in educat ion, employment, a nd life skills for independence, self-sufficien cy, a nd successful tran sition t o adulthood (typically $ 14 3 million per year) and addit ional services t o prevent unnecessary fo ster care ent ries provided und er t he Family First Prevention Services Act of 2 01 8 ($ 167 million in FY 20 23). o(µ’°’ of ch ild malt reatm ent, program improvement, and bett er outcomes for youth who exp erience foster care. Research h as shown th at Black , American Ind ian, and Administrat ion for

Children an d Families t Ma ndatory 140 Alaska Nativechildren are d isproportionately involved at a ll stages in t he ch ild welfare system relative to their representa tion in the U.S. population. Although the total numberof ch ildren in foster care is still high, t rends are moving in the right direction. Preliminary da ta show 3 91,098 children in FY 20 21, a decrease of 4 percent from FY 20 20 and the t hird consecutive an nual decrease. The num ber of children entering foste r ca re in FY 2021 was 206 ,812, a 4.6 percent decrease from FY 20 20 . The number of children adopt ed with U.S.public child welfare agency involvement was 54 ,240 inFY 20 21 . Increasing permanency for children t hrough adopt ion, legal guardianship, kinship placement, or reunification is a high priority for ACF. At t he end ofFY 20 21 , 1 13,589 childrenwere waiting to be a dopted, a 3.3 percent d ecrease compared to FY 20 20 . Also in FY 20 21, 19,1 30 youth exited foster care without reunification, adopt ion, or permanent guardianship, a decrease of 11 .2 percent relative to FY 20 20 . ACF supports nat ional recruitment and p ublic awareness ca mpaigns and partn erships with states a nd private, public, and faith-based groups to find permanent h omes for children wait ing to be adopt ed, especially old er youth, sibling groups, a nd children and youth with disabilities. This work at ACF is complemented by a mand atory funding proposal in the U.S. Depart ment of Housing a nd UrbanDevelopment budget to support youth aging out of foster care. The U.S. D epartment of Housing a nd UrbanDevelopment budget provides $9 .2 billionto esta blish a housing voucher program for t he n early 20 ,000 youth aging out of foster care a nnua lly. In 2 023, ACF published a Final Ru le to facilitat e placing children with kin when foster care is n eeded. The rule allows sta tes an d tribes to use a set of licensing or approval standards for relative or kinshipfoster family homes tha t differs fr om t hat used for a ll non-relative foster family h omes a nd requires ongoin g review of maint enance payments to ensure kinship families receive parit ywith non-kinship foster family homes. Also in 20 23 , ACF published t wo proposed rules to advance protections for fost er care youth. The first would require th at state a nd tribal child welfare P°v]°’ {} ^’ ››„}›„]placements for t hose ident ifying as lesbia n, gay, bisexual, transgender, queer or q uestioning, or intersex, as well a s children who are non-binary or ha ve non-conformi ng gender identity or expression. The second p ropo sed rule would allow state and tribal child welfare a gencies t o claim federal funding for independent legal represen ta tion of a child who is a candidat e foror is in title IV-E foster care, and the child's parent (s) and relative ca regivers. This includes representa tion in other civil legal proceedings where necessary t o carry out t he requirements of th e title IV-E program. Family F irst Preve ntion Se rvice s Act The Family Fir st Prevention Services Act of 2 01 8 amended title IV-E of t he Social Security Act t o partially reimburse stat es t hat opt to p rovide p revention services for ch ildren who are at risk of entering foster care, their p arents or kin caregivers, an d pregnant or parent ing foster youth. Federal funding is a vailable t o all children who sta tes define as at risk of foster care entry, without regard t otitle IV-E income eligibility standa rds. The funds can support evidence-based in-home pa rent skill-based programs, an d mental health Administrat ion for Children an d Families t Ma ndatory 141 and substa nce u se t reatment services, including services to address opioid misuse. Prev entive services can substa ntially improve out comes for children an d families b y promoting child safety and shifting t he mindset of t he child welfare system t o

prioritize keeping families safely t oge ther intheir communities. Forty-two sta tes, the District of Columbia, a nd four tribes have been a pproved to operat e t heTitle IV-E Prevention Se rvices Progra m. -E Prevention Services Cleari nghouse mu st review and evaluat e t he evidence ba se for each program consi stent with statut ory requirements. To ˆıı-E Prevention Services Clearinghous e has reviewed 16 0 programs a nd services;79 of t hose ı]vP ^' ^Á˚oo-]P]o˚ The Clearingh ouse cont inues t o review a nd rate services and programs as q uickly as possib le. ACF estimat es 1 8,400 childrenwere served by title IV-E prevention services p rogra ms in FY 20 23. ACF ant icipat es further caseload growth as states continue to implement prevention services p rogra ms. The Family Fir st Prevention Services Act of 2 01 8 restricted federal funding for congregat e foster care (often called group homes and institu tions). As of October 1, 2021, title IV-E agencies m ay not claim federal reimbursement for new congrega te care placements lasting longer t han 14 days, except in limited circumstances in which the child needs therap eutic residential servi ces, justified t hrough ongoing d ocu menta tion a nd judicial review. At the end of FY 20 20 , 1 5,97 5 ch ildren were placed in group homes and 22,824 were placed in institu tions. At t he end of FY 20 21, 15,432 children were p laced in group homes, and 19,929 were p laced in institutions. Legis lati ve Propos als Expand a nd Encourage Participation in Title IV-E Prevent ion Services and Kinship Navigat or Programs Current law provides 50 percent reimbursement to states for Prevention Services a nd Kinship Na vigat or programs. To increase implementa tion, the b udget provides 90 percent reimbursement to stat es for Prevention Se rvices and Kinship Na vigat or programs for FYs 2025-2027. Thereafter, t he b udget p rovides for t he great er of 75 Z˚ ıZ plus 10 percenta ge points,rath er t han the rat e un der current law. The b udget m akes perman ent the cu rrent policy requirin g stat es t o spend at least 50 percent for services with a Title IV-E Prevention Services ˚„]vPZ}µ' ˚ ^Á˚oo- han applying t hat spending requirement to programs meeting th e ^Á˚oo- ^^]ı the proposal allows up to 15 }(Prevention Se rvices funding to be spent on emerging or developing se rvices th at d onot currentlymeet the ratings criteria, bu t sta tesmust evaluate t he services and eithermodify or cease using t itle IV-E funding if t he evaluation shows t he service t o be ineffective. The budget also increases fundi ng for the Prevention Services Cleari nghouse a nd related evaluation and technical assist ance to $ 10 million per year and allows for increased t ribal and cultural a daptations of approved p revention services p rograms. [$ 4.9 billion in costs over 10 years] Create New Flex ibilities andSupport in the Chafee Program for Youth Who Experienc ed Foster Care, Including a Post-Foste r Care He althy Transition Assistanc e Demonstrat ion Support for youth who experienced foste r ca re is critical, especially d ue t otheir economic an d social vulnerability an d historically h igher risk of ment al a nd behavioral health issues stemm ing from childhood trau ma. Thebudget proposes increasing funding for the John H. Chafee Foster Care Program for Successful Transition t o Adulthood by $ 10 0 million per year, for a tot al of $243 million per year. The bud get includes several progra m improvements to ensuregreat er flexibility, effect ive services, reduced agency burden, and support for youth whotran sition out of foster care, and homelessness prevention. The bud get allows states to serve youth up toage 27 , a nd youth who exited foster care to adopt ion or guardianship after age 14 rather t han age 16 . The b udget furt her ad ds youth who receive a Foster

Youth Initiative or Family Unification Pr oject housing voucher as a n eligible population. It a lso removes t he restriction on the percentage of assista nce t hat m ay b e used for room and board and adds d riving and tran sportat ion assista nce a s an allowable cost with no cap. The budget creates a new Healthy Transition Assistan ce demonstration aut hority, providing m onthly assistance payment s and ca se m anagement services for youth ages 1 8 to 26 who ha ve left foster care within the previous 5 years. Participation would b ecapped at 24 month s. Consistent with the title IV-Eprogram, federal reimbursement for t hese p ayments would b e at the Federal Medicaid Assist ance Percentage ra tes, a nd 50 percent for a dministrative costs. [$ 2.2 billion in costs over 1 0 years] Administrat ion for Children an d Families t Ma ndatory 142 Increa se Support for Kinship Fost er Care Placement s and Guardianships To promote placements of children in foster care with relatives a nd kin a nd t o improve out comes for children when foster care is necessary, the budget a djusts title IV-E reimbursement rates to promote k inship foster care and guardianships by reimbursing sta tes at 10 ›˚„˚vı ’ıı˚[Zrate. Title IV-E-eligible placement s in un related family {} ˚[rate. [$920 million in costs o ver 10 years] Provide Comprehe nsive Tribal Child W elfare Funding Tribal ch ild welfare funding is a combination of several programs an d for some t ribes, amount s are nominal, or the eligibility requirements prevent sometribes from part icipat ing. The budget creates a new,optional t ribal child welfare grant t hat consolidates ma ndat ory a nd discretionary tit le IV-B Child W elfare Services and Promoting Safe and Stable Families funding, and the mand at ory a nd discretionary funding from the John H. Chafee Progra m for Successf ul Transition to Adulth ood into a single, uncapped mandat ory grant . This p roposal does n ot affect the t itle IV-E program. A streamlined application process will be accessible t o all t ribes with no minimum qualificat ion amount . This is intended to reduce ad ministrative bu rden and increase t he n umber of tribes receiving funding. [$7 19 million in costs over 10 years] Allow Tribes that Do Not Current ly Rece ive Title IV-E Funding to beEligible for Title IV-E Prevention Se rvices Funding To increase t ribal prevention services flex ibility an d funding, tribes th at operate ch ild welfare p rograms under title IV-B could operat e a title IV-Eprevention program without the need for an approved title IV-E plan for t he Foster Care and Adopt ion Assistance programs. Participat ing t ribes would receive reimbursement like other t itle IV-E agencies. They would develop title IV-E prevention services p lans and generally follo w t he p revention program requirements but with max imum available federal flexibility for tribes. [$60 million over 10 years] Prevent an d Combat Religious, Sexu al O rient ation, Gender Identity, Gender Expression, or Se x Discrimination in t he ChildWe lfare System The bud get prohibits title IV-E agencies and their contract ors from discriminat ing a gainst prospective foster or ad optive pa rents, or a ch ild in foster care or being conside red for adopt ion, on the b asis of t heir religiou s beliefs, sexual orientat ion, gender identit y, gender ex pression, or sex. The proposal includes financial penalties and mandat ory corrective action for any sta te or contractor that d elays, denies, or otherwise dis courages indi viduals from being considered or serving a s foster or adopt ive p arents based on the above cat egories. [Budget Neutra l] Reduc e Re imbursement Rates for Foster Care Congregat e Care Place ments To align feder al financing with child welfare research and best pra ctices, the budget reduces reimbursement rates for placements in Child Care Institu

tions a nd Qua lified Resident ial Treatment Programs t o five percent ˚o} ’ıı „ This p roposal is estimat ed to reduce costs to title IV-E, but some costs may b e shifted to Medicaid. Across more t han 20 stud ies p ublished over 2 d ecades, researchers fo und that youth in family foster care consistent ly f ared bett er t han youth in residential care Administrat ion for Children an d Families t Ma ndatory 143 on outcomes relating to both internalizing behaviors (such as depression) and externalizing behaviors (acting out). In addition, studies have found that youth in family foster care have better educational outcomes and are much less likely to become delinquent than those who experience residential care. [$180 million in savings over 10 years] PROMOTING SAFEAND STABLE FAMILIES The mandatory Promoting Safe and Stable Families program, currently funded at $345 million per year, provides formula grants to states and tribes for community-based services to support and preserve families, improve child safety at home, support reunification of children in foster care, and assist adoptive families. Promoting Safe and Stable Families also contains additional grant programs. The Court Improvement Program, currently funded at $30 million per year, makes formula grants to state and tribal courts to improve the quality of child welfare proceedings and comply with the Family First Prevention Services Act of 2018. Regional Partnership Grants, currently funded at $20 million per year, is a competitive grant program that addresses the child welfare impact of substance misuse, including opioids. In recent years, parental substance use has grown as a circumstance associated with entry into foster care. The Regional Partnership Grant program addresses this problem by supporting interagency collaboration and integration of programs to prevent the need for foster care and better serve children and families. The Promoting Safe and Stable Families account also includes the Personal Responsibility Education Program and Sexual Risk Avoidance Education, which were reauthorized through FY 2023 at $75 million per program per year in Public Law 116-260. Reauthorize, Increase Funding for, and Amend Promoting Safe and Stable Families Program To increase funding for prevention services, especially services related to substa nce misuse and child welfare, the budget increases Promoting Safe and Stable Families program funding by $300 million per year, nearly doubling the program. Of this increase, $40 million per year goes to increase Regional Partnership Grants funding and $30 million per year to expand the Court Improvement Program. Fifty million per year funds a new grant program for civil legal representation for issues such as housing, domestic violence, or emp loyment mat ters for families involved in t he ch ild welfare system. The remaining $180 million per year increases funding for the base formula grant from $ 295 million to $4 75 million per year. The budget also a dds k inship support services as an allowableprogram spending ca tegory a nd requires states report to HHS on use of k inship p lacements t hat are n ot formally foster care bu t rather a less supportive alte„vı}’ (}including t henumb er of children in t hosesett ings and the support offered t o children an d caregivers. [$3.0 billion in costs over 10 years] Note: The budget a lso requests $7 7 million for FY 20 25 for t he d iscretionary component of Promoting Safe an d Stable Families. Reaut horize Persona l Re sponsibility Educat ion Program The Personal Responsibi lity Educat ion Program funds educat ional programs for y outh related to pregnancy prevention and health y lifeskills, targeted towards youth ages 1 0 to 19 who are homeless, in foster care, live in rural a reas or areas

with high teen birth rates, or come from minority groups. The bud get includes a 1-year reauthorization of th e Personal ResponsibilityEducation Program. [$75 million in costs f or FY 20 25]SOCI AL S ERV ICES BLOCK GRANT The Social Ser vices Block Grant program provides (o„uμ ’ ’ıı population relative to all other states, for t he p rovision of social services. Services i nclude a dult protective services, speci al services t o persons with disabilities, ˆ}›ıÀ]˚ v Z˚oıZr „˚oı˚ˆservices, t ransportat ion support, foster care, substan ce „À]˚ ^˚o] vˆtran sitional living, and ˚u›o}Çu˚vır„˚oı ˚ ’˚„À]˚’XThe Social Ser vices Block Grant is p ermanently aut horized a t$1 .7 billion per year. TEMPORARY ASSI STANCE FOR NEEDY FA MILI ES TANF provide s stat es, territories, and eligible t ribes flexibility t o design program s funding a wide range of services th at help low-income families with ch ildren achieve economic sufficienc y, including assistance so tha t childrenmay be ca redfor in their own homes or with relatives, j ob prepa ration, work opportunities, and the format ion a nd maintenance of two-parent families. Stat es m ay t ransfer a portion of th eir TANF grant to the Child Care Development Block Grant program an d the Social Service s Block Grant program, increasing t he Administrat ion for Children an d Families t Ma ndatory 144 ›„}P (o˚Æ]]ovı welfare resea rch, evaluation, and t echnical a ssista nce. ACF has completed long -term impact evaluat ions on ’ı„ı˚P]˚’[ı]À˚v˚’’U employment coaching and career pat hways p rograms. ACF-spon sore d technical assistance h as led t o measurable improvements in stat e a nd local TANF P˚v]˚’ ı]v{} ›„}Pimprovement. Additionally,ACF projects ha ve promoted equity in research a nd practice, by developing m ethods for engaging individ uals with lived experience inthe research process and analyzing d at a to identify ra cial and et hnicdisparities in access t o an d outcomes of human services. The TANF Contingency Fund p rovides $ 608 millionper year t o stat es t hat meet certain economic criteria such as high unemployment. The budget funds TANF and the TANF Contingency Fund at the FY 2024 level of $17.3 billion for FY 2025. Authorize Program Integrity Data Collection Current law limits data collection about TANF expenditures, activities, and beneficiaries. The budget includes new statutory a uthority to collect more comprehensive TANF data, including data needed to develop an improper payment rate for TANF as required by the Payment Integrity Information Act of 2019. The budget funds implementation activities by repurposing $5 million per year from the TANF Contingency Fund for a TANF Program Integrity and Improvement Fund. [Budget Neutral]Administrat ion for Children an d Families t Ma ndatory 145 Administration for Chil dren and Fami lies: Mandatory FY 2025 ACF Mandatory Budget Proposals, Outlays The following table is in millions ofdollars. ACF Mandatory Legislative Proposals 2025 2025-2029 2025-2034 Child Support Services and Family Support Enhance Repatriation Readiness 1 5 10 Improve IRS Data Disclosureto Tribal Child Support Services Agencies and Contractors -165-724-1179Subtotal, Child Support Services and Family Support -164-719-1169Early Care and Education Affordable Child Care for America 9,900 149,900 424,300 Expand Access to Free, Universal Preschool 5,000 55,000 200,000 Child Care and Preschool Interaction -- -5,700-24,300Subtotal,Early Care and Education 14,900 199,200 600,000Foster Care and Permanency Expand and Encourage Participation in the Title IV-E Prevention Services and Kinship Navigator Programs 279 1,808 4,899 Create New Flexibilities and Support in the Chafee Program for Youth Who Experienced Foster Care, Including a Post-Foster Care Healthy Transition

Assistance Demonstration 126 980 2,226 IncreaseSupport for Kinship Foster Care Placements and Guardianships 88 442 920 Provide Comprehensive Tribal Child Welfare Funding 42 277 719 Allow Tribes that Do Not Currently Receive Title IV-E Funding to be Eligible for Title IV-E Prevention Services Funding 1 11 60 Prevent and CombatReligious, SexualOrientation, Sexual Identity, Gender Identity, Gender Expression, or Sex Discrimination in the Child Welfare System -- -- -- Reduce Reimbursement Rates for Foster Care Congregate Care Placements -27-107-180Subtotal,Foster Care and Permanency 5093,4108,644Promoting Safe and Stable Families Reauthorize, IncreaseFunding For, and Amend the Promoting Safe and Stable Families Program 84 1,215 2,715 Reauthorize Personal Responsibility Education Program 3 72 75 Subtotal,Promoting Safe and Stable Families 87 1,287 2,790 Temporary Assistance for Needy Families Authorize Program Integrity Data Collection 5 25 50 Subtotal,Temporary Assistance for Needy Families 5 25 50 Temporary Assistance for Needy Families Contingency Fund Impact of Authorize Program Integrity Data Collection -5-25-50Subtotal,Temporary Assistance for Needy Families Contingency Fund -5-25-50Total Outlays, ACF Mandatory Legislative Proposals 15,332 203,178 610,265 Administrat ion for Commun ity L iving 146 Administration for Community Livi ng The following tables are in millions of dollars. Health and Independence for Older Adults 2023 2024 2025 2025 +/- 2023 Home and Community-Based Supportive Services 410 410 410 -- Nutrition Programs 1,067 1,067 1,149 +83Native American Nutrition and SupportiveServices 38 38 38 --Preventive Health Services, Chronic DiseaseSelf-Management Education and Falls Prevention 42 42 42 -- Aging Network Support Activities 30 30 40 +10Subtotal, Health and Independence 1,587 1,587 1,680 +93Caregiver and Family Support Services 2023 2024 2025 2025 +/- 2023 Family Caregiver Support Services 205 205 205 -- Native American Caregiver Support Services 12 12 12 -- „}P„u 32 32 32 -- Lifespan Respite Care Program 10 10 10 -- Subtotal, Caregiver Services 259 259 259 -- Protection of Vulnerable Older Adults 2023 2024 2025 2025 +/- 2023 Long-Term Care Ombudsman Program 22 22 22 -- Prevention of Elder Abuse and Neglect 5 5 5 -- Health Care Fraud and Abuse Control Program (Senior Medicare Patrol)141 36 37 35 -1Elder Rights Support Activities and Elder Justice Adult Protective Services 34 34 34 -- Subtotal,Protection of Vulnerable Older Adults 97 98 96 -1Disability Programs, Research, and Services 2023 2024 2025 2025 +/- 2023 Developmental Disability Programs 181 181 184 +3Independent Living Programs 128 128 132 +4National Institute on Disability, Independent Living, and Rehab Research 119 119 119 -- Traumatic Brain Injury Program 13 13 13 -- Limb Loss Resource Center 4 4 4 -- Paralysis Resource Center 11 11 11 -- Subtotal, DisabilityPrograms, Research, and Services 457 457 464 +7Consumer Information, Access, and Outreach 2023 2024 2025 2025 +/- 2023 Assistive Technology 40 40 40 -- Aging and Disability Resource Centers 9 9 9 -- Voting Access for People with Disabilities 10 10 10 -- State Health Insurance Assistance Program 55 55 55 -- Medicare Improvements for Patients and Providers Act (Mandatory)142 47 50 50 +3Subtotal, Consumer Information, Access, and Outreach 161 164 164 +3Other Programs,Total and Less Funds from Other Sources 2023 2024 2025 2025 +/- 2023 ACL Program Administration 47 47 55 +8Congressionally Directed Community Projects 42 42 -- -42White House Conference on Aging - - 3 +3Total,Program Level143 2,649 2,653 2,719 +70141 In

clud es HealthCare Fraud an dAbu se Control Wedg e a llocatio ns of $1. 3 millio n in FY 2023 an d $2.4 million in F Y 2024. FY 2025 Wed ge allocat ions are n ot yet determine d. 142 FY 2023 column reflects man datory seq uestratio n of 5.7 pe rcen t. FY 2024 an d F Y2025 column s reflect propos ed reau thorization o f man datory fun ding for these activities . Administrat ion for Community L iving 147 Health and Independence for Older Adults 2023 2024 2025 2025 +/- 2023 Less Funds from Other Sources -111 -115 -113 -2 Total, Budget Authority143 2,538 2,538 2,606 +69 The Administrat ion for Community Living maximizes the indepe ndence, well-being,and healt h o folder adults, peo ple with d isabilities across the lifespan, and their families and care givers The Administrat ion for Commun ity L iving(ACL) was created around the fundamenta l principle tha t a ll people, regardless of age or disability, should b e ab le to live independently, participat e fully in their communities,and control decisions a bout t heir lives. ul ˚ Z]’ „]v]›o „˚o] (} millions of Am ericans. They work together t o support health, independence, resilience, a nd self-sufficiency, which play a critical role in reducing the costs of healthca re, especially for people with complex n eeds. ACL works closely with sta tes, tribes, t heaging and disability networks, and, most importantly, directly with older adults an d people with disabilities, to ensure tha t its p rograms are ta ilored to the u nique needs of the people they serve. With the appropriate services a nd supports, disabled people and older a dults ca n live in t heir own h omes or in oth er community settings. Community living is overwhelmingly preferred, more cost-effective, and leads to bett er hea lth outcomes th an living in institu tions. Communities are stronger when everyone is included, valued, and able t o contribut e. ACL remains committ edto making comm unity living a n option for every American, and the budget aligns with tha t commitment. In FY îìıZ˚ P˚t provides $2 .7 billion for ACL, an increase of $70 million above FY 2 02 3. This request maintains funding f or most ACL programs, susta ining t he p rogress made in recent years to begin to address the significant u nmet n eeds ofolder a dults and people with disabilities. The bud get also includes small but strategic investm ents in several key priorities: Increasing access to criticalcommunity living services - The deman d for services p rovid ed recent years and continues to grow. Additional investm ents will ensure p eople have a ccess to services n ee ded to live in their communities. Emergency preparedness and response t Addressing th e disproportio nat e impact to 143 Totals may not add du e to rounding. FY 2023 column doe s not ref lect fun ding obliga ted in FY 2023 for the Na tional Technical Ass istan ce Cen ter on Kinship a nd G randf amilies . people with d isabilities a nd older a dults by improving emergency plann ing a nd creating capacit y t o respond to surges d uring disasters. Esta blishing a dequat e infrastructure - Pv]( ]v„˚’°’›}v’]] o]ı]˚ recent years, combined with the increasing complexity of requirements for ensuring accessibility a nd informat ion techn ology security ha ve increased the demands on the agency. Additional investm ents will address the most urgent operational n eeds, support fixed costs, and enable program oversight.Administrat ion for Commun ity L iving 148 CROSS-CUTTING INITIATIVES Ma ny of the most complex and urgent issues that threaten communit y living affect both older adults and disabled people of all ages. ACL has no single program that is authorized to fund initiatives focused on the needs of all people ACL serves. The FY 2025 request includes increases to three programs t Aging Network Support Activities, Developmental Disabilities

Projects of National Significance, and the newly created Independent Living Projects of National Significance t which will jointly fund two initiat ives focused on key issues affecting all people who need long-term services and supports. The first initiative addresses the critical shortage of professionals who provide home and community-based services, and the second initiative seeks to improve emergency preparedness and response for disabled people and older adults. The staffing shortage within the direct care workforce has become a dire crisis. Today more than three-quarters of service providers nationally are turning down referrals, and half are discontinuing services144. As a result, many people who need services cannot get them, and those who receive services often experience disruptions and inconsistent quality. This jeopardizes the health and safety of the people receiving services, increases demands on family caregivers, and ultimately threatens to reverse decades of progress in community living. In 2022, ACL established the Direct Care Workforce Strategies Center to provide technical assistance, training, and other resources to state systems, service providers, and aging and disability stakeholders to improve recruitment, training, and retention of these critical professionals. The FY 2025 request includes $10 million to expand the Direct Care Workforce Strategies Center and fund capacity-building grants to states to support building partnerships among state Medicaid, aging, disability, and workforce agencies; coordinating and leveraging programs and funding streams; and developing and testing strategies to attract, train and retain direct care professionals. 144 „}}ıμv] „„ („[] „UAdd ressing the Direct Care Workfor ce S hort ag e.Bipartisa n Policy Cen ter. 7 Decembe r 2023. People with disabilities and older adults are disproportionat ely impacted in all types of disasters. Lack of accessible transportation and emergency shelters and other barriers often mean they are unable to evacuate their homes safely. When they do evacuate, they can be unnecessarily placed in nursing homes and other facilities and may be unable to return home when the emergency ends. They also face higher rates of death and injury during emergencies and disasters. In addition, the need for services provided ˚ıÁˆ]uufollowing disasters, and demand frequently outstrips capacity. The FY 2025 budget includes a new investment of $5 million to improve emergency planning and create surge capacity t o respond to crisis needs. Specifically, ACL will esta blish a national center to provide t raining, technical assistance, and partnership development support to ACvemergency management authorities, and public health systems. In addition, ACL will fund demonstration grants to develop inclusive disaster planning models and increase capacity for meeting needs during emergencies. HEALTH AND INDEPENDENCE FOR OLDER ADULTS programs provide an interconnected foundation of services that help older people remain healthy and independent in homes in their communities, avoiding expensive institutional care. The budget requests $410 million for Home and Community-Based Supportive Services programs, which provide a variety of services that help older adults age in place. These include transportation services, personal care assistance, and more. According to the 2019 Medicare Beneficiary Survey, nearly a quarter of adults aged 65 and older, and almost half of those who are 85 or older, are unable to perform 1 or more critical activities of daily living. In addition, nearly three-quartersof people who are 65 or older have at least 2 chronic conditions. Providing a variety of supportive services that meet the diverse needs of these individuals is crucial to enabling them to remain healthy and

independent in their homes and Administrat ion for Community L iving 149 communit ies and avoid unnecessary, expensive nursing home care. The Nutrition Services programs provide home-delivered meals and meals served in group settings, such as community centers, nutrition screening and assessments, education, and counseling to reduce hunger, food insecurity, and malnutrition. In FY 2022, programs provided an estimated 262 million meals. For more than half of people participating in the programs, these meals represented at least half of their tota l food for the day. The programs help older adults stay engaged a nd connect them to other in-home and community-based supportive services that work together to delay complications of chronic disease and slow the decline that often leads to placement in nursing homes and other facilities. The FY 2025 request for Nutrition Services programs is $1 .1 billion, an increase of $83 million above FY 2023. The add itional funding will offset sign ifica nt increases in t he cost ofproviding meals, which oth erwise would result in fewer m eals p rovided in FY 20 25 than in 145 King ston, A., L. Robins on, H. B ooth, M. Kna pp , C. Jag ger. 2018. Projections of m ulti-morbid ity in t he olde r population in Eng land to 2035: es timates from the P opulation Age ing and Ca re Simulation (PA CSim) mode l. Age and Ag eing; 47: 374t380. https://d oi.org/10.1093/ag eing/afx 201. FY 2023. Thisaddit ional investm ent will enable ACL to serve th e same am ount of people estimat ed t o ha ve been served in FY 2 02 3. ACL investment in the Nutrition Services program provides medical nut rition therap y andmedically t ailored m eals for pat ients tran sitioning from hospital to home; while enh ancing statewide low cost congregat e meal p articipation in urban and rural commu nities. The p rograms generate an average of$4 from non-federal sources p er dollar provided through t hese p rograms. In a ddition t o he budget will increase funding ava ilable t ocover expenses suc h as labor, transportation, or equipment costs, none of which a re allowable under the Nut rition Services Incen tive Program and all of which signif icantly affect t he n umber of meals provided. The incidence of chronic diseases such as arthritis, cancer, and diabetes in older adults is increasing as Americans live longer. Each year, approximately 25 percent of older adults report falling, with 3 million falls resulting in emergency room visits145. The budget includes $26 million for Preventive Health Services, $8 million for Chronic Disease Self-Management Education, and $8 million for Falls Prevention programs. These programs help participants improve strength, balance, and mobility and maintain their overall health, which helpsthem continue to live independently and can reduce healthcare costs. The request includes $38 million for grants to tribal organizations to provide critical services tailored to the unique needs of tribal elders and support training and technical assistance for the development of comprehensive and coordinated systems of services to meet the needs of Native American elders. This maintains the expansion of services that have been possible with the funding increases over the last several years. The Aging Network Support Activities program provides funding and technical assistance to help states, tribes, and providers of aging services expand capacity and improve the effectiveness and efficiency of the systems Administrat ion for Commun ity L iving 150 tha t help older people live independently in their communities. Through the Aging Networ k Support Activities program , ACL also funds resourc es t o help older a dults and their families connect t olocal services and resources. The budget requests $4 0 million, a n increase of $10 million above FY 2 02 3.

The ma jorityof t his increase ($ 9 million) will be used, a longwith funding from 2 of]' - cutt ing initiatives d escribed above. With the rema ining $1 million, ACL will part nerwith SAMHSA to prevent suicide among older ad ults. The initiativewill leverage networks to increase screening, intervention, and referrals to connect older adults to mental h ealth services and other int erventions. The network organizations that ACL partners with will train service providers to improve t heirability to meet the u nique needs of olde r people. PROTECT ION OF V ULNERABLE OLDER ADULTS Elder abuse and n eglect rob older a dultsof t heir fundamental human rights and often their hea lth and independence. The FY 2025 b udget request includes a total of $96 u]oo {} programs t hat work together t o uphold the rights of older a dults and prevent, detect, and respond to elder abuse, neglect, and ex ploitation, as follows: $4 million forElder Rights S upport Activities; $5 million forPrevention of Elder Abuse and Neglect; $22 million for the Long-Term Care Ombudsman Program; $30 million for Elder J usticeand Adult Protective Services, which will sustain the increases received in FY 20 23 to begin to address needs t hat have grown significant l y in recent years; and $35 million for the Senior Medicare Patrol program. CAR EGIVER AND FAMILY SUPPORT S ERVICES Each year, more than 53 million people provide a b road range of assistance to support the h ealth,quality of 146 https://www.aarp.org/content/da m/aa rp/pp i/2020/05/fu ll-report-careg iving-in-t he-un ited-states.d oi.10.26419-2Fpp i.00103.001.p df Pa ge 4. A cces sed 22 Feb ruary 2024 147 Can cino A. (2016) . More g randparents raising their gran dchildren. Associated Pr ess. Retriev ed from http://www.pb s. org/ne wshour/rund own/more-grand parents-raising-their-grand children /. 148 https://www.rand .org/n ews/pres s/2014/10/27.html Key Findings acces se d on F ebruary 22,2024. life, and independence of a person close to them who needs assistance due to age, disability, or chronic health conditionsX146 Another 2.7 million grandparent caregiversU147 and an unknown number of other relative caregivers, care for children who cannot remain with their parents. When caregivers do not have the support needed, their health, well-being, and quality of life often suffer. Their financial future also can be put at risk; lost income due to family caregiving is estimated at $522.0 billion each yearX148 When the challenges become overwhelming and family caregivers can no longer provide support, the people they care for often are left with no choice but to move to nursing homes or other institutions or to enter foster care.]ÀÀ]˚ provide services that help family caregivers balance caregiving with work and other responsibilities. Nearly three-quarters of the people served by these programs report that these services allow them to provide care longer than they otherwise could have. The budget request includes $259 million for these programs, which continues increases provided in recent years to support nationwide implementation of the 2022 National Strategy to Support Family Caregivers. The Administrat ion for Community L iving 151 budget also includes $16 million for the Native American Caregiver Support Services program, which funds additional caregiver support services for American Indian and Alaskan Native people and Native Hawaiian elders. Approximately 5.3 million individuals are living with ˆ]'˚u˚vı]ınumber is projected to grow by 300 percent by 2050. Due to the progressive nature of dementia, family caregivers often need more support and assista nce over time. The budget requests $ 32 u]oo]}{}]'„u]vıiincreases provided in recent years. ACL proposes to fund formula grants to

every state to support national implementation of the proven and effective models developed over t he last two decades through the ›„}PP„vı. ACL will also continue to invest in development and testing of new approaches to better meet the unique needs of the families affected by these devastating illnesses. MAKING COMMUNITY LIVING POSSIBLE FOR PEOPLE WITH DISABILITIES '°„À]˚capacity-building, research, and systems change advocacy to expand and improve opportunities for people with d isabilities and increase access to the services and supports they need to lead self-determined lives and fully participate in their communities. Even when services and resources are available to help people live in the community, it can be very challenging for people to access them. People often have questions about which programs will best meet their needs, whether they are eligible, how to enroll, and how to coordinate services. Without assista nce to navigate these systems, people often do not receive the help they need to live independently. The Disability Information and Assistance Line is a national hotline t hat connects disabled people to a broad range of local services to support community living. These include transportation, housing, legal assistance, assistance with Medicaid redeterminations, and more. As of January 15, 2024, the Disability Information and Assistance Line had responded to almost 100,000 calls, emails, texts, and online chats, and volume continues to increase as more people become aware of the services. Initially established to help disabled people access COVID-19 services, the Disability Information and Assista nce Line was funded through FY 2023 with supplemental funding. The budget includes $1 million to continue operations of this critical resource, funded jointly by the Independent Living programs and the Developmental Disabilities Projects of National Significance.]À]}Pand supports, training, and other resources to help people with d isabilities live the lives they want to lead in their communities. They also advocate to ensure the needs of disabled people are reflected in policies and programs and foster partnerships and collaboration between programs and organizations that support community living. The Centers for Independent Living program provides grants t o more t han 350 commun ity-based, nonprofit agencies t hat are led by disabled people and provide a comprehensiv e ran ge of services t hat h elp people with all types of disabilities live and fully p articipat e in their communities. These include training an dpeer support for developin g independent living skills; assista nce navigating sys tems of services a nd supports and connecting to services; and support t o young disabled people who are tran sitioning t o ad ulthood. They a lso are a t t he forefront of h elping people move back to the community from nursing h omes a nd other institut ions. The bud get includes $ 13 2 million for Ind ependent Living Progra ms, which is $4 million above FY 2 02 3. This includes $2 6 million for Independent L iving Stat e Grants and $102 million forCenters for Independent Living, whichmaint ains th e small, but importan t, increases p ro vided in recent years t o begin to address unmet needsfor services. The bud get also includes $4 million forthe new Independent L iving Projects of National Significance program, which wascreated to provide a m echanism for ACL t omak e investment s in innovation within the independent living p rograms an d fund initiat ives t hat address t he n eeds ofpeople with all types of disabilities. With this increase, the Independent Living Projects of Nat ional Significance program will support the t hree jointly funded cross-program initiatives d escribe d above. Administrat ion for Commun ity L iving

152 People with intellectual and developmental disabilities often experience increased barriers to community living. Upholding their right to fully participate in the community requires each state to develop and maintain a comprehensive and coordinated system that includes services and supports, training, education, advocacy, research, and information sharing. Collectively, these efforts ensure accessibility of healthcare, education, transportation, and other critical services that are necessary for community living. To support states in developing those systems, the budget includes $43 million for University Centers for Excellence in Developmental Disabilities and $81 million for State Councils on Developmental Disabilities, which ma intains the increases received in recent years. The budget also includes $15 million for the Developmental Disabilities Project of National 149 Zieg ler-Graha mK, MacKen zie EJ, Ephraim PL, Travison TG, Brookmeye r R. Es timating the Prev alence of Limb Loss in the United S tates: 2005 to 2050. A rchives of P hys ical Med icine an d Reh abilitat ion 2008;89(3) :422-9. https://p ub med.n cbi.nlm.nih.g ov/18295618/. Signif icance program, which funds projects t o ad dress the most pressing issues th at a ffect people with intellectual and developmental disabilities and their families. This increase of $3 million above the FY 2023 will support the 3 jointly funded cross-program initiatives described above. Developmental Disabilities Protection a nd Advocacy systems play a critical role in protecting the health and welfare of people with intellectua l and development al disabilities and ensuring t hey have the opport unity to fully part icipat e in their communit ies. They also serve as advocatesand advisors to support sta tes a nd communities in exp anding community living opt ions. The budget includes $45 million for the Developmental Disabilities Protection and Advocacy program, which continues critical increases provided in recent years, to maintain support for critical services, such as legal assistance, support for transitions from institutions to homes in the community; information and referral; individual and systems advocacy; monitoring to identify abuse and neglect and investigating allegat ions; and more. The National Institute on Disability, Independent Living, and Rehabilitation Research sponsors comprehensive and coordinated programs of research, training, knowledge translat ion, and capacity-building to improve opportunities for disabled people. ’ research contributes to an evidence base that informs the development of programs and policies, services and supports, assistive technology, and other products, as well as interventions to improve health and function, competitive integrated employment options, and full access and participat ion in the community for people with disabilities. The budget includes $119 million, which maintains the increases provided over the last several years, to support research t o address real-life problems and challenges faced by disabled people. An estimated 2 million people live with limb loss or limb difference and an estimated 185,000 amputations are performed every year in the United States.149 The budget includes $4 million to maintain funding for the Administrat ion for Community L iving 153 Limb Loss Resource Center, which provides peer support, access to assistive technology and supportive services, and information to assist people with limb loss in making informed choices and accessing effective rehabilitation services. One in 50 Americans report having some form of paralysis.150 The budget includes $11 million to maintain funding for the Paralysis Resource Center to support a comprehensive range of information and services to foster community participation, promote health, and

improve quality of life for people with paralysis. People with traumatic brain injuries often experience long-term and debilitating effects from their injuries. They also face fragmented service systems that do not adequately address their needs. The FY 2025 budget includes $13 million, the same as FY 2023, for the Traumatic Brain Injury program, which develops comprehensive state and community traumatic brain injury systems and works with states to streamline access. CONSUMER INFORMATION, ACCESS, AND OUTREACH]v(}„uı°'programs help older adults and people with disabilities make informed decisions and access supportive services in their communities. With support from ACL, states have developed or °Æ›vˆ}}„access services provided by a variety of stat e agencies through a single, standardized process. Aging and disability resource centers provide one-on-one counseling and other services to help people access the services and supports needed to meet their individual needs. The budget includes $55 million for the State Health Insurance Assistance program. This program provides one-on-one counseling to individuals who are eligible for Medicare, including those who also are eligible for Medicaid, to help make informed decisions about health insurance and to enroll in the plans that best meet their needs. Through this program, nearly 150 Armour, B rian S., Eli zabe th A. Courtney-Long , Michae l H. Fox, Hei di Fredine, and Anthon y Cah ill. P revalence and Cau se s of P aralysisvUnited S tates, 2013. Is sue brief .Christoph er an dDana Ree ve Found ation, 23 Aug . 2016. https://www.nc bi.nlm.nih.g ov/pmc/artic les /P MC5024361/. 11,500 counselors in over 2,000 community-based organizations assisted 4.3 million people in 2022. The budget provides $10 million to help ensure individuals with disabilities can exercise their right to vote. Grantees provide a variety of direct services to support disabled people with registration and casting their vote. They also advise and support communities and states to help improve the overall accessibility of the voting process and monitor and address accessibility issues. The budget maintains the FY 20 23 level of $40 million to help people with disabilities and their families obtain assistive technology devices and services. The budget also proposes to reauthorize the Medicare Improvements for Patients and Providers Act of 2008 programs at $50 million annually from FY 2025 to FY 2029, and to appropriate this mandatory funding directly to ACL. This funding supports the National Benefits Outreach and Enrollment Assistance Center, State Health Insurance Assistance Programs, Area Agencies on Aging, and Aging and Disability Resource Centers to provide more intensive healthcare counseling for people who are eligible for both Medicare and Medicaid and those who key programs can save them money, including Extra Help, which lowers Medicare Part D costs. ACL will award a single combined grant, rather than three separat e grants, to states in which the State Health Insurance Assista nce Programs, area agencies on aging, and aging and disability resource centers are co-housed or managed. This change will increase program efficiency and reduce burden on grantees. WHITE HOUSE CONFERENCE ON AGING The White House Conference on Aging provides a dedicated forum for the President, Congress, states and tribes, federal agencies, the aging services networks, and other stakeholders to convene to plan vıP] The budget includes Administrat ion for Commun ity L iving 154 $3 million to support the event ena bling sta keholder input on a wide breath of aging issue s. ESTABLISHING ADEQUATE INFRAST RUCTURE significa nt increase in responsibi lities in recent years, combined with the growing comple xity of t

hose functions, have creat ed needs t hat exceed staff capacit y and current resources. Fixed costs have also increased sign ificantly in recent years. The bu dget includes a n increase of $8 million in Program Administrat ion ’µ››}„ı program administrat ion. Specifically, ACL requests $6 million to cover increases in fixed costs, such as rent, payroll, and shared services, which oth erwise will require reductions in full-time equivalents to cover, and $2 million to fund 10 additional full-time equivalents , including 1 dedicated full-time equivalent „]}v’µoıı These modest investments will have an outsized impact]o]ı]ıu]’’]ıprograms are administered effectively and efficiently. Within the increase for Program Administrat ion, the request includes $1 million to esta blish an ACL-specific tribal consultation program to compart icipation in HHS-wide tribal consultations and result in more frequent and direct engagement with tribal leaders on issues specific to tribal elders and disabled people in tribal communities.Administrat ion for Stra tegic Preparedness and Response 155 Administration for Strategic Pr eparedness and Response The following table is in millions ofdollars. Administration for Strategic Preparedness and Response 2023151152 2024138,153 2025 2025 +/- 2023 Preparedness and Emergency Operations 31 31 31 -- National Disaster Medical System 97 97 66 -31Health Care Readiness andRecovery 305 305 317 +12Medical Reserve Corps 6 6 6 --Preparedness and Response Innovation 3 3 -- -3Biomedical Advanced Research and Development Authority 950 950 970 +20Project BioShield 820 820 820 --Pandemic Influenza 328 328 328 --Strategic National Stockpile 965 965 965 --HHS Coordination Operations and Response Element 75 75 75 --Operations 34 34 80 +45Policy and Planning 15 15 15 --Biodefense Production of Medical Countermeasures andEssential Medicines -- -- 95 +95Total,Budget Authority 3,630 3,630 3,768 +138Total,Program Level 3,630 3,630 3,768 +138Strengthening Biodefense, Mandatory (non-add)154 -- -- 10,540 +10,540Full-Time Equivalents 1,246 1,270 1,463 +193The Administrat ion for Strategic Preparedness and ˚’›}v’˚ u]’’]}v Z respo nding to, an d recove ring from public health emergenc ies a nd disaste rs.The Administrat ion for Stra tegic Preparedness a nd Response (AS PR) assists t he count ry in p reparing for, responding to , and recovering from public h ealth emergencies and disasters. ASPR accomplishes this mission in sev eral ways, including developing, stockpiling, a nd distribut ingmedical countermeasures to use against significant t hreats; deploying clinical response t eams in t imes of crisis; and ensuring healthca re and public h ealth part ners h ave t hetools and informat ion needed to navigat e t oday's challenges and confront those t hat come t omorrow. The FY îì˚’ P˚]voμˆ˚’ ï.8 billion for ASPR, an increase of $1 38 million above F Y 20 23 . The funding increase will act ivate int egrated federal capab ilities in response t o disasters of all kinds and build new biodefense and cybersecurity f unct ions a s ASPR prepares for ever-evolving public healt h threats. 151 ASP R received FY 2023 and FY 2024 Continu ing Resolution f un ding via app ropriation to the Pu blic Health a nd Social Services Emerge ncy Fund. The FY 2024 and FY 2025bu dg ets propose A SP R receive its own ap propriation. 152 The FY 2023 column reflects final lev els, includ i ng requ ired a ndpe rmiss ive transfers. 153 The FY 2024 column representsthe a nn ualized amoun ts p rovided in the FY 2024Continu ing Resolution (Division A of Pu blic Law 118-15). 154 Stren gthe ning Biode fe nse to Protect Aga ins t 21st Cen tury Biothreats is reflected in the P ublic Hea lth an d S ocial Services Emergen cy Fu nd chap ter. MEDICAL

COUNTERMEASURES AND BIODEFENSE ASPR supports medical countermeasures through a pipeline of advanced research and development, scaling up manufacturing capabilities, procurement, stockpiling, and distribution. ASPR focuses on lifesaving medical countermeasures that counter chemical, biological, radiological, and nuclear threats. ˚vPP°’›˚]oois no significant commercial market for the medical countermeasures. The FY îì ˆÀvıı]}v[capabilities in critical ways. These include new discretionary funding investments in the domestic manufacturing of medical countermeasures and 156 pharmaceutical ingredients, and an HHS-wide mand at ory p roposal t o ma ke comprehensive investm ents in biodefense. The budget includes $ 95 million to onshore product ion of m edical countermeasures and act ivepharma ceutical ingredients us ed in essential medicines. This funding Á]o]o] }(˚ˆ]o to include priority drugs a nd devices on the Food and ˚dicineslist. This new discretionary program will m ak e progress on key government-wide goals, su ch as t heNational ˆ°(˚v’ ˚P Industrial Base Ma nagement and Supply Chain office, in coordination with ot her ASPR p rograms, will lead this new effor t. The FY 20 25 budget includes an HHS-wide investm ent of $ 20.0 billion in m andat ory funding to promote biodefense ag ainst t wenty-first century health threats. As part of t hat p lan, ASPR will invest $1 0.5 billion to conduct advanced research a nd development of vaccines, therapeut ics, anddiagnostics fo r high-priority viral families; scale up d omestic manu facturing capacit y for medical countermeasures; and support t he public health workforce. This investment would: v vµ( ]ı]°’U especially surge ca pacity for m edical countermeasures, personal protect ive equipment, and oth er medical supplies; Support end-to-end advanced d evelopment and scale-up of prototype vaccines a nd therapeutics against the viral families m ost likely to cause biodefense threat s in t he future; Support the advanced development and procurement of diagnostics, d isease surveillance technologie s, an d next-generation personal protect ive equipment; and Replenish and modernize stockpiles, including those needed for a potential fut ure pa ndemic. The Biomedical Advanced Research and Development Authority (BARDA) supports the development and procurement of medical countermeasures that can respond to chemical, biological, radiological, and nuclear threats. BARDA partners with industry leaders to develop these countermeasures to ensure the nation is prepared to respond to emerging infectious diseases, pandemic influenza, and other threats. As of Administration for Strategic Preparedness and Response January 2024, BARDA has supported 86 products through FDA approval. The FY 2025 budget provides $970 million for BARDA, which is $20 million above FY 2023. This increase will be used to develop new countermeasures to combat antimicrobial resista nce. Overall, the budget will be used to steward critical countermeasures toward FDA approval, including those against Ebola, Ma rburg and Sudan virus, and MPox, among many others. Additionally, the budget provides $328 million for Influenza program, which pursues an end-to-end strategy to prepare for the next influenza pandemic. Through this strategy, BARDA supports the development, licensure, and manufacture of products that can better detect, treat, and prevent pandemic influenza. This includes supporting the modernization of influenza vaccines, expanding U.S.-based vaccine manufacturing to better handle surges in demand, and developing alternat e vaccine manufacturing and delivery methods. Project BioShield helps build and sustain a pipeline of critical medical countermeasures by

supporting the late-stage development of promising candidates and the procurement of tests, vaccines, and therapeutics, including many products for which there is no significant commercial market. The countermeasures are essential tools for national preparedness and response programs. Since FY 2005, ASPR has invested in 39 unique medical countermeasures candidates that address threats such as anthrax, smallpox, antibiotic-resistant microbes, botulism, Ebola, and radiological and nuclear injury. Thirty-two of the resulting products have been delivered to the Strategic National Stockpile or procured as vendor-managed inventory. The budget provides $820 million for Project BioShield, flat with FY 2023. These funds will be used to move key medical countermeasures candidates along the development pipeline, including Phase 2 and 3 clinical trials, establishment of manufacturing processes, expansion and validation of scaled manufacturing, and procurement. The Strategic National Stockpile is a reserve of FDA-approved pharmaceuticals, lifesaving medical supplies, medicines, and devices, that stand ready for rapid deployment to states, tribes, territories, and Administrat ion for Stra tegic Preparedness and Response 157 metropolitan areas in the event of chemical, biological, radiological, or nuclear threats. Stockpile products are deployed during public health emergencies to supplement the critical medical supplies of states, tribes, terrıı}„]°’o}o]ı]°’ulogistics capabilities enable ASPR t o move personnel, equipment, and supplies anywhere across the nation within hours, allowing for timely deployment of medical countermeasures during an emergency. The FY 2025 budget funds the Strategic Nat ional Stockpile at $965 million, flat with FY 2023. Funds will support the maintenance, storage, and replenishment of existing stockpile products, while allowing the Stockpile to procure new medical countermeasures previously supported by BARDA. RESPONSE OPERATIONS AND HEALTH CARE READINESS ASPR ensures the effective coordination of agency preparedness activities and assists in the readiness of American medical infrastructure to handle surge events caused by human-instigated and natura lly occurring threats and hazards. ASPR provides operational leadership and policy coordination, and orchestrates a nationwide infrastructure of medical response capability to offer immediate personnel and resource deployment wherever a crisis may occur. ›„}À]oversight and support for all agency programs. The FY 2025 budget provides $80 million, which is a $45 million increase from FY 2023. To support continually expanding mission responsibilities as a „°’funding increase will allow ASPR t o build human capital ı’›°](]]’’]}v-based needs, invest in a robust information technology infrastructure, grow acquisition capabilities, and support financial management effectiveness and efficiencies. The budget also includes a proposal for ASPR to establish a working capital fund, which will allow for more efficient and tran sparent management of centralized costs. Health Care Readiness and Recovery includes programs and activities that engage partners from all 50 states, U.S. territories, and freely associated states to prepare 155 https://www.whitehou se .g ov/wp-conten t/uploads /2023/03/National-Cybe rsecurity-Strateg y-2023.pd f the healthca re sector t o provide innovat ive, coordinat ed, and lifesaving care in t he face of emergencies and disasters. The FY 20 25 budget provides $3 17 million for Healt h Care Readiness and Recovery, a n increase of $ 12 million above FY 20 23 . This increase will b e used to build ASPR's cybersecurity functions t o improve D epartm ent-wide response s to cyber

incidents affecting t he Healt hcare and Public Health Sector, in support ofthe National Cybersecurity Strat egy, released Ma rch 202 3155. ASPR is t he Sector Risk Ma nagement Agencyfor t he Healt hcare a nd Public Health Sector, a nd this additional funding will m at ure -stop-'Z} for t his sector. Funding will also maint ain current capab ilities and continue efforts t o build out regional response ca pacity, develop informat ion networks t o support relat ionships with external healthcare part ners, andsupport special pat hogen readiness at the local a nd regional levels. The National Disaster Medical System mobilizes emergency medical response personnel and supplies to support U.S. government responses to public health emergencies and disaster events. The budget proposes $66 million for this program, a decrease of $31 million below FY 2023. The budget prioritizes resources for 158 the most impact ful programs within this p ortfolio, and discontinues l ower p riority act ivities. The FY 2025 budget proposes to eliminate the Preparedness and Response Innovation program, which was funded at $3 million in FY 2023. The Medical Reserve Corps network comprises more than 300,000 civilian volunteers in roughly 750 community-based units, all committed to improving local emergency response capabilities, reducing vulnerabilities, and building community preparedness and resilience. These volunteers are comprised of everyday medical and public health professionals, and community members without healthcare experience, who donate their time to bolster community preparedness and emergency response infrastructure. ASPR supports the M edical Reserve Corps network by providing technical assistance, coordination, communications, policy development, contract oversight, training, and other services. The budget includes $6 million for the Medical ReserveCorps, which is flat with FY 2023. This funding supports overarching national and regional coordination and technical assistance to Medical Reserve Corps unit leaders. The Preparedness and Emergency Operations program leads many preparedness and coordination functions, u„°'›}v'Administration for Strategic Preparedness and Response coordinator of public health and medical emergency services during Stafford Act or Public Health Service Act emergency declarations and as the Health and Social Services Recovery Support Function of the National Disaster Recovery Framework. As the program that houses these functions, the Preparedness and Emergency Operations program supports the delivery of federal mass care, emergency assistance, housing, and human services when response and recovery „]']o]The program also supports HHS medical teams deployed in response to a public health emergency by providing medical supplies and services, including medical durable equipment, and coordinating emergency medical care in shelters, as needed. The FY 2025 budget includes $31 million, of which $5 million is for National Special Security Events, flat with FY 2023. The HHS Coordination Operations and Response }for procurement, production, and distribution of medical countermeasures during a public health emergency. The FY 2025 budget provides $75 million, flat with FY 2023. In FY 2025, this office will continue to grow and adapt its capabilities to be applicable for all hazards so HHS and the nation can be ready to respond to any threat that is to come. This funding will support the sustainment and evolution of these logistics responsibilities, including operational readiness, data and security assurance, and the development and improvement of data sharing and inventory management tools. ASPR Policy and Planning ensures the development of and adherence to evidence-based strategies, best practices, and equitable

partnerships. The program ›„}À]›}o](}µvˆı]critical work assisting the Department, the U.S. government, and the nat ion in preparing for, responding to, and recovering from public health emergencies. The FY 2025 budget provides $15 million for ASPR policy and planning, flat with FY 2023. Office of t he Secretary t General D epartmenta l Management 159 Offic e of the Secretar y: General Departmental Management The following table is in millions of dollars. v˚„oıu˚vıvP˚uµ››}„ı'Z˚„˚ı„Ç[' Z]˚(„ P˚v˚„al manager of the Departm ent. The HHS an nual budget, over $ 1.8 trillion, accounts for almost one of every four fed eral dollars, and provides more grant funding t han allother federal agencies combined. The Secretary oversees HHS pr ograms, policies, and operations t o enhan ce an d protect the health and well-being of every American. The HHS u]v]'ı„ıtha n 0.05 ›˚„ }(the Secreı „Ç[›}o]and administrat ive functions for 10 Sta ffDivisions a nd provides mana gement oversight for t he Department . °' P° „˚‰µ°'of $ 60 8 million for General Depa rtmental Ma nagement, an increase of $6 million above 202 3 Final. The Budget ensures health and h uman services policy coordin at ion and program int egrity oversight across th e D epart ment; invests in administrat ive and operational resources t o bol ster operations; and supports Administrat ion priorities such as ra cial equity, environment al j ustice, climate change, and advances the responsibl e use of art ificial int elligence in healthca re. PUBLIC HEALTH POLICY COORDINATION The Office of th e Assista nt Secretary for Health (OASH) comprises m o re t han half of t he GeneralDepart mental Ma nagement budget. TheOffice serve s as t he ˆÀ]' ˚oıZU and medicineand coordinates public healt h policy and 156 The FY 2023 column reflects final lev els, includ i ng requ ired a ndpe rmiss ive transfers. 157 The FY 2024 column representsthe ann ualized amoun ts p rovided in the FY 2024Continu ing Resolution (Division A of Pu blic Law 118-15). 158 This table doe snot includ e f un ding of F ull-Time Equivalents f or the P regn ancy Assistance F un d, allocation for Heal th Care F raud a nd Abu se Control Program, or fu nd ing for thePh ysician-Focuse d P aymen t Mode l Technical Advisory Committee created by the Medicare Acces s and CHIP Reauthorization Act of 2015. programs across t he HHS O perating D ivisions a nd Staff Divisions. Ad ditionally, OASH oversees t he O ffice of the Surgeon General a nd the Commission ed Corps of the U.S. Public Health Service (Corps). OASH a lso ov ersees 1 1 core program offices, including the Office of M inority Health and t heOffice on Health. These program offices l ead policy coordinat ion across t he D epart ment and federal government, and with nongovernment alpart ners. This coordinat ion enables the Departm ent t oaddress a diverse ran ge of pu blic health challenges, including k ey elements of COVID-19 response, adolesc ent health, reproductive health , and ending th e HIV epidemic in America. OASH focuses on s upplying infor mat ion and tools t hat empower individuals, comm unities, and health systems to emphasize health promotion an d disease p reve ntion. TEEN PR EGNANCY PREV ENTION The Budget includes $101 million to support community efforts t o reduce t een pregnancy. The Office of Popu lation Affairs s upports grants t o replicate programs proven effective t hrough rigorou s evaluation. These invest ments help reduce teenagepregnancy and the behavioral risk factors u nderlying t eenage pregnancy or other associated risk factors. Funds also support d emonstration p rojects t o develop, refine, and test addit ional models a nd innovative strategies t o prevent teenage p regnancy. In addition,the Budget includes $ 1 million for Embr yo Adoption Awareness. General

Departmental Management 2023156 2024157 2025 2025 +/- 2023 Discretionary Budget Authority 537 537 533 -4Public HealthService Evaluation Funds 65 65 75 +10Total, Discretionary Program Level 602 602 608 +6Full-Time Equivalents158 899 896 941 +32Office of t he Secretary t General D epartmenta l Management 160 MINORIT Y HIV /AIDS FUND The Budget includes $6 0 million for t he M inority HIV/AIDS Fund to reducenew HIV infections, improve HIV-related health outcomes, and reduce HIV-related health disparities for racial and ethnic minority communities by supporting innovat ion, collaboration, and integration of b est practices, effective strat egies, and promising emerging m odels. The Budget cont inues to support t he ma nagement, oversight, and coordinat ion of the Ending the HIV Epidemic in t he U.S. initiative with a focus on cap acity b uilding, technical assista nce, and training support to give communities the essential tools and reso urces n ecessa ry to be success ful. OFFICE OF MI NORI TY HEALTH The Budget includes $75 million for the Office of Minority Health which leads, coordinates, a nd collaborat es on minority health act ivitiesacross th e Depart ment, including leadership in coordinat ing policies, progr ams, and resources t o reduce healthcare disparities and advance health equity inAmerica. Specific a ctivities include support of t he Center for Linguistic and Cultural Competency in Health Care to implement the Na tional Standards for Cultu rally a nd Linguistically Appropriat e Services in Health a nd Health Care. The Offi ce supports informat ion disseminat ion and educat ion efforts, including a Resource Center, to provide infor mat ion resources to increase awareness of strat egies t o ad dress health disparities. In FY 2025, OASH will increase focus on a reas with high rates of adverse m at ernal h ealth outcomes or with significant racial or et hnic d isparities in ma ternal h ealth outcomes. The Budget includes $54 million for t he O ffice on oıZ. The Office leads prevention initiatives, such as m at ernalhealth initiatives t o address h ealth disparities for women and health communicat ion act ivities. The O ffice continues to } „}Pwith other government organizations and consumer and health p rofessional group s with a special empha sis on ma ternal health. In FY 2025, the O ffice will implement anew ma ternal h ealth initiative focused on mat ernal blood pressure m onitoring. 159 In 2020, the Corps u pd ated its categ orization cr i teria which n arrows the de finition of what qu alifies as ade ploymen t. OFFICE OF THE SURG EON GENERAL AND THE COMMIS SIONED C ORPS OFTHE U.S. PUBLIC HEALTH SERV ICE The Surgeon General p rovides Americans with the best scientific infor mat ion available on how t oimprove their health and reduce the riskof illness an d injury. The Surgeon Gene ral ma nages the da ily operat ions of t he Corps, which consists o f approximat ely 5,5 00 uniformed public health professiona ls who o]health emergencies. Corps officer s, including physicians, nu rses, dent ists, pharma cists, social workers, and engineers h ave supported the U.S. P}À˚„vu˚vı[›}v'˚ ıµ„ı˚„ public healt h emergencies. Between 20 13 and 2019, the Corps experienced increased t rends in officer deployments with over 7,8 00 officers d eployed t o support missions, some deploying m ul tiple t imes for a cumulativetot al of over 13 9,000 deployment days.159 Between 20 20 and 2023, Office of the Secretary t General D epartmenta l Management 161 Corps of ficers deployed 6,4 00 times contribut ing t o over 18 7,000 deployment days supporting over 1,0 00 different missions. Deployments included: Infectious disease response : COVID-19 response, Ebola airport screenings, M Pox, and others. Border a nd immigrat ion response:

p roviding vital healthcare, cultural t ransitions, an d mental health support. Natu ral disaster response: three hurricanes and one t ornado in 20 22, and addit ional responses b etween 202 0 a nd 20 21. Event support and response: p roviding support for na tional special security events. As part of reforming and improving t he Corps, t he Assistant Secretary for Health and t he Surgeon General implemented the Ready Reserve Corps to provide surge capacity for deployments in public health emergencies and back fill critical positions left va cant during regular Corps deployments. The Ready Reserve Corps enables the Corps to have add itional personnel available on short notice t orespond to public healt h and emergency response mission s. Additionally, t he Public Healt h Emergency Re sponse Strike Team was esta blished to complement the Read y Reserve Corps as an addit ional Corps asset available for immediat e deployment at the request of t he Preside nt or t he Secretary. Entirely dedicat ed to public health emergency response, the Strike Team includes full-time active-dut y officers servin g as the first HHS representatives on the ground. The budget does not include resources for t he cont inuat ion ofthe Ready Reserve and Strike Team. PROG RAM INTEGRITY OVERS IG HT ANDOTHER GENERAL DEPARTMENTAL MANAGEMENT The Budget includes $6 million for art ificial int elligence activities, including oversee ing t he d epartmenı[artificial int elligence an d mitigat ing risks; $5 million for }(Office of Environmenta l Justice; $3 million to continue ˚„P˚vı]vP $1 million forthe Grant s Quality Service M anagement Office, a government-widestorefront off ering m ultiple solutions for t echnology a n d services in t he grant s functional area. The Budget a lso includes $227 million to support each }(((Staff D ivisions supported byGeneral D epartm enta lMa nagement. This funding will support administrat iveand operational activities to ensure program integrity oversight and address inflationary cost pressures. The Budget includes $ 75 million in addit ionalevaluation funding to assess t he implement at ion and effectiveness of public h ealth programs, including t he Teen Pregnancy Prevention program, support for t he Office of the Chief Informat ion Officer, a nd fund t he Office of the Assi stant Secretary for Planning an d Evaluat ion. Since FY îì íî U P˚ with fewer resources a nd staff b ut with growing responsibilities. During t histime, the General Departmental Management Programs, Projects, a nd Activities have grown steadily, a total of 27 percent. By contrast, the federal funds used to oversee th e Department have decreased by 2 percent over th is 13-year period. The requested budget increase for feder al funds ensures program integrity and leadership oversight are ı Z˚„} }(”˚„ÇU great er oversi ght and compliance with Freedom of Information Act requests, Grant Reporting Effici ency and Agreements Transparency (GREAT A ct) implementat ion, upda tes of th e D ietaryGuidelines f or Americans, and other d epartm enta l responsibilities tha t are supported by general d epartm enta l management federal funds.Office of t he Secretary t Medicare Hearing and Appeals 162 Offic e of the Secretar y: Medicare Hearings and Appeals The following tables are in millions of dollars. The O ffice ofMe dicare He arings and Appeals p rovidesbene ficiaries, providers, and supp liers an opport unity for a hearing on dispute d Me dicare claims. The D epartment al Appeals Board for Medicare provides final administrat ive review of claims for M edicare entitle ment, payment , and cove rage at HHS. Medicare Hearings and Appeals was created b y Congress in FY 20 20 to consolidate the costs of adju dicative expenses a

ssoc iated with Medicare claims appeals brought by beneficiaries a nd healthca re providers. The app eals p rocess is over seen by administrat ive law and appeals j udges at the Office of Medicare Hearings and Appeals (O MHA) a nd the Depart mental Appeals Board (D AB). In FY 20 23, OMHA successf ully reduced a d ecade long back log b y 98 percent. At the height of the back log, OM HA adj udicat ed ca ses in a pproximat ely 80 0 days. OM HA now has t he ca pacity t o ad judicate level t hree appeals within the 90-day stat utorytimeframe. The increased a djud ication rat e h as contributed to an increased ca se load at the DAB for fourth level app eals. Due to planning and coordinat ion at th eDepart ment level, t he D AB is ready a nd equipped t o process th e influx of ca ses . THE APPEALS BACKLOG The D epartm ent successfull y reduced theappeals back log t hough alterna tivedisput e resolu tion a nd multiple sett lement actions, increased hiring efforts, and part nership with the Cent ers for M edicare & Medicaid Services to bett erant icipat e caseloads. HHS is n ow using si milar met hods to support the D AB with the incomingcases t hat OMHA has p rocessed. At t he h eightof t he b ack log in FY îì ícaseload was nearly 90 0,000 adju dicatory capacit y is approximately 55 ,00 0 appeals annu ally, which meets t he current caseload demand . The D AB cont inues t o build capacity a nd competency among new staff t o help reduce t he a ppeals ca seload from level t hree. At the start of FY 2024, the DAB ha d approximat ely 16 ,000 cases, down from a high of nearly 31 ,000 cases in FY 20 17 . To prevent a larger back log, the DAB h ired 3-year term a ppointees to assist Office of Medicare Hearings and Appeals 2023 2024 2025 2025 +/- 2023 Medicare Appeals Budget Authority 162 162 159 -3Full-Time Equivalents 863 789 683 -180DepartmentalAppeals Board - Medicare 2023 2024 2025 2025 +/- 2023 Medicare Appeals Budget Authority 34 34 37 +3Full-Time Equivalents 149 193 196 +47BudgetTotal 2023 2024 2025 2025 +/- 2023 Total,Medicare Hearings and Appeals Program Level 196 196 196 -- Total, Medicare Hearings and Appeals Full-Time Equivalent 1,012 982 879 -133Office of t he Secretary t Medicare Hearings a nd Appeals 163 with the influx of ca ses, while also consid ering t he longevity of st aff ca pacity. OFFICE OF ME DICAR E HEARINGS AND APPEALS OM HA adm inisters t he n at ionwide hearing p rocess for appeals arising from Medicare coverage and payment claims for items a nd services furnished to beneficiaries. Now th at the backlog has been resolved, OM HA projects an annual caseload of a pproximately 60 ,000 casesor less in FY 20 25 . The FY 202 5 °’ P° ›„}›}’ ¨í ñõ million,a slight decrease below FY 20 23 . At t his level, OMHA maint ains vacancies t o allow only t he n umber of full-time equivalent staff n eeded to meet t he90-day adju dication requirement. DEPART MENTAL APPEALS BOARD The D AB M edicare Appeals Council p rovid es a final administrat ive review of claims for ent itlement to Medicare, individual claims for M edicare coverage, an d claims for payment filed bybeneficiaries or health care providers a nd suppliers a t HHS. ˚ ›°o ˆ]ı]}vbeen funded out of t he same a ppropriation as OM HA since FY 20 20 . The FY „°’ P°allocat es $ 37 million for t he D AB, a slight increase above FY 2023. The bud get supports t henew t erm-limited hires and full-time equivalents t oa level t hat supports reducing the balance of its ap peals back log. At cu rrent capacity, HHS is expect ed t o eliminate the back log b y t he end of FY 2026.Office of t he Secretary - Office of t he National Coordina tor for Health Informat ion Technology 164 Offic e of the Secretar y: Offic e of the National Coordinator for Health Information Technology The following table is in millions ofdollars. Office of the National

Coordinator for Health IT 2023160 2024161 2025 2025 +/- 2023 Total Discretionary Budget Authority -- -- -- -- Total Public Health Service Act EvaluationFunds 66 66 86 +20Total, Program Level 66 66 86 +20Full-Time Equivalents 178 180 180 +2The mission o f the O ffice of the National Coordinato r for He alth Information Technology is to create systemic improve ments in he alth an d care through the access, exchange, and use of data. The Office of t he Na tional Coordinat or for Health Informat ion Technology (O NC) leads the federal government in healt h informat ion technology (IT) efforts by sup porting th e development of stan dards and advancing policies t hat ensure equit able access t o electronic health care da ta for all pa tients. ONC focuses on bu ilding a nationwide interoperable health IT infrastructu re t o ensure providers a nd patients ca n efficiently and securely ex change electronic informat ion across a ll levels of t he h ealthcare continuum . The FY 2025 budget requ ests $86 million for O NC, a n increase of $20 million above FY 2023. These resources will be provided through t he Public Health Service Act Evaluat ion set-aside to ’µ››development and coordination efforts, a new Behavioral Health IT Adoption Pilot progr am, and operational activities n eeded t o k eep p ace with the P˚vÇ]] o]ı]˚’X POLICY DEV ELOPMENT AND COORDINATION ONC is respon sible for devel oping a nd implementing health IT policies a nd rulemak ing t hrough open, tran sparent, and account able processes. ONC supports the exchangeof informatio n between h ealth informat ion networks a nd facilita tes coordination efforts with fed eral, sta te, and local p artners to inform ˚’]vı˚„}›˚„]o] v˚˚ˆ’X programs, policy development , and t echnology coordinat ion act ivities keep m arket forces focused on serving t he p at ient first. The FY 2025 budget includes an increaseof $10 million (} vˆ. 160 The FY 2023 column reflects final lev els, includ i ng requ ired a ndpe rmiss ive transfers. 161 The FY 2024 column representsthe a nn ualized amoun ts p rovided in the FY 2024Continu ing Resolution (Division A of Pu blic Law 118-15). This increase will accelerate the a doption and expansion of exchanges of electronic health information through the Trusted Exchange Framework and Common Agreement (TEFCA) and advance Since its inception in 2004, ONC has worked to create a nationwide technical floor for healthcare data interoperability, with TEFCA being the fundamental framework of that mission. TEFCA provides network- Office of the Secretary - Office of t he National Coordina tor for Health Informat ion Technology 165 to-network health informat ion sharing and reduces barriers to accessing t he network communication through a common legal agreement and t echnical standa rds for health informat ion exchan ge. The Common Agre ement was launched in Ja nuary 2 022 an d now multiple Qualified Health Informat ion Networks part icipate inTEFCA. With increased funding in FY 2025, ONCwill accelerate the adoption of TEFCA by a wide range of healthca re entities. With increased participat ion in TEFCA, health dat a will be more readily available to pat ients a nd providers, including during public hea lth emergencies. ONC and its non-profit operational pa rtner, The Sequoia Proje ctvthe Recognized Coordin at ing Ent ity®, will update the Common Agreement as needed t o k eep pace with industry needs. Additionally, ONC will provide t argeted resources to support sta te, territorial, local, and tribal pu blic health agencies t hat are seeking improved public health outcomes t o leverage t he entirety of the TEFCA n etw ork. îí’ı In 2023, ONC finalized the Health Data , Technology, and Interoperability: Certification Program Updates, Algorithm Transparency, and

Information Sharing rule which implements the 21st Century Cures Act by promoting information sharing that gives patients easier, more secure access to their healthcare data. It also provides oversight on information blocking activities. The rule establishes first of its kind tran sparency requirements for artificial intelligence and other predictive algorithms as they relate to certified health IT. It also creates a platform to record certain metrics that will inform how certified health IT is used and better support healthcare delivery. In addition to the Information Sharing rule, ONC proposed t he Establishment of Disincentives for Health Care Providers That Have Committed Information Blocking rule in 2023. This rule establishes disincentives for certain healthcare providers who commit information blocking. The proposed rule complements the Office of the Inspector Genera rule that establishes civil monetary penalties for information blocking. To health IT and oversight challenges on information blocking practices, the FY 2025 budget re-proposes legislation that would allow ONC to issue a dvisory opinions for information blocking, which would permit HHS to issue public, legally binding advisory opinions for the information blocking regulations. }„ı}ties on behalf of the Department are pivotal to achieving better health enabled by data. During FY 2025, ONC will work with: The Centers for Medicare & Medicaid Services to draft rules upda ting pa yment policy and programs; The Centers for Disease Co ntrol a nd Prevention to support the integration of public health data systemswith modern technology; ((˚ν'µ„˚ νˆ promote secure patient access to electronic health informat ion; and ((the Federal Trade Commission, and theU.S. D epartment of J ustice to define and enforce dat a sharing standa rds and prohibit information blocking. ONC will also continue to lead and engage t he Health IT Advisory Committ eeto inform the development of federal healt h IT policies a nd the implementa tion of its programs impacted bythe policies, as well as HHS and Administration priorities. ST ANDARDS, INTEROPERABI LIT Y, ANDCERTI FICATI ON ONC leads standards and interoperability work t o advance the technical infrastructu re necessary t o implement strategies t o make health informat ion more readily a vailable t o pa tients and their clinicians. The FY 2025 budget includes $5 u]oo Standards, Interoperability, and Certification work. This increase will fund a Behavioral Health Adoption Office of t he Secretary - Office of t he National Coordina tor for Health Informat ion Technology 166 Pilot program and enable ONC to continue to broaden efforts that align with federal agency standards adoption and use, coordinate complementary activities and investments with standards development organizations, and further the administration of priorities around equity and interoperability. ONC provides technical leadership and coordination to develop standards and implementation specifications that improve interoperability and usability, equitable access for patients to their health information, and best practices for standardizing and exchanging electronic health information. 'ıvˆ„an innovative health equity-by-design approach. This approach includes improving the use of social and behavioral health information to support better interoperability. One way that ONC puts this approach into practice is through updates to the United States Core Data for Interoperability. The most recent version upda tes prior versions of the standards document with a focus on advancing more accurate and complete patient characteristics data that will help promote equity, reduce disparities, and support public health data

interoperability. With additional funding for FY 2025, ONC will administer strategic pilots for Behavioral Health providers in care settings that need increased health IT adoption or improvements. Such providers were not eligible to receive incentives the Health Information Technology for Economic Clinical Health Act supplied for adopting health IT improvements, thus following behind industry standards. The goal of these strategic pilots is to advance interoperability between behavioral health providers by developing and piloting an applicationfor psychotherapy notes, creating a catalog of behavioral health screening tools, and by consolidating the multiple systems u sed by first „°’˚vı›ı]˚vımedication history. The HHS Roadmap for Behavioral Health Integration places emphasis on the integration of behavioral health screening, treatment, and data with primary care. The roadmap notes limited adoption of technology as a barrier to such integration, which the Department is addressing by proposing a separate $1.0 billion program to advance health information technology adoption and engagement in interoperability for Inpat ient Psychiatric Facilities and certain Out patient and Residential Treatment Facilities. See t he BIB Overview for more informat ion. Healt h I T Ce rtifi cati on, Tes ting, and Re porti ng ONC leads t he Healt h IT Certification Progr am, a volunt ary certification progr am for hea lth IT p latforms tha t includes standa rds, implementat ionspecificat ions, and certificat ion criteria. ONC-certified h ealth IT supports th e care d eliveredby more t han96 percent of hospitals and 7 8 percent ofoffice-based p hysicians around the count ry. In FY 2025, O NC will continue updating the certificat ion program according t o t he 21st CenturyCures Act Final Ru le and the Certified Health IT Product L ist a nd testing t ools. AGENCY-WI DE SUPPORT The FY 20 25 budget includes an increaseof $ 5 million to support p ay and n on-pay inflationary costs for operational and administrative funct ions. ONC will continue to mainta in HealthIT.gov, which promotes federal healt h IT policy a nd disseminat es b est pract ices in healt h ITto stakeholders. Funding will also support service costs, which cont inue t o increase, including support for financial an d grants mana gement ’Ç uv(]space. Office of the Secretary - Office for Civil Rig hts 167 Offic e of the Secretary: Offic e for C ivilRights The following table is in millions ofdollars. Office for Civil Rights 2023 2024 2025 2025 +/- 2023 Discretionary Budget Authority 40 40 57 +17 Civil Monetary Settlement Funding 19 25 10 -9 Total, Program Level 59 65 67 +8 Full-Time Equivalents 115 115 186 +71 ((À]o u˚v Pµoı}„Ç ˚v]À]oZ˚oı privacy and security. The HHS Offic e for Civil Righ ts (O CR) enforces 55 statut ory authorities, and works to ensure: { Individuals receiving servic es from HHS- conducted or HHS-funded p rograms are not subject to discrimination; a nd { People can trust the privacy, security, a nd availability of t heir health information. The FY îì°’ P° „˚%₀µ°’ million for OCR, an increase of $ 17 million above FY 20 23 Final ^^„°’’ ’° o’ $10 million in civil monetary sett lement funds t o support Health Insurance Porta bility and Account ability Act of 1 996 (HIPAA) enforce ment activities. The °’ delivery of HHS services, fre e from discriminat ion and to secure patient privacy. To carry out its mission, OC R investigat es complaint s, enforces the law, develops p olicy, p romulgat es regulations, and provides technical assista nce a nd public educa tion to ensureunderstand ing of, and compliance with, non-discrimination, health information privacy and security privacy laws. O CR helps }’ Z„}µPZ} ıZ˚ ı]}v[social service and healthca re systems t o advance equity and accounta bility. CIVIL RIG HTS ENFORC

EMENT The Budget will allow OCR to b olster its enforcement, policy, education, and outreach efforts in all n on- discrimination areas including race, color, n at ional origin, disabili ty, sex, age, conscience, and religion. Further, OCRwill continue to enforce conscience protections fo r hea lthcare providers a s part of its enforcement act ivities. OCR will cont inue its work to Office of the Secretary - Office for Civil Rig hts 168 ensure all individuals have access to progr ams a nd services at HHS. To adequately respond to the n eeds of t he American people,]voμ^°’a maj or investment of 37 percent ofthe $13 million for a dditional staff and „°’}μ„°’ ^„°’ ’° }„Ç lo}P ’’ı}o]]°’ regulatory role in health equity b arriers for underserved p opulations. Civil rights ca s eloads increased b y 18 percent b etween FY 20 21 and FY 20 22; from 15,440 cases in FY 20 21 to 18,16 3 cases in FY 20 22 . Additional staff]’ regional office s provide t imely a nd meaningful responses t o complaints and ot her casework. Additional staff is also critical to investigate complaints and initiate compliance reviews u]v]’ı„ı]}v[’ priority areas. HEALTH I NFO RM ATI ON AND SECUR IT Y OCR ad ministers and enforces t he HIPAA Privacy, Security, and Breach Notification Rules. These rules are increasingly i mporta nt as cyber and privacy t hreats increase in the h ealthcare industry. In t his role, O CR: Ensures that covered ent ities, such as healthca re providers (e.g., hospital syste ms), insurance companies, anddat a clearing houses u nder stand and comply with HIPAA; Increases patient awareness and exercise of their HIPAA rights and protections; and Facilitat es coordination of ca re t hrough appropriate informat ion sharing. OCR accomplishes these obj ectives b y issu ing regulations and guidance, conducting stak eholder outreach, a nd p roviding technical assista nce t o t he regulated community inaddition t o pursuing investigations, settlement agreements, a nd civil monetary penalties. reso urces to address th e case inventory back log a nd strengthen enforcement of t he HIPAA Rules. OCR received a 101 percent increase in large breach reports from FY 20 18 to FY 202 2. In FY 2022, large breaches affected over 5 5 million people and in FY 2023, that num ber soared t o over 134 million individuals. The rat e of growth is ex pected t o increase in the fut ure. EXPAND INVE ST IG ATIVE C APACI TY Additional resources will afford OCR an opportun ity t o adju dicate the ever-increasing a nnua l caseloads. OCR has many va cant investigator positions a s a direct result of m ore tha n a d ecade of discretionary bu dget constraint s. In FY 20 10, OCR h ad 111 investigators. In FY 20 22 , when OCR received the highestnumb er of complaints in its history (51 ,78 8), investigator staff fell Office of t he Secretary - Office for Civil Rig hts 169 to 60. Currently, OCR has 70 full-time investigators facing a backlog of over 8,000 cases and growing demands to respond to complaints, breach reports, compliance reviews, and reconsiderations. Without]v„°’°’v(}„Á is hindered, ıμ„vu›ırespond to potential violations of the law. EDUCATION AND OUTREACH }μı ability to inform the public and drive compliance with federal civil rights and health information privacy and security laws. Even with budget constraints, OCR conducts outreach through conference attendance and interagency briefings; listening sessions and smaller meetings; hosting workshops and webinars; disseminating materials in a variety of forums; training providers about their obligations and consumers about their rights; and convening or part icipating in various working groups. These engagements lead to educating consumers and covered ent ities; building relationships; work; and ultimately, compliance and strengthened oversight. FY 2025

LEGISLATIVE PROPOSAL Enhancing HIPAA Protections by Increasing Civil Monetary Penalty Caps and Authorizing Injunctive Relief The budget includes a critical proposal that promotes deterrence of HIPAA violations and strengthens diminished enforcement efforts. The 2009 Health Information Technology for Economic and Clinical Health Act (HITECH Act) increased t he penalties for HIPAA violations and established four penalty tiers for violations based on the level of knowledge a HIPAA regulated entity had about the violation. In 2009, HHS issued an interim final rule to implement the enhanced penalties; and identified a perceived inconsistency in the penalty provisions because they referenced two levels of penalties for three of the four violation types. HHS determined that consistent with Congress intent to strengthen enforcement that the most logical reading of the law was to apply th e highest annual cap of $1.5 million to all violat ion types. In 2013, HHS adopted t he text of the final rule without a change to the penalty levels and annual limits; and again, noted the inconsistency in the statutory penalty provisions. In 2019, HHS issued a Notification of Enforcement Discretion regarding HIPAA civil money penalties, finding that the better reading of the HITECH Act was to lower the maximum annual penalties for three of the four violation types. This change resulted in a 93 percent decrease in civil money penalties OCR could propose for reasonable cause violat ions, their most frequently used tier. Following this decision, HIPAA complaints increased by 13 percent between FY 2021 and FY 2022; and civil monetary collections decreased by 65 percent in FY 2021 and 90 percent in FY 2022. The legislative proposal allows Congress to clearly assert its support for greater deterrence of HIPAA violations by increasing the annual caps to align with industry t rends of increased reports of large breaches affecting tens of millions more individuals each year; promotes great er HIPAA compliance; and strengthens future enforcement efforts. Enforcement The proposal seeks to increase the a mount of civil money penalties that can be imposed in a calendar year for HIPAA non-compliance and authorizes OCR to work with the U.S. Department of Justice to seek injunctive relief in federal court for HIPAA violations. enforcement of the HIPAA Rules. Authorizing OCR to to prevent additional or future harm to individuals Office of t he Secretary - Office of Inspector General 170 Offic e of the Secretar y: Offic e of Inspec tor General The following tables are in millions of dollars. Public Health and Human Services Oversight 2023 2024 2025 2025 +/- 2023 Public Health and Human Services Oversight Discretionary16294 94 104 +10Health Care Fraud and Abuse Control Oversight 2023 2024 2025 2025 +/- 2023 Health Care Fraud and Abuse Control Program Discretionary 105 105 112 +7Health Care Fraud and Abuse Control Mandatory 225 236 244 +19Health Care Fraud and Abuse Control Collections 9 9 9 --Proposed Law 2023 2024 2025 2025 +/- 2023 IncreaseMandatory Health Care Fraud and Abuse Control Funding 0 0 31 +31BudgetTotal 2023 2024 2025 2025 +/- 2023 Total,Program Level163 433 447 500 +67Full-Time Equivalents 1,574 1,516 1,660 +86The mission o f the O ffice of Inspect or General is to provide objec tive oversight to promote t he eco nomy, e fficiency, effect iveness, and inte grityof HHS programs, as well as the health and we lfare ofthe people they se rve. The HHS Offic e of Inspector General (O IG) is t he largest inspector general office in t he federal government, with approximat ely 1 ,600 employees d e dicated to combat ing fraud, waste, and abuse an d improving t he efficiency and effectiveness of HHS progra ms. The FY 2îî ñ P° „°‰µ°’ million in Total Program Level

forOIG, including $2 16 million in discretionary funding which is $ 17 million above FY 20 23 . Funding ena bles t he O IG t o target oversight efforts an d ensure efficient and effective resource use ›„ı u˚vı[’ „}P development of n ew models a nd tools t osupport d at a-driven aud its,evaluations, and inspections. The request also includes t he HHS-sponsored Increase mand at ory Health Care Fraud and Abuse Control (HCFAC) fundi ng, which is supported byOIG, CMS, and the U.S. D epartment of Ju stice, an d would provide a meaningful, targeted investment over t ime start ing in FY 2025. PUBLIC HEALTH AND HUMA N SERV ICES OV ERSIGHT The FY 20 25 budget includes $1 04 million, a $1 0 million increase ab ove FY 20 23,to address mand at ory p ay increases, and maint ain cybersecurity a ctivities, and emergency preparedness, response, and recovery initiative. OIG will continue its focus on the effective administrat ion of grant p rograms for prevention and 162 FY 2023 and FY 2024 Lev els includ e $1. 5 million f or the FDA transf er an d $5 milli on f or the NIH trans fe r in the Departmen ts of Labor, Health an d Huma n S ervices , an dEducation, and Related Ag en cies App ropriations Act. Th e tab le ref lects the sa me historica l assumptions for FY 2025 trans fe rs. 163 Totals may not add du e to rounding. treat ment ofopioid ad diction, substa nceuse, an d serious ment al illness. Reso urces will support a udits, evaluations, dat a analysis, and investigations into fraud schemes a nd vulnerabilities associated with effectively preventing, detecting, andtreat ing substan ce use disorders. MEDIC ARE AND MEDIC AID OV ERSIGHT OIG relies on prevention, detect ion, a ndenforcement to address fraud, waste, and abuse in Medicare an d Medicaid programs. The Budget for OIG includes $3 87 million in mand atory and discretionary HCFAC fun ding for M edicare and Medicaid oversight. Within this tot al, theBudget includes a $ 31 million proposal t o Increase mand atory HCFAC fundin g th at wouldprovide O IG with funds t o address u nmet d emands for O IG investigat ive expertise to pursue fraud against HHSprograms an d the people they serve. The Budget includes a n increase of $26 million in m anda tory and discretionary HCFAC funding over F Y 20 23 Enacted under current lawto address m anda tory pa y increases and continue support for dat a-driven audit s, evaluat ions, and inspections ta rgeting illegal prescriptions a nd distribution of opioids t o M edicare and Medicaid beneficiaries and enhancing oversight of critical programs furnishing treat ment forsubsta nce use disorders and serious menta l illness.Public Healt h and Social Services Emergen cy Fund 171 Public Health and Social Servic es Emergenc y Fund The following table is in millions ofdollars. Public Health and Social Services Emergency Fund164 2023165,166 2024167 2025 2025 +/- 2024 Office of the Chief Information Officer - Cybersecurity 100 100 141 +41Office of National Security 9 9 15 +6Office of Global Affairs 7 7 7 --Supply Chain Coordination Office -- -- 10 +10Budget Authority, Public Health and SocialServices Emergency Fund 116 116 173 +57Strengthening Biodefense, Mandatory168 -- -- 20,000 +20,000Program Level, Public Health and Social Services Emergency Fund 116 116 20,173 +20,057The Public Health and Social Se rvices Emergenc y Fund support s t he HHS Cybersec urity pro gram, the O ffice o f National Securit y, p andemic pre paredness at the O ffice o f Global Affairs, and t he D˚›„ı u˚vı }}„ˆ]vı]}act ivities.The FY 20 25 °’ P˚ ›„}À] óï million in discretionary bu dget a uthority t o t he Public Health and Social Services Emergen cy Fund, an increase of $57 million above FY 2023. The b udget includes a suite of legislat ive proposals to provide a uth orities tha t arebased on recent emergency response

experi ences a nd will help fill preparedness gaps. Specific p roposals will ena ble HHS to enhance early d etection and response t o pub lic health threats a nd supply d isruptions; build domestic manu facturing capacit y forand advance safe, effective supplies a nd medical countermeasures; facilitat e a response-rea dy workforce; and enhance recovery. CYBERS ECURITY The Office of th e Chief Infor mat ion Officer within the Office of t he Assi stant Secretary for Administrat ion coordina˚ The HHS Cybersecurity Program plays an important role in protecting count less dat a assets an d at least 80 0 IT systems, each representing a potent ial cyber t arget for malicious act ors t]o] ıu mission critica l operations. This p rogram ensures Departm ental information technology is d esigned and maint ained with the a dvanced security and dat a 164 The FY 2025 ’]ˆ˚v ı[ˆP˚„˚‰µ ˚’ fu nd ing f or the Administration f or Strat eg ic Prepared ness an d Resp onse in a ne w app ropriations account, s ep arate from the P ublic Health an d S ocial Services Emerge ncy Fun d whe re f un ding ha s been ap propriated historica lly. The FY 2023 and FY 2024 column s hav e b een comparably ad jus ted to exclud e fu nd ing for ASP R. 165 Exclud es $129 mill ion in s up pleme ntal fun dingprovide d in the Disa ster Relief Sup pleme ntal Appropriations Act, 2023 (P. L. 117-328 Division N). 166 The FY 2023 column reflects final lev els, includ i ng requ ired a ndpe rmiss ive transfers. 167 The FY 2024 column representsthe a nn ualized amoun ts p rovided in the FY 2024Continu ing Resolution (Division A of Pu blic Law 118-15). 168 Reflects ma nd atory fun ding to be a llocated acro ss ASPR, CDC, NIH, an d F DA 172 privacy protections needed t o operate ina landscape of growing and evolving cyber t hreats. The budget provides an increase of $4 1 million above FY 20 23 forthis program, for a t ota l of $141 million. At this funding level t he Cybersecurity Program will d irect: $20 million to maintain Departm ent cybersecurity operations act ivity including threat analytics, assessmen t, a nd int elligence. $37 million, an increase of $5 million above FY 20 23 , t o continue funding for t he infrastructure, licenses, an d m aintena nceof Department-level cybersecu rity t ools and enterprise sol utions. $7 million format uring cybersecurity public and private health sector activities. $36 million, an increase of $1 million above FY 2023, to mainta in a Departm ent cybersecurity strat egy and continue engagement, risk, governance, compliance, and privacy management activities. $15 million, an increase of $ 7 million above FY 20 23 , t o support continuat ion of the u˚vı[’]À˚. $15 million, an increase of $ 12 million above FY 20 23 , t o support the continua tion of the u˚vı[’”˚ o}PP] ı sharing initiative. $11 u]oo Z ˚›„ıu ˚vı[’ Health Insurance Portability and Accountability Act b reach prevention and response effo rts. The FY 2025 budget supports enhanced information technology capabilities to maintain and advance the Ç˚„’„˚’ quickly evolving threats. The Cybersecurity Program will play a major role in advancing the responsible use of artificial intelligence in healthcare, and risk mitigation activities, through the HHS Office of the Chief Artificial Intelligence Officer (see the General Departmental Management chapter). The Office of National Security provides strategic all- source informat ion, intelligence, counterintelligence, insider threat, cyber threat intelligence, supply chain risk management, security for classified information, and communication security across the Department. ı˚›„ı threat awareness and its ability to respond swiftly and effectively to national and homeland security threats. The FY 2025 budget provides $15 million for the Office Public Health and Social Services Emergen cy Fund of National Security, an increase

of $6 million above FY 2023. The increase in funding will help HHS identify risks and threats to mission critical supply chains through implementation of the Enterprise Supply Chain Risk Management Program. The Office of National Security will partner with Administration for Strategic Preparedness and Response, the Centers for Disease Control and Prevention, the Centers for Medicare & Medicaid Services, the Food and Drug Administration, and the National Institutes of Health to conduct assessments on large scale or mission critical supply chains. The budget provides $7 million for the Office of Global Affairs to lead global health diplomacy and policy coordination efforts for HHS to strengthen international pandemic preparedness, especially pandemic influenza preparedness. The Office will continue to provide strategic coordination and technical expertise on health policy development and diplomacy to global partners, including nearly 200 Ministries of Health. The FY 2025 budget provides $10 million to coordinate supply chain efforts across the Department to advance the resilience of drug, device, and critical food supply ˚o˚˚›„ıu˚vı[˚’ı related shortages. The coordination across the Department will allow HHS to meet its long-term supply chain resilience and shortage mitigation goals. The budget includes $20.0 billion in mandatory funding, available over 5 years, across the Administration for Strategic Preparedness and Response, Centers for Disease Control and Prevention, National Institutes of Health, and the Food and Drug ı„ı tran sform the nı›]o] respond rapidly and effectively to biological threats. The FY îì˚’P˚ı also includes legislat ive proposals that {}}^˚(posture and ability to respond to public health and human services emergencies (see Operating Division narratives).The Advanced Research Projects Agency for Healt h 173 The A dvanced Researc h Pr ojects Agency for Health The following table is in millions ofdollars. Advanced Research Projects Agency for Health169 2023170 2024171 2025 2025 +/- 2023 Advanced Research Projects Agency for Health 1,500 1,500 1,500 -- Total, Discretionary Budget Authority 1,500 1,500 1,500 -- Total,Program Level 1,500 1,500 1,500 -- Full-Time Equivalents 47 112 137 +90The Advanced Re search Projec ts Agenc y for He alth supports t ransformative re search to drive biomedical and health break throughs t ranging from molecular to societ al t to provide t ransformative health solutions for all.The Advanced Research Projects Agency for Health (ARPA-H) is a cat alyst for t ransformat ion in t he h ealth ecosystem. The agency invests in innovat ive strategies and technologies in key a reas of h ealth and medicine t from societal t o molecular t to drive progress t hat cannot b e readily a ccomplished through traditional research or commercial activity. The agency aims t o spur t hese t ransformations by fostering r esearch a nd development programs t hat accelerate medical breakt hroughs for everyone . The FY îì˚’Budget p rovides $1 .5 billion for ARPA-H. This b udget requ est outlines t he strategic priorities for a dvanced research a nd development aimed a t enh ancing health outcomes for all individuals while a lso ad vancing equity within the agency. The ARPA-H workforce represents diverse b ack grounds a nd perspectives, an important foundat ion for the agency to be a bleto foster a creative, inclusive culture and developing p o licies, pract ices, and programs t hat susta in an ongoing focu s o n equity. ARPA-H will continue to prioritize addressing potent ial misuse an d disparities in healt h outcomes, affordability, a nd accessibility p rior t o program launch. In FY 20 25, ARPA-H will concentrat e on several k ey areas, including but n ot limited to, continued]vÀ˚’ıu ı} ıZ˚Cancer Moonshot with advancing

early detect ion a nd treat ment methods for cancer, hasteningprogress in cancer research, and introducing innovative strat egies to combat antimicrobial resista nce while proactively identifying p o tent ial pan demics. 169 Fun ding in F Y 2023 was ap propriated to the Office of the Secretary account an d trans fe rred to the N ational Ins titutes of Health a fter cong ress ional notificat ion. The FY 2025 Bu dget req ue sts fu nd ing f or ARPA-H as a s ep arateapp ropriation w ithin the N ational Ins titutes of Health. HHS is p rese nting sep arate bu dget materials for disp lay p urpos es informed b y the ARPA-H FY 2023 authorization lang uag e. 170 The FY 2023 column reflects final lev els, includ i ng requ ired a ndpe rmiss ive transfers. 171 The FY 2024 column representsthe a nn ualized amoun ts p rovided in the FY 2024Continu ing Resolution (Division A of Pu blic Law 118-1) . These prioriti es a re ju st a subset of ARPA-H[s broader efforts. ARPA-H will actively engage in exploring novel solutions t o ad dress variou s health challenges, fostering equ i ta ble access to high-quality care, and promoting diverse represen ta tion a cross clinical t rials. The Advanced Research Projects Agency for Healt h 174 This a pproach ensures flexi bility and responsiveness t o the dynamic landscape of h ealth concerns, such as Alzheimer[s, diabetes, a nd more. areas illustrat e t hetypes of work an d impact ARPA-H will pursue t hrough progra m investm ents. In FY 20 25 the a gency will cont inue t o make investm ents in high risk, h igh impact p latforms, capab ilities, resources, and solutions t hat tran scend disease sta te or condition-specific researc h. More ’›˚](]ooareas: healthscience futures, scalable solu tions, proactive health, resilient systems, an d transitioning capab ilities. Across th ese a reas, ARPA-H will routinely measure and evaluate its programs an d projects to ensure m aximum fiscal responsibility an d tha t the best solutions a dvance. ARPA-Hwill continue to prioritize addressing p o tent ial misuse an d disparities in healt h outcomes, a ffordability, and accessibility prior t o program launch. HEALTH S CI ENCE FUTURES The Health Science Futu res focus area continues to invest in foundat ional technologie s th at are p oised t o revolutionize t he fut ure ofhealth. This focus area ta rgets innovative t ools, t echnologie s, an d platforms tha t can apply t o a b road range of disease s th at affect large populat ions, rare diseases, or even diseases with limited treatment options. More specifically, the Health Science focus a rea helps d irect t he a gency t o pursue t hreebroad objectives: cat alyzeresearch toward platform t echnologies, acceleratedevelopment of n ovel t ools to enable a new futu re of healthca re, and lead creation of entirely n ew para digms. SC ALABLE S OLUTIONS The Scalable Solutions focus a rea leverages an interdisciplina ry approach and collaborat ive networks to create programs t hat address ch allenge s of geography, distribut ion, manufacturing, dat a, a nd informat ion to improve healthcare access and affordability. To tha t end, it focuses on t hree points: enhancing affordability t hrough scalable technologie s and interventions, esta blishi ng collaborat ive distribut ion networks, and leading th e biomanufactu ring revolutio n. This focus area serves a s a priority to address health ecosystem challenges t hat impede equitable, effective, and t imely development and distribut ion of health care an d disease out break response. PROACT IV E HEALTH The Proact ive Health focus area raises p ublic awareness, fosters a culture of proact ive health mana gement, and implements innovative strat egies tha t empower individuals t o t ak e ch arge of th eir wellness t o mitigate the d evelopment of healt h issues. The agency continues t o prioritize break through capab ilities to deter

disease onset and progres sion. ı {} P} promote p revention and wellness, foster interdisciplina ry collaborat ion for h olistic health , and incentivize healt hcare t ransformat ion toward prevention. RESI LIENTSYSTEMS The Resilient Systems focu s a rea addresses systemic challenges a cross th e healt h land scape byinvesting in cutt ing-edge technologie s th at a ddress long-standing gaps in the quality, efficacy, and a vailability of care. To enhance the adapt ability, reliability, and interoperability of t he h ealth ecosystem, it emp owers pat ients, providers, and commun ities t hrough tran sformational innovat ion, fosters an interconnected health ecosystem, a nd enhances stability,adap ta bility, and robustness across th e healt h ecosystem. Overall, the Resilient Systems focus area drives ARPA-H t o continue looking for solutio ns in h ow th eUnited Sta tes can continue to success fully advance health systems. TR ANSITI ONING CAPABILITIES To overcome long-standing cha llenges in tran sitioning technologies i nto the commercial m arket,ARPA-H esta blished the Transition and Innovation team which fills t his crucia l role by facilita ting t he smooth tran sition of b iomedical innovat ions int o real-world applicat ions. Additionally, ARPA-H is cat alyzing game-changing breakt hroughs in science a nd medicine that improve health outcomes th rough the collaboration of t he h ubs and spokes found t hrough the n at ionwide h ealth innovation net work. Thethree health innovation network hubsin Texas, Ma ssachusett s and Washington, D.C. a re mission-focused, regional cent ers with a growing n etwork of spokes from around the country representing the diversity of peo ple, sett ings, and capab ilities t hat encompass t he American health ecosystem. The hubs of t he net work continue to lead in specific foc us areas, including streamlining cu stomer experiences, cat alyzing investors, an d developing stakeholder and operations efforts. Thro ugh growing ARPA- vˆ „˚’ The Advanced Research Projects Agency for Healt h 175 50 states, supporting program mana gers and performer engagement with potent ial partners an d funders, providing guidance on bu siness a nd regulatory processes, and offering m any ot her t ransition-focused services, t he Transition and Innovation team demonstrates t he p athwa ys t o successful t ranslation at each stage of the research program lifecycle. In d oing so, the agency d e-risks its investm ents a nd ensures tha t researchproducts ca n be susta ined without addit ional ARPA-H funding. INFORM ATI ON T ECHNOLOG Y AND C YBERS ECURITY ARPA-H's ma ndat e t o t ransform healt h research also necessita tes t hat it operates at t he forefront of strengthening critical infrastructure, cybersecurity, and resilience in o ur informat ion technology systems. The FY 2025 budget includes funding to develop a Z ero Trust Architect ure which will be funda menta l in safeguarding critical systems. The bud get request will prioritize not only a dvanced health research methodologie s, bu t also t he d igital scaffold ing t hat underpins t hem, thu s ensuring t hat innovation is built on a foundat ion of modern security. ARPA-H a ims to not only go cloud-first, but cloud-only. In FY 20 25, ARPA-H will continue to make breakth rough investm ents to develop high-impact solutions t o ’}ı oo˚vP]vP ›„}o˚u’X programs will p ush bound aries a cross the ent ire health ecosystem t f rom revolutionizing organ tran splant at ion, tran sforming t he m anufacture of cell and gene t herapies, developing novel m ethods for ensuring health y indoor airquality, implementing n ovel infrastructu re for clinical t rials, and manymore. ARPA-H will put ideas into p ractice. As p rograms become real-world sol utions and capabilities, ARPA-H will assist with company formation orlicensing, p ro vide

tran sition m entorship, facilitate connections t o customers a nd investors, an d de-risk investm ents. ARPA-H will strive t o ensure th at every d ollar of it s investm ents cont ribute to enhan cing h ealth outcomes for every individual. -THIS PAGE IS INTENTIONAL LY LEFT BLANK- BACK COVER