



MEMORANDUM

To: Subcommittee on Health Members and Staff
From: Committee on Energy and Commerce Majority Staff
Re: Health Subcommittee Hearing on April 17, 2024

The Subcommittee on Health will hold a hearing on Wednesday, April 17, 2024, at 2:00 p.m. (ET) in 2123 Rayburn House Office Building. The title of the hearing is “Fiscal Year 2025 Department of Health and Human Services Budget.”

I. Witness

- **Hon. Xavier Becerra**, Secretary, U.S. Department of Health and Human Services

II. Background

On March 11, 2024, President Biden released his budget request for fiscal year (FY) 2025. The budget proposes \$1.8 trillion in spending through the Department of Health and Human Services (HHS), an increase of nearly 8 percent over fiscal year 2024 figures. The budget proposes \$130.7 billion in discretionary spending (9 percent) and \$1.7 trillion in mandatory spending (91 percent) for HHS.

A. Food and Drug Administration

The FY 2025 Budget proposes \$7.2 billion for the U.S Food and Drug Administration (FDA), which is a 7.4 percent increase, or \$495 million, from the FY 2023 funding level. The increase includes \$157 million in budget authority for the Human Foods Program, 21st Century Cures Act efforts, FDA infrastructure modernization, and public health and mission support capacity. Additionally, the budget includes a total of \$3.5 billion from existing user fees.¹

B. Health Resources and Services Administration

The FY 2025 budget proposes \$16.3 billion for the Health Resources and Services Administration (HRSA), which is a 13.8 percent or \$2 billion increase above the FY 2023 level. This request includes \$8 billion in mandatory funding and would provide for increases to the Health Center Program, National Health Service Corps, and the Teaching Health Center Graduate Medical Education programs. The budget also proposes funding

¹ U.S. Food and Drug Administration, “FY 2025 Budget Summary”, 2024.
<https://www.fda.gov/media/176923/download?attachment>

increases for programs related to maternal and child health, HIV/AIDS, family planning, and organ transplantation.²

C. Indian Health Service

The FY 2025 budget proposes \$8.2 billion in discretionary and mandatory funding for the Indian Health Service (IHS), this would be an increase of \$1.1 billion, or 16 percent, above the FY 2023 level. This request includes \$8.0 billion in discretionary funding and \$260 million in mandatory funding for the Special Diabetes Program for Indians and proposes to make all IHS funding mandatory spending starting in FY 2026.³

D. Centers for Disease Control and Prevention

The budget calls for \$19.8 billion in total mandatory and discretionary funding for the Centers for Disease Control and Prevention (CDC) and the Agency for Toxic Substances and Disease Registry (ATSDR). This includes \$8.6 billion in discretionary funding, \$1.2 billion for the Prevention and Public Health Fund, and \$10 billion in current and proposed funding for mandatory programs.

In addition, the budget includes \$20 billion in mandatory funding across HHS for biodefense and pandemic preparedness initiatives, which is reflected in the Public Health and Social Services Emergency Fund (PHSSEF). Of this total, \$6.1 billion is allocated to CDC to modernize and build laboratory 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.

The proposed budget also includes several legislative initiatives, including establishing a Vaccines for Adults Program, expanding and making changes to the current Vaccines for Children program, and mandatory funding for a Community Violence Intervention initiative.

E. National Institutes of Health

The budget calls for \$50.1 billion in discretionary and mandatory funding for National Institutes of Health (NIH), an increase of \$2.4 billion above FY 2023 enacted. In addition, the budget includes \$20 billion in mandatory funding across HHS for biodefense and pandemic preparedness initiatives, which is reflected in the PHSSEF. Of this total, \$2.7 billion is allocated to NIH for research and development of vaccines, diagnostics, and therapeutics against high-priority viral families, biosafety and biosecurity, and expanding laboratory capacity and clinical

² U.S. Department of Health and Human Services, Health Resources and Services Administration, “Fiscal Year 2025, Justification of Estimates for Appropriations Committees”, 2024.

<https://www.hrsa.gov/sites/default/files/hrsa/about/budget/budget-justification-fy2025.pdf>

³ U.S. Department of Health and Human Services, Indian Health Service, “Fiscal Year 2025, Justification of Estimates for Appropriations Committees”, 2024.

https://www.ihs.gov/sites/budgetformulation/themes/responsive2017/display_objects/documents/FY-2025-IHS-CJ030824.pdf

trial infrastructure. The budget also requests \$1.5 billion for the Advanced Research Projects Agency for Health (ARPA-H).

The proposed budget also includes several legislative initiatives, including reauthorizing the Special Type 1 Diabetes Program, modifying the statutory requirements for the AIDS Research Advisory Committee to reflect the current status of HIV/AIDS science, expanding the hiring authorities for the NIH Undergraduate Scholarship Program, and allowing the mailing of electronic nicotine delivery systems to conduct public health research, investigations, and surveillance.

F. Substance Use and Mental Health Services Administration

The FY 2025 budget proposes \$8.1 billion for the Substance use And Mental Health Services Administration (SAMHSA), which is an increase of \$612 million above the FY 2023 funding level. This request includes \$602 million (\$100 million increase) for the 988 Suicide & Crisis Lifeline. The budget also proposes \$1.6 billion for the State Opioid Response (SOR) program, this would be a \$20 million increase from the FY 2023 level. Additional proposed funding increases are for programs related to children’s mental health services, treatment for pregnant and postpartum women, community-based harm reduction, and first responder training.⁴

G. Agency for Healthcare Research and Quality

The Agency for Healthcare Research and Quality (AHRQ) budget request includes \$513 million in funding, an increase of \$144 million over fiscal year 2024 enacted levels.

H. Centers for Medicare and Medicaid Services

The Centers for Medicare and Medicaid Services (CMS) budget request includes \$1.57 trillion in spending, an increase of \$122.23 billion. Approximately 60 percent of proposed outlays occur within the Medicare program, 38 percent occur within the Medicaid program, 1 percent for the Children’s Health Insurance Program (CHIP), and 1 percent for other expenditures.

Medicare

Under the proposed budget, gross Medicare spending in FY 2025 would reach \$1.15 trillion, an increase of \$115.4 billion over FY 2024. The budget suggests several legislative changes to existing Medicare initiatives, including the Medicare Drug Price Negotiation Program, that the budget claims will save \$200 billion.

Medicaid

⁴ U.S. Department of Health and Human Services, Substance use And Mental Health Services Administration, “Fiscal Year 2025, Justification of Estimates for Appropriations Committees”, 2024. <https://www.samhsa.gov/sites/default/files/samhsa-fy-2025-cj.pdf>

Under the proposed budget, Medicaid spending would increase by about \$19 billion over the next fiscal year. The budget proposes several new policies that account, in part, for this increase in spending, including changes in coverage requirements for children and drug benefits. Additional increases in spending in the Medicaid program are expected both in the next fiscal year and over the next decade as the Biden administration finalizes regulations that will trigger multibillion increases in state and federal spending.

Private Insurance

The budget proposes \$273 billion in spending for health insurance companies in the form of expanded subsidies that these companies receive for enrolling individuals into qualified health plans. Much of this expansion would occur by eliminating income-based restrictions on the individuals for whom the insurance companies get paid for enrolling.

I. Administration for Strategic Preparedness and Response

The budget calls for \$3.8 billion in discretionary funding for the Administration for Strategic Preparedness and Response (ASPR), an increase of \$138 million over FY 2023 enacted. This includes \$970 million for Biomedical Advanced Research and Development Authority (BARDA) (\$20 million above FY 2023 enacted); \$820 million for Project BioShield (flat with FY 2023 enacted), and \$965 million for the Strategic National Stockpile (SNS) (flat with FY 2023 enacted). In addition, the budget includes \$20 billion in mandatory funding across HHS for biodefense and pandemic preparedness initiatives, which is reflected in the PHSSEF. Of this total, \$10.5 billion is allocated to ASPR to conduct advanced research and development of vaccines, therapeutics, and diagnostics for high-priority viral families; scale up domestic manufacturing capacity for medical countermeasures; and support the public health workforce.

III. Staff Contacts

If you have questions regarding this hearing, please contact Emma Schultheis of the Committee staff at 202-225-3641.