

ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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June 20, 2025

MEMORANDUM

To: Subcommittee on Health Members and Staff
From: Committee on Energy and Commerce Majority Staff
Re: Subcommittee on Health Hearing on June 24, 2025

I. INTRODUCTION

The Subcommittee on Health will hold a hearing on Tuesday, June 24, 2025, at 10:00 a.m. (ET) in 2123 Rayburn House Office Building. The hearing is entitled “The Fiscal Year 2026 Department of Health and Human Services Budget.”

II. WITNESSES

- **The Honorable Robert F. Kennedy, Jr.**, Secretary, U.S. Department of Health and Human Services

III. BACKGROUND – THE PRESIDENT’S BUDGET REQUEST FOR FISCAL YEAR 2026

The Trump administration has released its Department of Health and Human Services (HHS) budget for fiscal year (FY) 2026.¹ The FY 2026 budget requests a total of \$94.7 billion in discretionary budget authority for the upcoming fiscal year.²

The budget request proposes to combine several agencies into a new entity called the Administration for a Healthy America (AHA). The agencies proposed to be combined into AHA are the Health Resources and Services Administration (HRSA), Substance Abuse and Mental Health Services Administration (SAMHSA), Office of the Assistant Secretary for Health (OASH), National Institute for Environmental Health Sciences (NIEHS), and certain programs within the Centers for Disease Control and Prevention (CDC).³ The budget also proposes to create a new Assistant Secretary for a Healthy Future (ASHF), which reflects the proposed reorganization of certain programs from the Administration for Strategic Preparedness and

¹ U.S. DEP’T OF HEALTH AND HUMAN SERVICES (HHS), *Fiscal Year 2026 Budget in Brief* (May 2025), <https://www.hhs.gov/sites/default/files/fy-2026-budget-in-brief.pdf>.

² HHS, *Fiscal Year 2026 Budget in Brief*, at 1.

³ *Id.*

Response (ASPR) and the Advanced Research Project Agency for Health (ARPA-H). The budget proposes to establish the office of the Chief Technology Officer at the Department, which would bring together the office of the Chief Information Officer, Assistant Secretary for Technology Policy/Office of the National Coordinator for Health IT, and HHS's cybersecurity program.

This memorandum provides key highlights of the funding request for HHS agencies within the Committee's jurisdiction.

A. Food and Drug Administration

The budget proposes \$6.8 billion in total funding for the Food and Drug Administration (FDA), which includes \$3.2 billion in discretionary budget authority and \$3.6 billion in user fees.⁴ The budget's outlined priorities include Make America Healthy Again (MAHA) food-related initiatives, medical device oversight, tobacco regulations, and critical infrastructure repairs. For the MAHA food-related initiatives, the budget proposes nearly \$240 million in total and highlights the following priorities: protect the food supply (\$49 million), address the chronic disease crisis (\$33 million), strengthen food safety oversight (\$98 million), expand state agreements for routine food inspections (\$33 million), modernize infant formula (\$15 million), and support laboratory analysis (\$7 million).⁵

B. Indian Health Services

The federal government has a relationship with 574 federally recognized tribes across the United States, and this relationship allows the Indian Health Services (IHS) to provide health care to American Indians and Alaskan Natives. For IHS, the budget requests \$8.1 billion in mandatory and discretionary funding. This proposal includes \$159 million in mandatory funding and \$7.9 billion in discretionary funding for the Special Diabetes Program for Indians.⁶

C. Centers for Disease Control and Prevention

This proposal includes \$4.3 billion in discretionary program level funding for CDC and the Agency for Toxic Substances and Disease Registry (ATSDR). This includes \$4.1 billion in discretionary budget authority and \$205 million in Public Health Service Evaluation funds.⁷

The budget calls for CDC to refocus its efforts on its work related to infectious disease, including outbreak investigations, preparedness and response, and maintaining public health infrastructure. It proposes to move CDC's National Center for Injury Prevention and Control, National Institute for Occupational Safety and Health, National Center for Environmental Health, National Center on Birth Defects and Developmental Disabilities, and the Ending the HIV Epidemic Initiative to AHA and the National Center for Health Statistics to the Office of Strategy under HHS.⁸

⁴ HHS, *Fiscal Year 2026 Food and Drug Administration* (May 2025), at 4, <https://www.fda.gov/media/186732/download?attachment>.

⁵ *Id.*, at 11.

⁶ *Id.*, at 15.

⁷ *Id.*, at 18.

⁸ *Id.*

It also proposes to create a new Center for Preparedness and Response, including the National Disaster Medical System Program, Preparedness and Response Innovation Program, and Health Care Readiness and Recovery Program, which are currently under the Administration for Strategic Preparedness and Response (ASPR). The budget proposes to eliminate the following programs housed under ASPR: Hospital Preparedness Program Cooperative Agreements, HHS Coordination Operations and Response Element, and the Medical Reserve Corps.⁹

The budget proposes to eliminate the following CDC programs: Global HIV/AIDS, Global Tuberculosis, and Global Immunization, as well as the following programs currently housed under ASPR: Hospital Preparedness Program (HPP) Cooperative Agreements, HHS Coordination Operations and Response Element (H-CORE), and the Medical Reserve Corps (MRC).¹⁰

Specifically, the proposed discretionary funding level includes \$963 million for Immunization and Respiratory Disease programs, \$300 million for Viral Hepatitis, Sexually Transmitted Infections, and Tuberculosis Prevention, \$870 million for Emerging and Zoonotic Infectious Diseases, \$597 million for Public Health and Scientific Services, \$588 million for Public Health Preparedness and Response, and \$885 million for Crosscutting Activities and Program Support.¹¹

D. National Institutes of Health

The budget proposes \$27.5 billion in discretionary budget authority for the National Institutes of Health (NIH).¹² This includes \$226 million to support the *All of Us* research program and the Brain Research Through Advancing Innovative Neurotechnologies Initiative, \$210 million for buildings and facilities, and \$250 million to support the National Institute of General Medical Sciences. The proposal also includes \$159 million for the Special Type 1 Diabetes Program.¹³

The budget also proposes to consolidate and reorganize the NIH's twenty-seven Institutes and Centers into eight institutes, intends to cap indirect cost rates at 15 percent, and continues the Office of the Director's initiative to study the cause of autism spectrum disorder.¹⁴

E. Centers for Medicare and Medicaid Services

The budget proposes \$3.4 billion in discretionary budget authority for the Centers for Medicare and Medicaid Services (CMS), representing a \$673 million decrease in funding from FY 2025. The budget also includes \$5.9 billion in programmatic funding, representing a decrease of over \$1 billion from FY 2025. The program management budget includes funding for the administration of federal health programs, such as Medicare, Medicaid, Children's Health Insurance Program (CHIP), and the Federal Exchange. The budget includes policies to eliminate

⁹ HHS, *Fiscal Year 2026 Budget in Brief*, at 20.

¹⁰ *Id.*, at 19.

¹¹ *Id.*

¹² *Id.*, at 21.

¹³ *Id.*, at 22.

¹⁴ *Id.*, at 23.

unnecessary programmatic spending and ensure CMS can improve care delivery for Americans, including moving the 340B Drug Discount Program from the Health Resources and Services Administration (HRSA) to CMS.

The CMS management budget proposal additionally provides funding for the efforts of Medicare Administrative Contractors (\$772 million in proposed funding), which goes to Medicare outreach and educational initiatives for newly enrolled seniors, including sending every senior on Medicare a *Medicare & You* Handbook. The budget provides continued funding for programming helping seniors adjudicate appeals in Original Medicare and Medicare Advantage (\$88 million) and invests in protecting seniors against abuse in nursing homes and other care settings, while allowing CMS to identify and hold providers accountable (\$442 million).

The discretionary management budget authorities invest in the continued administration of key health care programs while eliminating unnecessary and duplicative spending by providing \$130 million for the administration of Medicaid and CHIP and over \$2 billion to oversee the Federal Exchanges and conduct outreach activities.

The budget prioritizes protecting Americans from health care fraud by requesting strategic investments in the Health Care Fraud and Abuse Control (HCFAC) Program and the Medicaid Integrity Program. The budget makes \$941 million in additional discretionary spending requests in FY 2026, on top of an estimated \$1.7 billion in mandatory spending. The budget also maintains mandatory appropriations for the Medicaid Integrity Program, which totals \$105 million in FY 2026. HCFAC activities have a three-year rolling taxpayer rate of return on investment of \$2.80 for every dollar spent. The budget estimates that the \$941 million in CMS discretionary investments will result in \$1.247 billion in savings in 2026.

F. Administration for a Healthy America

The budget proposes to create a new agency called the Administration for a Healthy America, or AHA, which intends to combine Office of Assistant Secretary for Health (OASH), Health Resources and Services Administration (HRSA), Substance Abuse and Mental Health Services Administration (SAMHSA), National Institute of Environmental Health Sciences (NIEHS) of the National Institutes of Health (NIH), and several centers and programs formerly in the Centers for Disease Control and Prevention (CDC). AHA would include the following components: Primary Care, Maternal and Child Health, Mental and Behavioral Health, Environmental Health, HIV/AIDS, Health Workforce, and AHA Policy, Research, and Oversight (including the Surgeon General).¹⁵ The budget includes \$19 billion for AHA, including \$14 billion in discretionary funding and \$4.8 billion in mandatory funding.¹⁶ Specifically, it proposes \$6.1 billion for Health Centers (\$4.3 billion in mandatory and \$1.8 billion in discretionary funding), \$54 million for the Organ Procurement and Transplantation Network, \$1 billion to support maternal and child health programs, \$158 million for work related to birth defects and disabilities, \$2.5 billion for Ryan White HIV/AIDS, \$5.8 billion for mental health and substance

¹⁵ HHS, *Fiscal Year 2026 Budget in Brief*, at 35.

¹⁶ *Id.*

use disorder work, \$948 million for health workforce programs, and \$569 million for policy, research, and oversight.¹⁷

It proposes to eliminate various programs currently under HRSA, SAMHSA, CDC, and OASH and proposes \$500 million for the President’s Make America Healthy Again (MAHA) Commission.

I. Assistant Secretary for a Healthy Future

The budget proposes to create a new Assistant Secretary role, the Assistant Secretary for a Healthy Future (ASHF), and includes \$3.7 billion for this entity. The goal of this new entity is to “Make America Health Again by supporting the development of high-impact solutions to society’s most challenging health programs and preparing for and responding to public health emergencies and disaster.”¹⁸ The budget reflects the proposed reorganization to shift certain programs of the Administration for Strategic Preparedness and Response (ASPR) and the Advanced Research Project Agency for Health (ARPA-H) into the ASHF. The proposed ASHF budget therefore includes \$945 million for ARPA-H, \$750 million for the Strategic National Stockpile, and \$1.7 billion for programs overseen by Biomedical Advanced Research and Development Authority (BARDA), including Project BioShield (\$725 million) and the Pandemic Influenza Program (\$308 million).

IV. STAFF CONTACTS

If you have questions regarding this hearing, please contact Annabelle Huffman of the Committee staff at (202) 225-3641.

¹⁷ *Id.*

¹⁸ *Id.*, at 49.