U.S. Department of Health & Human Services
HHS.GOV

Fiscal Year 2024
Budget in Brief

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U.S. Department of Health and Human Services
200 Independence Avenue S.W., Washington, D.C. 20201
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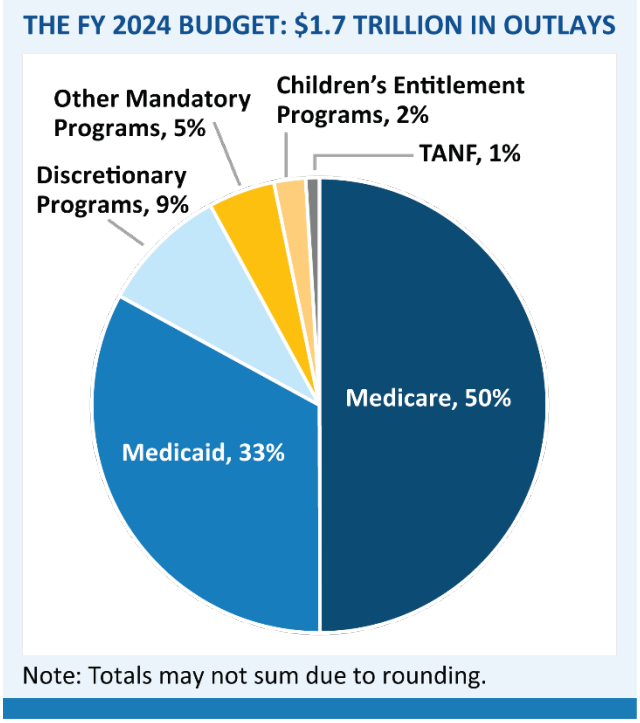
BUILDING A HEALTHY AMERICA
FY 2024 President's Budget for HHS

The following table is in millions of dollars.

HHS Budget	2022	2023	2024
Budget Authority[1]	1,635,534	1,772,315	1,737,965
Total Outlays	1,643,127	1,701,433	1,691,374



General Notes

Numbers in this document may not add to the totals due to rounding. Budget data in this book are presented "comparably" to the FY 2024 Budget, since the location of programs may have changed in prior years or be proposed for change in FY 2024. This approach allows increases and decreases in this book to reflect true funding changes. The FY 2022 and FY 2023 mandatory figures reflect current law, and the FY 2024 figures include mandatory proposals reflected in the Budget. Unless otherwise noted, all tables are in millions of dollars.

[1] The Budget Authority levels presented here are based on the Office of Management and Budget's Budget Appendix, available at https://www.whitehouse.gov/omb/budget/appendix/ and potentially will differ from the levels displayed in the individual Operating or Staff Division Chapters. Unlike other funding levels displayed in this document, the Budget Appendix is not adjusted for ease of comparability within HHS and includes other differences such as including offsetting collections.

BUILDING A HEALTHY AMERICA

The mission of the U.S. Department of Health and Human Services (HHS) is to enhance and protect the health and well-being of all Americans by providing for effective health and human services and by fostering sound, sustained advances in the sciences underlying medicine, public health, and social services.

The President's Fiscal Year (FY) 2024 Budget advances the Department of Health and Human Services' (HHS) mission to promote Americans' health and well-being. HHS proposes $144.3 billion in discretionary and $1.7 trillion in mandatory proposed budget authority for FY 2024.

This budget addresses urgent challenges our country is facing today—including a growing behavioral health crisis, need to prepare for future public health threats, and large arrival of unaccompanied children and refugees.

The budget also works to secure a healthier, more vibrant future for all Americans by investing in expanded coverage and access to care; addressing the needs of those most at risk, including Indian country, children, families, and seniors; growing our health workforce; and advancing science to improve health.

And to support HHS's mission, the budget invests in cross-cutting needs for enhanced program operations and mission-critical infrastructure.

TRANSFORMING BEHAVIORAL HEALTHCARE

Increasing Access to Crisis Services

In response to the current behavioral health crisis, HHS invests in integrated services to provide more Americans with access to the care they need when they need it.

In July 2022, the Substance use And Mental Health Services Administration (SAMHSA) transitioned the National Suicide Prevention Lifeline from a 10 digit number to 9-8-8, a 24/7 lifeline that provides people in crisis access to trained counselors. SAMHSA will dedicate $836 million to the 9-8-8 program, an increase of $334 million over FY 2023 enacted. This investment supports specialized services for LGBTQI+ youth and for Spanish speakers, invests significantly in local crisis centers, and develops a national media campaign.

Investing in the crisis response continuum is critical to ensuring the system is responsive at any time and in any place. The FY 2024 budget request builds on previous investments to provide $100 million for mobile crisis response, $80 million over FY 2023 enacted. This investment will expand partnerships with 9-8-8 local crisis centers, community providers, 9-1-1 centers, and first responders to promote health-first responses to mental health, suicidal, and substance use crisis events.

To cover gaps in the behavioral healthcare system, the FY 2024 budget also includes mandatory legislative proposals to improve behavioral health for Medicare and Medicaid beneficiaries and in the private insurance market, with an emphasis on improving access, promoting equity, and fostering innovation.

To address the crisis facing adolescents, the budget also expands suicide prevention programs to all jurisdictions and school programs that are proven to be effective.

Growing the Behavioral Health Workforce

To help build needed workforce, the FY 2024 budget expands Medicare coverage of and payment for additional behavioral health professionals. The proposal also enables Medicare coverage of evidence-based digital applications and platforms that facilitate greater access to behavioral health services, especially for beneficiaries who live in rural or health professional shortage areas. Additionally, the budget includes $387 million in the Health Resources and Services Administration (HRSA) for Behavioral Health Workforce Development Programs to train 18,000 behavioral health providers and $37 million for SAMHSA's Minority Fellowship Programs to almost double the number of fellows—increasing the amount of culturally competent behavioral health professionals.

Advancing Mental Health Research

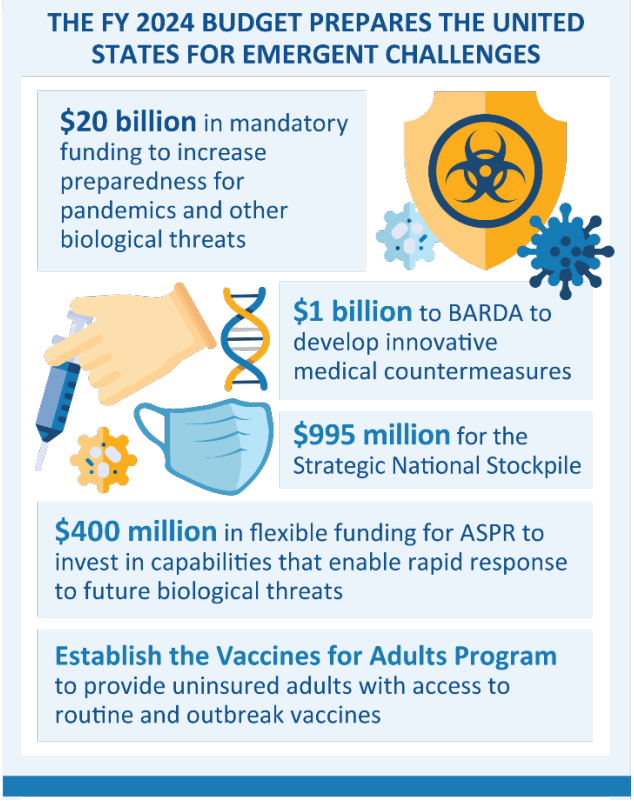
The FY 2024 budget also funds research to further identify the best evidence-based prevention and treatment efforts for mental health and substance use disorders.

The FY 2024 budget includes $200 million for the National Institutes of Health (NIH) to prioritize innovative mental health research and treatment, including a new precision psychiatric initiative. NIH will also continue to invest in the Helping to End Addiction Long-term (HEAL) initiative. HEAL aims to develop

innovative treatments for opioid addiction and chronic pain and associated health disparities.

PREPARING FOR FUTURE PUBLIC HEALTH THREATS

The federal response to recent public health threats, including the COVID-19 pandemic, has highlighted the importance of preparedness for future public health threats. The budget includes $20 billion in mandatory funding, available over 5 years, across the Administration for Strategic Preparedness and Response (ASPR), Centers for Disease Control and Prevention (CDC), NIH, and the Food and Drug Administration (FDA) to support the President's plan to transform the nation's capabilities to prepare for and respond rapidly and effectively to future pandemics and other biological threats.



The budget includes complementary preparedness investments in discretionary funding as well, including $1 billion for the Biomedical Advanced Research and Development Authority (BARDA) to develop innovative medical countermeasures, $995 million for the Strategic National Stockpile, and $5 million for FDA's 21 Forward tool, which enables the agency to develop accurate models for situational awareness and forecast the impact of a pandemic, product shortages, or other high-risk threats on the food supply chain. Critically, the budget also includes new flexible funding to prepare for pandemics and biological threats by developing vaccines and therapeutics against high priority viral families, bolstering surge production capacity for critical medical countermeasures, and shoring up the medical supply chain. The budget also dedicates $26 million to continue efforts that strengthen public health supply chains for medical products and promote the availability of medical devices by proactively monitoring, assessing, and communicating risks and vulnerability. Strategic investments at CDC, such as expanding core emerging infectious disease work, data modernization, and public health infrastructure, and foundational research at NIH's National Institute of Allergy and Infectious Diseases will also bolster nationwide pandemic preparedness.

In addition, the FY 2024 budget includes $9 billion in mandatory funding to encourage the development of innovative antimicrobial drugs, by establishing a novel payment mechanism to delink volume of sales from revenue for newly approved antimicrobial drugs and biological products that address a critical unmet need.

The budget also advances a suite of preparedness-focused legislative proposals across HHS. These proposals would provide HHS with authorities to strengthen data for early detection, response, and recovery; improve supply chain visibility and oversight; and secure innovative medical countermeasures and supplies. The measures would enable HHS to respond to future threats nimbly and effectively.

SUPPORTING UNACCOMPANIED CHILDREN AND REFUGEES

HHS also plays a critical role in the federal humanitarian response to arriving populations, including refugees, asylees, humanitarian entrants and unaccompanied children.

The FY 2024 budget provides $5.5 billion for unaccompanied children and $1.7 billion for refugees and other new arrivals eligible for benefits. To address the inherent uncertainties in budgeting for these populations, the budget also includes a discretionary contingency fund which would provide additional resources if either population exceeded certain levels. For unaccompanied children, the fund expands on what Congress enacted in FY 2023. For new humanitarian arrivals, additional funds would be provided based on the number of Cuban and Haitian

entrants and people granted asylum. Unlike refugees, these populations are not capped, and the number of Cuban and Haitians entrants has been especially volatile. This fund is estimated to provide $2.8 billion in FY 2024.

PROTECTING THE HEALTH OF ALL AMERICANS

Maternal Health

The U.S. maternal mortality rate exceeds that of its peer nations. HHS is committed to meeting this maternal health crisis.

The FY 2024 budget requires states to provide 12 months of postpartum coverage in Medicaid and the Children's Health Insurance Program.

The FY 2024 budget includes $1.9 billion for the HRSA Maternal and Child Health programs. Within this total, the budget directs $276 million towards reducing maternal mortality and morbidity and $185 million for the Healthy Start program to reduce racial disparities in maternal and infant health outcomes.

The FY 2024 budget also provides funding for NIH to continue the Implementing a Maternal health and PRegnancy Outcomes Vision for Everyone (IMPROVE) initiative to support research focused on interventions to prevent maternal mortality and morbidity and address risk factors that contribute to health disparities in maternal care. In addition, the FY 2024 budget includes $3 million for NIH's continued research on the effects of COVID-19 on individuals during pregnancy, lactation, and during the postpartum period.

Reproductive Health

HHS is committed to protecting and strengthening access to reproductive healthcare. The budget provides $512 million to the Title X family planning program to meet the increased need for family planning services. Title X is the only federal grant program dedicated solely to providing individuals with comprehensive family planning and related preventive health services in communities across the United States.

Hepatitis C and HIV/AIDS

The FY 2024 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.

The budget also reproposes the mandatory Pre-Exposure Prophylaxis (PrEP) Delivery Program to End the HIV Epidemic in the United States ("PrEP Delivery Program"). The PrEP 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.

Vaccines for Adults Program

As a complement to the successful Vaccines for Children program, the budget establishes the Vaccines for Adults program within CDC. This new capped mandatory program will provide uninsured adults with access to routine and outbreak vaccines recommended by the Advisory Committee on Immunization Practices.

MEETING THE HEALTH NEEDS OF INDIAN COUNTRY

HHS is committed to working with Indian Country to address the significant health disparities experienced by American Indians and Alaska Natives. Building on the historic passage of the advance appropriation for the Indian Health Service (IHS) in FY 2023 enacted, the FY 2024 budget proposes $8.1 billion in discretionary funding for the IHS Services and Facilities accounts, an increase of $2.2 billion above FY 2023 enacted. This funding will expand access to healthcare services, address key operational capacity needs, and modernize outdated facilities and information technology systems. The budget also includes $1.6 billion in proposed mandatory funding in FY 2024 for Contract Support Costs, payments for Section 105(*l*) tribal leases, and the Special Diabetes Program for Indians, totaling $9.7 billion in discretionary and mandatory resources for IHS in 2024.

Beginning in FY 2025, 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 both to address historic underinvestment and to 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 working in partnership with Tribes and Congress to realize mandatory funding. While this work is underway, it is critical that Congress continue to provide advance discretionary appropriations, as it did in the milestone 2023 Omnibus bill, so that IHS maintains that basic continuity of funding and critical healthcare services regardless of the status of annual appropriations legislation.

In addition to IHS, the budget invests $87 million, a $27 million increase from FY 2023, in the health and well-being of tribal communities through increases to the Administration for Native Americans within the Administration for Children and Families (ACF). This supports $5 million for tribal language preservation, $7 million for tribal education integration services, and $15 million for trauma-informed services for Native youth. These programs support a broad range of social and economic needs to promote the development and cultural preservation of tribal communities.

EXPANDING THE HEALTH WORKFORCE

The health workforce plays a vital role in responding to public health threats including the behavioral health crisis, addressing health disparities, and improving the health and resiliency of communities. As the demand for healthcare workers increases and concerns of potential shortages grows, HHS remains committed to strengthening and expanding the workforce.

The FY 2024 budget provides $2.7 billion to HRSA workforce programs, including $947 million in mandatory resources, to expand workforce capacity across the country. The discretionary budget includes $28 million for a new program to address growing concerns related to healthcare workforce shortages and $25 million for a new program to support the adoption of workplace wellness in healthcare facilities including hospitals, rural health clinics, community health centers, and medical professional associations.

The budget also includes $106 million within CDC to support public health training and fellowship programs to support a pipeline of personnel ready to address public health threats.

EXPANDING COVERAGE AND ACCESS TO CARE

Centers for Medicare & Medicaid Services Private Insurance

Since the passage and subsequent expansions of the Affordable Care Act, tens of millions of Americans have gained access to quality health insurance through the marketplace. To build on this success, the FY 2024 budget invests in making private insurance even more affordable.

The FY 2024 budget permanently extends the enhanced premium tax credits that were 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. In addition, the budget extends the $35 cap per monthly insulin product, already in place for Medicare beneficiaries under the Inflation Reduction Act, to consumers with group and individual market coverage.

Long-Term Care

As America's older population increases, it becomes ever more crucial to promote the health, safety, and dignity of elders via long-term care. The FY 2024 budget includes multiple provisions to strengthen nursing home oversight, transparency, and enforcement. The provisions protect seniors by identifying and penalizing nursing homes that commit fraud, endanger patient safety, or prescribe unnecessary drugs.

The FY 2024 budget also proposes to invest $150 billion over 10 years in improving and strengthening Medicaid home and community-based services to help more people who are aging and those with disabilities receive care in their home or community, as well as improve the quality of jobs for home care workers.

Other Medicare Benefit Enhancements

The budget proposes Medicare coverage of select, evidence-based supportive services delivered 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. Additionally, the budget establishes a permanent Medicare diabetes prevention benefit.

Medicare Solvency

More than 67 million Americans depend on Medicare, and we must work to ensure millions more can depend on the program in the future. The FY 2024 budget proposes new tax revenue sources and drug reform savings that extend the solvency of the Medicare Hospital Insurance Trust Fund by at least 25 years.

Health Centers

Health Centers provide healthcare services to underserved populations across the country, including low-income patients, rural and ethnic minorities, rural communities, and people experiencing homelessness. The FY 2024 budget provides $7.1 billion for Health Centers, which includes $5.2 billion in proposed mandatory resources, an increase of $1.3 billion above FY 2023 enacted. This investment puts HRSA on a path to doubling Health Center funding and supports the implementation of a new FY 2024 requirement that all health centers provide behavioral health services. At this funding level the Health Center Program will provide care for approximately 33.5 million patients.

IMPROVING THE WELL-BEING OF CHILDREN, FAMILIES, AND SENIORS

Early Childhood Care and Education

High-quality early childhood education is critical to the lives of children as well as their parents, especially working mothers. HHS is committed to investing in early childhood programs so that America's children are set up for success. To this end, the FY 2024 budget advances the President's goal of ensuring that all families can access affordable, high-quality child care and free, high-quality preschool, helping children learn, giving families support, and growing the economy. The estimated cost of these investments is $600 billion over 10 years.

Additionally, the budget provides $22.5 billion in discretionary funds for HHS's existing early childhood programs, including $9 billion for the Child Care and Development Block Grant and $360 million for Preschool Development Grants. The budget also includes $13.1 billion for Head Start to provide comprehensive early learning and development services to infants, toddlers, and preschool-aged children and includes $575 million to increase pay for Head Start teachers. In addition, the budget includes a legislative proposal to expand tribal and migrant and seasonal Head Start eligibility.

Nutrition

The budget takes key steps to address hunger and food insecurity, which has increased since the pandemic began, and to advance the Administration's National Strategy on Hunger, Nutrition, and Health (National Strategy). It expands Medicare coverage for nutrition and obesity counseling and includes a new pilot project on medically tailored meals.

The budget includes a total of $137 million in HHS to address specific commitments made as part of the White House Conference on Hunger, Nutrition, and Health and the corresponding National Strategy. This includes $72 million to expand CDC's State Physical Activity and Nutrition program, which implements evidence-based strategies to reduce chronic disease, to all 50 states, the District of Columbia, and 14 territories. Within this total, the budget also includes $12 million in nutrition services for older adults and people with disabilities through the Administration for Community Living, and $12 million in FDA's budget to improve labeling to empower consumers to make good food choices.

In addition to the commitments as part of the White House Conference on Hunger, Nutrition and Health, the budget also includes an additional $64 million above FY 2023 enacted for FDA to modernize infant

formula oversight, hire more staff and refine laboratory methods for detecting bacteria in products.

Adult Protective Services

According to research, the prevalence of elder maltreatment increased by 84 percent during the pandemic.[2] People who have experienced abuse have a 300 percent higher morbidity and mortality than those who do not.[3] The FY 2024 budget provides a $43 million increase above FY 2023 enacted to the Elder Justice Adult Protective Services program. This increase will allow the program to continue making progress towards establishing a national Adult Protective Services system.

ADVANCING SCIENCE TO IMPROVE HEALTH

Cancer Moonshot

HHS is committed to cutting the cancer death rate by 50 percent over the next 25 years. In service of the President's Cancer Moonshot initiative, HHS invests in cancer research, diagnosis, and treatment.

For the Cancer Moonshot Initiative, particularly projects which detect cancer, demonstrate the mechanisms that drive it, or identify candidates for new treatments, the FY 2024 budget includes $716 million in discretionary resources at the National Cancer Institute (NCI), a $500 million increase above FY 2023 enacted. In total, the Budget provides $7.8 billion for NCI to drive progress on ways to prevent, detect, and treat cancer. The budget also proposes to reauthorize the 21st Century Cures Act Cancer Moonshot through 2026.

Additionally, 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 the goals of the Cancer Moonshot initiative, the FY 2024 budget includes a total of $839 million to support cancer prevention and control programs across CDC, including tobacco prevention, HPV prevention and analysis of cancer clusters, and laboratory and environmental health activities. The budget also includes $108 million in 2024 within IHS to address specialized cancer care needs in tribal communities.

As part of the FY 2024 budget, FDA dedicates a total of $50 million of its funding, a $48 million increase above FY 2023 enacted for the Cancer Moonshot initiative. These funds will support FDA research and education efforts and foster the development of diagnostic and therapeutic products that address rare cancers. The FY 2024 budget dedicated $20 million, to support HRSA-funded health centers efforts on improving access to life-saving cancer screenings and early detection services for underserved communities.

Critical NIH Research

NIH continues to lead the world in turning discoveries into health. The FY 2024 budget includes $48.6 billion in discretionary and mandatory resources for NIH, an increase of $920 million above FY 2023 enacted. The FY 2024 budget will include $121 million to improve scientific understanding of nutrition and health. NIH will allocate resources to the NIH Common Fund Community Partnerships to Advance Science for Society to ensure nutrition, health and food security research efforts provide an equitable opportunity for marginalized groups to realize the benefits of the research. Additionally, the resources will also allow NIH to focus on expanding and diversifying the nutrition science workforce and investing in creative new approaches to advance research regarding the prevention and treatment of diet-related diseases.

NIH's budget continues support for the *All of Us* and Brain Research Through Advancing Innovative Neurotechnologies initiatives, both started by the 21st Century Cures Act. The budget will prioritize innovative mental health research and treatment and the NIH climate change initiative. As part of the FY 2024 budget, NIH will also continue to invest funds

[2] Acierno, R., Hernandez, M. A., Amstadter, A. B., Resnick, H. S., Steve, K., Muzzy, W., & Kilpatrick, D. G. (2010). Prevalence and correlates of emotional, physical, sexual, and financial abuse and potential neglect in the United States: The National Elder Mistreatment Study. American Journal of Public Health, 100(2), 292–297. Prevalence and Correlates of Emotional, Physical, Sexual, and Financial Abuse and Potential Neglect in the United States: The National Elder Mistreatment Study.

[3] Baker, M. W., LaCroix, A. Z., Wu, C., Cochrane, B. B., Wallace, R., & Woods, N. F. (2009). Mortality risk associated with physical and verbal abuse in women aged 50 to 79. Journal of the American Geriatrics Society, 57(10), 1799–1809. https://agsjournals.onlinelibrary.wiley.com/doi/10.1111/j.1532-5415.2009.02429.x.

to address the opioid crisis, end HIV, improve health disparities and inequities research, and continue the agency's progress towards a universal influenza vaccine.

Advanced Research Projects Agency for Health

Advanced Research Projects Agency for Health (ARPA-H) supports the development of high-impact research advances that drive real world impact. The FY 2024 budget provides $2.5 billion, a $1 billion increase above FY 2023 enacted. With an initial focus on cancer and other diseases such as diabetes and dementia, ARPA-H will advance high-potential, high-impact biomedical and health research that cannot be readily accomplished through traditional research or commercial approaches. The agency's program managers and awardees will develop new ways to tackle the hardest challenges in health. Opportunities or obstacles related to the Cancer Moonshot Initiative goals will be candidates for the new approach to transformational change offered by ARPA-H.

Applying Scientific Knowledge to Improve Lives

The FY 2024 budget includes $10.5 billion in discretionary funding for the CDC to protect health, safety, and security at home and abroad. Through strategic and complementary investments and legislative authorities, the budget aims to enhance the public health system at federal, state, and local levels. The budget prioritizes investments in core capabilities, such as data, workforce, laboratory capacity and infrastructure. These critical capabilities are necessary to ensure that CDC and our nation are well positioned to prevent and address current and emerging public health threats.

The Agency for Healthcare Research and Quality's mission is to provide evidence-based research, data, and tools to improve healthcare quality, and make healthcare safer, more accessible, equitable and affordable for all Americans. The FY 2024 budget includes $564 million to support the Agency for Healthcare Research and Quality's research on health costs, quality, and outcomes. The request includes $403 million in budget authority, $45 million in Public Health Service Evaluation Set Aside funding, and $116 million in mandatory transfers from the Patient-Centered Outcomes Research Trust Fund. The budget supports new behavioral health activities, the development of an all-payer claims database, activities to evaluate the effects of telehealth on healthcare delivery and health outcomes, and the collection of more robust data focused on maternal health. The budget also provides additional resources to further Long COVID, primary care, and diagnostic safety research.

The FDA conducts regulatory science research to assess the safety, efficacy, quality, and performance of products. The FY 2024 budget includes several investments to support food programs including $20 million for the Emerging Chemical and Toxicology Issues program to streamline regulatory frameworks for food products that may pose potential chronic risks to human health. Funds support the assessment of chemicals that enter the food supply through contaminations and develop approaches to inform and modernize safety assessment using science and risk-based approaches.

PROMOTING EFFECTIVE AND EFFICIENT MANAGEMENT AND STEWARDSHIP

Improving Critical Departmental Operations and Infrastructure

HHS depends on adequate operational funding to carry out its mission. In particular, the Secretary must have appropriate resources to lead the nation's public health enterprise, coordinate public health policy, and provide oversight of the federal government's largest budget. The FY 2024 budget provides $705 million for General Departmental Management (GDM) at the program level to bolster program integrity, strengthen oversight, and advance public health. Funding would begin to reverse the steep 24 percent decline in the GDM-funded federal staff over the last decade, invest in the Department's electric vehicle fleet, and support HHS-wide efforts related to climate, nutrition, and minority health, among others.

The FY 2024 budget requests an increase of $425 million for Centers for Medicare & Medicaid Services (CMS) Program Management. These resources will allow CMS to keep pace with eligibility and claims processing costs driven by growing enrollment, enforce health and safety standards in healthcare facilities, modernize legacy payment systems, safeguard systems against cyber-attacks, expand public outreach about how to access health coverage, and advance health equity. Inadequate funding risks undermining the access and customer service on which tens of millions of Americans depend.

The budget also provides $20 million for new projects to improve the customer experience for Americans at

significant points in their lives that often require multiple interactions with HHS and related agencies. With these funds, CMS and ACF will pilot ways to improve support for delivery of benefits with an aim of lowering cost and burden to states and consumers. CMS and the Social Security Administration (SSA) will also jointly pilot efforts to improve the Medicare enrollment experience. The budget provides $40 million in HRSA for a new Healthy start Benefits Bundle to support promising practices for connecting families welcoming a new baby to the tailored information and support services.

The budget further proposes investments in aging systems and facilities essential to the Department's mission. For FY 2024, HHS is proposing to use $650 million from the fund for information technology and infrastructure projects across the Department, including at IHS, NIH, and CDC. This fund permits HHS to transfer unobligated balances of expired discretionary funds into this 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.

Enhancing Cybersecurity Capabilities

Cyber threats faced by the health care and public health sector have increased significantly over the past several years, with more than a 250 percent 5-year increase in major data breaches and at least 4-5 significant cyber incidents impacting the sector every week. To protect against potential information technology threats and to coordinate information sharing across the health care and public health sector, the FY 2024 budget prioritizes cybersecurity enhancements.

The budget provides an increase of $88 million above FY 2023 enacted for cybersecurity initiatives in the Office of the Chief Information Officer, for a total of $188 million in FY 2024. At this funding level, the Cybersecurity Program will support greater Department-wide and interagency information technology capability and security development, including directing $50 million for investment in a robust Zero Trust architecture to continue to secure HHS's cybersecurity posture. This funding level will also help sector partners have timely, actionable information and support to both prevent and respond to cyber incidents. The budget also includes $104 million in Public Health Service Act Evaluation set-aside funds for the Office of the National Coordinator for Health Information Technology to support more equitable access to healthcare data by updating health information technology and data standards for interoperability, advancing policies that improve the secure exchange of electronic health information between patients and providers, and leading coordination efforts between key federal and industry partners in health information technology.

Civil Rights Enforcement

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 protecting the privacy and security of individuals' health information, are critical parts of HHS's work. The FY 2024 budget provides the HHS Office for Civil Rights (OCR) $78 million, an increase of $38 million over last year's budget. OCR's budget includes a robust investment in enforcement staff to address and resolve major case receipt increases that have led to a significant complaint inventory backlog, and additional resources to bolster its policy, education, and outreach efforts in all non-discrimination areas including race, color, national origin, disability, sex, age, and religion.

Strengthening Program Integrity

HHS prioritizes program integrity to ensure responsible stewardship of taxpayer dollars. This budget invests a total of $5.2 billion in new mandatory and discretionary Health Care Fraud and Abuse Control funding to provide oversight of CMS health programs, strengthen the HHS Office of Inspector General investigations, promote good governance, and protect beneficiaries against healthcare fraud. This robust program integrity agenda will yield a combined return-on-investment of $19.7 billion over ten years.

THE DEPARTMENT OF HEALTH AND HUMAN SERVICES: 2022 ACCOMPLISHMENTS

A new law allows **Medicare** to negotiate to **lower the prices of certain drugs**

$1.6 billion to address the addiction and overdose crisis

SAMHSA successfully launched a three-digit 9-8-8 line for 24/7 crisis care.

20,000+ clinicians, the largest number ever, received scholarships & loan repayment in return for practicing in underserved communities through HRSA's National Health Service Corps.

For the first time, IHS received **advance appropriations** ensuring continued access to critical health care services for American Indians and Alaska Natives.

ARPA-H

Established the Advanced Research Project Agency for Health (ARPA-H) to drive biomedical & health breakthroughs

270+ million N95 respirators distributed to pharmacies and clinics from the Strategic National Stockpile.

Top Priorities:

- Transforming Behavioral Healthcare
- Preparing for Public Health Threats
- Supporting Unaccompanied Children and Refugees
- Protecting the Health of All Americans

HHS

- Meeting the Needs of Indian Country
- Expanding the Health Workforce
- Expanding Coverage & Access to Care
- Improving the Well-being of Children, Families and Seniors
- Advancing Science to Improve Health

A record-breaking **14.5 million** people signed up for Marketplace coverage in 2022

$35/month **price cap on insulin** copays for Medicare supply in Part D and Part B starting in 2023.

The national uninsured rate reached an **all-time low** of **8%** in early 2022.

The No Surprises Act went into effect on January 1, 2022, ensuring protections from surprise bills for most Americans with private insurance.

Resettled **80,000+ Afghans** **83,000+ Ukrainians**

ACF cared for more than **128,000 unaccompanied children** in FY22

$125 million in ACL-funded grants to help older adults and people with disabilities get the updated vaccine.

produced **60+** targeted ads to boost vaccine confidence

HHS BUDGET BY OPERATING DIVISION

The following table is in millions of dollars.

HHS Operating Division Budget[4]	2022[5]	2023[8]	2024[8]
Food and Drug Administration – Budget Authority[6]	4,379	3,644	4,015
Food and Drug Administration – Outlays	4,588	5,037	3,876
Health Resources and Services Administration – Budget Authority	13,566	14,705	16,183
Health Resources and Services Administration – Outlays	16,128	17,051	17,196
Indian Health Service – Budget Authority	7,442	7,994	10,355
Indian Health Service – Outlays	6,507	7,369	10,487
Centers for Disease Control and Prevention – Budget Authority	9,156	10,979	13,158
Centers for Disease Control and Prevention – Outlays	16,526	13,247	13,446
National Institutes of Health – Budget Authority[5 9]	45,415	48,952	49,630
National Institutes of Health – Outlays	40,623	44,759	46,281
Substance use And Mental Health Services Administration – Budget Authority	6,724	7,567	10,863
Substance use And Mental Health Services Administration – Outlays	7,384	8,334	11,729
Agency for Healthcare Research and Quality – Program Level	455	485	564
Agency for Healthcare Research and Quality – Budget Authority	350	374	403
Agency for Healthcare Research and Quality – Outlays	339	304	402
Centers for Medicare & Medicaid Services – Budget Authority[78]	1,471,167	1,593,907	1,487,835
Centers for Medicare & Medicaid Services – Outlays	1,370,675	1,475,653	1,448,709
Administration for Children and Families – Budget Authority	73,556	78,977	94,474
Administration for Children and Families – Outlays	85,702	92,397	102,436
Administration for Community Living – Budget Authority	2,293	2,526	3,035
Administration for Community Living – Outlays	2,720	4,110	3,429
Administration for Strategic Preparedness and Response – Budget Authority	--	--	4,272
Administration for Strategic Preparedness and Response - Outlays	--	--	1,063
Departmental Management – Budget Authority[9]	506	537	631
Departmental Management – Outlays[8]	414	982	773
Office of the National Coordinator – Budget Authority	--	--	--
Office of the National Coordinator – Outlays	39	-15	-27
Non-Recurring Expenses Fund – Budget Authority	-650	-650	-350
Non-Recurring Expenses Fund – Outlays	334	262	215
Medicare Hearings and Appeals – Budget Authority	196	196	199
Medicare Hearings and Appeals – Outlays	192	230	199
Office for Civil Rights – Budget Authority	41	40	78
Office for Civil Rights – Outlays	60	44	73
Office of Inspector General – Budget Authority	93	100	128
Office of Inspector General – Outlays	111	123	123
Public Health and Social Services Emergency Fund – Budget Authority	3,200	3,792	20,278
Public Health and Social Services Emergency Fund – Outlays[10]	92,709	32,957	29,220
Program Support Center (Retirement Pay, Medical Benefits, Misc. Trust Funds) – Budget Authority	879	864	907
Program Support Center (Retirement Pay, Medical Benefits, Misc. Trust Funds) – Outlays	765	621	541
No Surprises Implementation Fund – Budget Authority	--	--	500
No Surprises Implementation Fund – Outlays	90	157	159

[4] The Budget Authority levels presented here are based on the Office of Management and Budget's Budget Appendix available at https://www.whitehouse.gov/omb/budget/appendix/ and potentially will differ from the levels displayed in the individual Operating

or [5] The Budget Authority and Outlays includes Advanced Research Projects Agency for Health (ARPA-H) in FY 2022, FY 2023 and FY 2024. [6] FDA and NIH Budget Authority include the full allocations provided in 21st Century Cures Act.

HHS Operating Division Budget (continued)	2022	2023	2024
PrEP Delivery Program to End the HIV Epidemic – Budget Authority	--	--	237
PrEP Delivery Program to End the HIV Epidemic – Outlays	--	--	213
Mental Health Transformation Fund Budget Authority	--	--	2,000
Mental Health Transformation Fund – Outlays	--	--	400
National Hepatitis C Elimination Program – Budget Authority	--	--	11,337
National Hepatitis C Elimination Program – Outlays	--	--	1,134
Antimicrobial Subscriptions – Budget Authority	--	--	9,000
Antimicrobial Subscriptions – Outlays	--	--	500
Offsetting Collections and Allowance – Budget Authority	-2,070	-837	-575
Offsetting Collections and Allowance – Outlays	-2,070	-837	-575
Other Collections – Budget Authority	-709	-1,352	-628
Other Collections – Outlays	-709	-1,352	-628
Total, Health and Human Services – Budget Authority	**1,635,534**	**1,772,315**	**1,737,965**
Total, Health and Human Services – Outlays	**1,643,127**	**1,701,433**	**1,691,374**

[7] Budget Authority includes non-CMS Budget Authority for Hospital Insurance and Supplementary Medical Insurance for the Social Security Administration and the Medicare Payment Advisory Commission.

[8] Reflects changes in Medicaid spending from the Consolidated Appropriations Act, 2023, including expiration of the COVID-19 continuous enrollment requirement and phase down of the enhanced match. See Medicaid chapter for more detail.

[9] Includes the Pregnancy Assistance Fund, the Health Insurance Reform Implementation Fund, and transfers from the Patient-Centered Research Trust Fund; and payments to the State Response to the Opioid Abuse Crisis Account.

[10] The Defense Production Act Medical Supplies Enhancement outlays are included in the Public Health and Social Services Emergency Fund totals for FY 2022, FY 2023 and FY 2024.

COMPOSITION OF THE HHS BUDGET DISCRETIONARY PROGRAMS

The following table is in millions of dollars.

Discretionary Program	2022[11]	2023	2024	2024+/-2023
Food and Drug Administration – Budget Authority[12]	3,365	3,591	3,963	+372
Food and Drug Administration – Program Level	6,250	6,720	7,241	+521
Health Resources and Services Administration – Budget Authority	8,575	9,487	9,205	-283
Health Resources and Services Administration – Program Level	13,294	14,329	15,865	+1,536
Indian Health Service – Budget Authority[13]	5,601	5,878	8,079	+2,201
Indian Health Service – Program Level[14]	6,778	7,105	9,650	+2,545
Centers for Disease Control and Prevention – Budget Authority[15]	7,579	8,366	10,303	+1,937
Centers for Disease Control and Prevention – Program Level	14,717	14,466	19,508	+5,042
National Institutes of Health – Budget Authority[12] [16]	43,727	46,125	46,400	+275
National Institutes of Health – Program Level	45,178	47,678	48,598	+920
Substance use And Mental Health Services Administration – Budget Authority	6,400	7,370	10,275	+2,904
Substance use And Mental Health Services Administration – Program Level	6,547	7,518	10,834	+3,317
Agency for Healthcare Research and Quality – Budget Authority	350	374	403	+29
Agency for Healthcare Research and Quality – Program Level	455	485	564	+79
Centers for Medicare & Medicaid Services – Budget Authority	4,025	4,125	4,550	+425
Centers for Medicare & Medicaid Services – Program Level	10,053	6,933	7,711	+778
Administration for Children and Families – Budget Authority	32,412	32,755	39,392	+6,637
Administration for Children and Families – Program Level	32,412	37,655	39,392	+1,737
Administration for Community Living – Budget Authority	2,318	2,538	3,028	+490
Administration for Community Living – Program Level	2,428	2,650	3,142	+493
Administration for Strategic Preparedness and Response – Budget Authority	3,113	3,630	4,272	+642
Administration for Strategic Preparedness and Response – Program Level	3,113	3,630	4,272	+642
General Departmental Management – Budget Authority	506	537	611	+74
General Departmental Management – Program Level[17]	571	602	705	+103
Medicare Hearings and Appeals – Budget Authority	196	196	199	+3
Medicare Hearings and Appeals – Program Level[18]	196	196	199	+3
Office of the National Coordinator for Health IT – Budget Authority	--	--	--	--
Office of the National Coordinator for Health IT – Program Level	64	66	104	+37
Office for Civil Rights – Budget Authority	40	40	78	+38
Office for Civil Rights – Program Level	58	70	83	+13
Office of Inspector General – Budget Authority[19]	89	94	123	+30
Office of Inspector General – Program Level	417	432	515	+82
Public Health and Social Services Emergency Fund – Budget Authority	87	116	278	+162
Public Health and Social Services Emergency Fund – Program Level	87	116	20,278	+20,162
Discretionary Health Care Fraud and Abuse Control Program	873	893	937	+44
Accrual for Commissioned Corps Health Benefits	33	38	42	+4

[11] The FY 2022 column reflects the enacted levels (including required and excluding permissive transfers).

[12] FDA and NIH Budget Authority include the full allocations provided in the 21st Century Cures Act.

[13] The FY 2024 President's Budget proposes that Contract Support Costs and Section 105(l) Leases in IHS are shifted to mandatory funding. This table shows an adjustment to display these accounts as mandatory in FY 2023 and FY 2022 as well for ease of comparison.

[14] Excludes estimated third-party collections. The budget does not propose any changes to the treatment of third-party collections.

Discretionary Program (continued)	2022	2023	2024	2024+/-2023
Advanced Research Projects Agency for Health	1,000	1,500	2,500	+1,000
Customer Experience (CX) CMS Projects	--	--	20	+20
Total, Discretionary Budget Authority	**120,289**	**127,651**	**144,658**	**+17,007**
Non-Recurring Expenses Fund Cancellation	-650	-650	-350	+300
Discretionary Budget Authority	**119,639**	**127,001**	**144,308**	**+17,307**
Less One-Time Recissions	-12,679	-14,628	-29,925	-15,297
Revised, Discretionary Budget Authority	**106,960**	**112,373**	**114,383**	**+2,010**
Discretionary Outlays	**182,595**	**142,575**	**153,571**	**+10,996**

[15] The FY 2023 column comparably reflects $21.9 million within CDC's total for HHS Protect. FY 2023 Report Language provides $21.9 million from the Public Health and Social Services Emergency Fund (PHSSEF) for HHS Protect, to support activities implemented by CDC. The FY 2024 budget proposes directly appropriated funding to CDC for this activity.

[16] FY 2023 enacted displayed comparably with the FY 2024 budget. FY 2023 enacted provides funding for ARPA-H within the Office of the Secretary and gives the Secretary authority to delegate to NIH.

[17] GDM PL does not include estimated reimbursable Budget Authority for the Health Care Fraud and Abuse Control Program or Medicare Access and Children's Health Insurance Program (CHIP) Reauthorization Act (MACRA) Physician-Focused Payment Model Technical Advisory Committee (PTAC).

[18] Includes funding for Office of Medicare Appeals and Departmental Appeals Board for FY 2023, FY 2023 and FY 2024.

[19] OIG Budget Authority reflects a $5 million directed transfer from the NIH and $1.5 million from FDA.

COMPOSITION OF THE HHS BUDGET
MANDATORY PROGRAMS

The following table is in millions of dollars.

Mandatory Programs (Outlays)[20]	2022	2023	2024	2024+/-2023
Medicare	790,129	835,893	845,051	+9,158
Medicaid[21] [22]	591,949	607,677	558,100	-49,577
Temporary Assistance for Needy Families[23]	15,900	16,204	16,501	+297
Foster Care and Adoption Assistance	9,173	11,935	12,007	+72
Children's Health Insurance Program[24]	16,670	17,702	17,863	+161
Child Support Enforcement	4,245	4,403	4,539	+136
Child Care Entitlement	3,206	3,490	3,590	+100
Social Services Block Grant	1,492	1,473	1,587	+114
Universal Preschool	--	--	5,000	+5,000
Affordable Child Care for America	--	--	9,900	+9,900
Other Mandatory Programs[25]	29,838	60,918	64,240	+3,322
Offsetting Collections	-2,070	-837	-575	+262
Subtotal, Mandatory Outlays	1,460,532	1,558,858	1,537,803	-21,055
Total, HHS Outlays	**1,643,127**	**1,701,433**	**1,691,374**	**-10,059**

[20] Totals may not add due to rounding.

[21] Reflects changes in Medicaid spending from the Consolidated Appropriations Act, 2023, including expiration of the COVID-19 continuous enrollment requirement and phase down of the enhanced match. See Medicaid chapter for more detail.

[22] Excludes discretionary funding of $5 million in FY 2023 and $8 million in FY 2024.

[23] Includes outlays for the Temporary Assistance for Needy Families, and the Temporary Assistance for Needy Families Contingency Fund.

[24] Includes outlays for the Child Enrollment Contingency Fund.

[25] Includes outlays for No Surprises Implementation Fund, Defense Production Act Medical Supplies Enhancement, Prepare for Pandemic and Biological Threats, and all other remaining mandatory outlays not broken out in the Mandatory Programs table above.

Food and Drug Administration

The following tables are in millions of dollars.

Programs	2022[26]	2023[27]	2024[28]	2024+/-2023
Foods	1,143	1,208	1,361	+153
Human Drugs	2,117	2,283	2,382	+99
Biologics	457	490	509	+19
Animal Drugs and Food	256	288	314	+26
Medical Devices	647	746	792	+46
National Center for Toxicological Research	70	77	80	+3
Tobacco Products	680	677	780	+103
Headquarters and Office of the Commissioner	330	363	422	+59
White Oak Operations	54	56	57	+1
GSA Rental Payment	223	245	236	-9
Other Rent and Rent-Related Activities	153	165	174	+9
Subtotal, Salaries and Expenses[29]	**6,130**	**6,597**	**7,106**	**+509**
21st Century Cures Act	50	50	50	--
Export Certification Fund	5	5	10	+5
Color Certification Fund	11	11	11	--
Priority Review Voucher Fees[30]	13	14	14	--
Over-the-Counter Monograph	29	30	32	+1
Buildings and Facilities	13	13	19	+6
Total, Program Level[30]	**6,250**	**6,720**	**7,241**	**+521**

Current Law User Fees	2022	2023	2024	2024+/-2023
Prescription Drug	1,200	1,310	1,337	26
Medical Device	243	325	331	+6
Generic Drug	540	583	594	+12
Biosimilars	40	42	42	+1
Animal Drug	32	32	34	+1
Animal Generic Drug	25	29	25	-4
Family Smoking Prevention and Tobacco Control Act	712	712	712	--
Food Reinspection	7	7	7	--
Food Recall	2	2	2	--
Mammography Quality Standards Act	19	19	20	--
Export Certification	5	5	5	--
Color Certification Fund	11	11	11	--
Priority Review Voucher Fees[6]	13	14	14	--
Voluntary Qualified Importer Program	6	6	6	--
Third-Party Auditor Program	1	1	1	--
Over-the-Counter Monograph	29	30	32	+1
Outsourcing Facility	2	2	2	--
Subtotal, Current Law User Fees	**2,885**	**3,129**	**3,174**	**+45**

Proposed Law User Fees	2022	2023	2024	2024+/-2023
Export Certification User Fee	--	--	5	+5
Increase to the Tobacco User Fee	--	--	100	+100
Subtotal, Proposed Law User Fees			**105**	**+105**

[26] The FY 2022 column reflects final levels, including required and permissive transfers and rescissions

[27] The FY 2023 column reflects final levels, including required and permissive transfers and rescissions.

[28] The FY 2024 column total amounts reflect directed transfer of $1.5 million to the HHS Office of Inspector General.

[29] Totals may not add due to rounding.

[30] Includes priority review voucher fees for rare pediatric diseases, tropical diseases, and medical countermeasures.

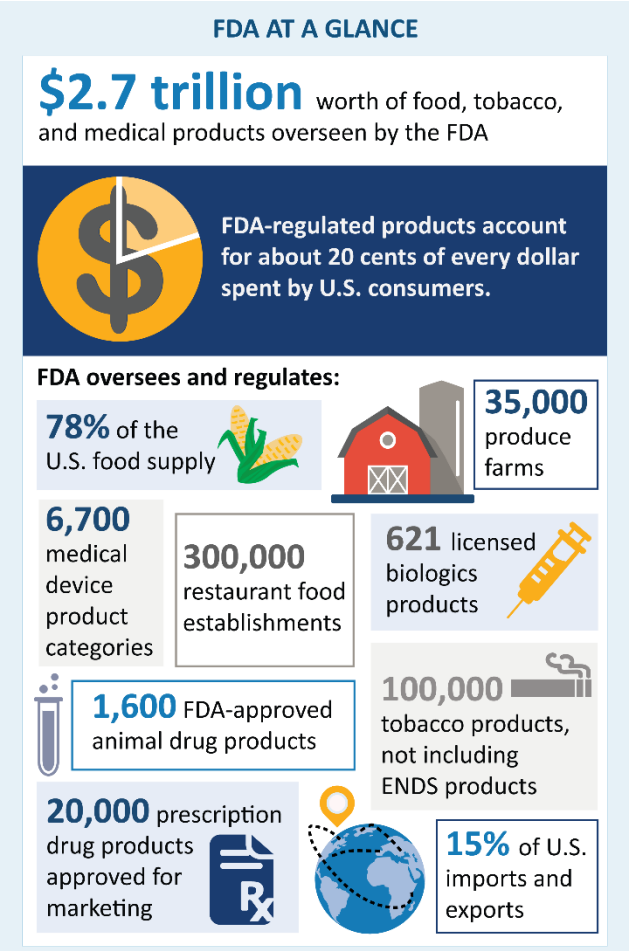
Budget Totals	2022	2023	2024	2024+/-2023
Total, Program Level	**6,250**	**6,720**	**7,241**	**+521**
Less Total, User Fees	2,885	3,129	3,278	+150
Total Discretionary Budget Authority	**3,365**	**3,591**	**3,963**	**+372**
Mandatory Budget Authority	**2022**	**2023**	**2024**	**2024+/-2023**
Pandemic Preparedness Mandatory via PHSSEF (non-add)[31]	**--**	**--**	**670**	**+670**

The Food and Drug Administration protects the public health by assuring the safety, efficacy, and security of human and veterinary drugs, biological products, medical devices, the nation's food supply, cosmetics, and products that emit radiation. The Food and Drug Administration also advances public health by helping to efficiently advance innovations that make medicines more effective, safer, and affordable; and by helping the public get the accurate, science-based information, they need to use medical products and foods to maintain and improve their health. Furthermore, the Food and Drug Administration regulates the manufacturing, marketing, and distribution of tobacco products to protect public health and reduce tobacco use by minors. Finally, the Food and Drug Administration strengthens the nation's counterterrorism capability by ensuring the security of the food supply and fostering the development of medical products to respond to deliberate and naturally occurring public health threats.

As the oldest comprehensive consumer protection agency in the federal government, the Food and Drug Administration (FDA) is responsible for protecting public health by ensuring the safety, efficacy, and security of human and veterinary drugs, biological products, medical devices, the nation's food supply, cosmetics, dietary supplements, and electronic radiation-emitting products. Additionally, FDA plays a significant role in the nation's counterterrorism capability and regulates the manufacturing, distribution, and marketing of tobacco products.

FDA's oversight and regulatory responsibilities are vast in scope and impact several sectors including the public health and economic sectors. For example, the agency has oversight of more than $2.7 trillion in food, medical products, and tobacco consumption.

The Fiscal Year (FY) 2024 President's Budget reflects the agency's commitment to securing the nation's food supply and fostering the development of medical products and devices to respond to emerging public health threats. The budget requests $7.2 billion for FDA, which is $521.4 million above FY 2023 enacted. This total includes $4 billion in discretionary budget authority, $3.3 billion in user fees. This investment provides targeted funding for FDA to be more responsive to evolving public health and safety needs, including the following:



Sources: 1/ https://www.fda.gov/about-fda/fda-basics/fact-sheet-fda-glance

[31] FY 2024 budget also provides $20 billion in mandatory funding across HHS for pandemic preparedness, which is reflected in the Public Health and Social Services Emergency Fund chapter. Of this total, FDA will receive $670 million.

- Enhancing food safety, nutrition, and cosmetics;
- Advancing medical product safety; and,
- Investing in cross-cutting agency-wide efforts, Tobacco regulatory activities, and Infrastructure.

In addition, the FY 2024 budget includes $20 billion in mandatory funding across HHS for pandemic preparedness, which is reflected in the Public Health and Social Services Emergency Fund. Of this total, $670 million is allocated to FDA.

ENHANCING FOOD SAFETY, NUTRITION, AND COSMETICS

FDA regulates 78 percent of the U.S. food supply. Its Human Foods Program protects the safety of the American food supply, dietary supplements, and cosmetics. FDA also promotes healthy foods aimed at reducing the hundreds of thousands of deaths attributable to poor diet each year.

In response to significant public health threats in 2023, FDA reviewed its regulatory frameworks, business operations, resource capacity, and organizational structure. As a result, the agency has begun to update its processes and procedures implementing sophisticated data systems to track the production, distribution, and purchase of food products, as well as strengthening inspection activities to meet the demands of the nation's complex food systems and supply chain.[32]

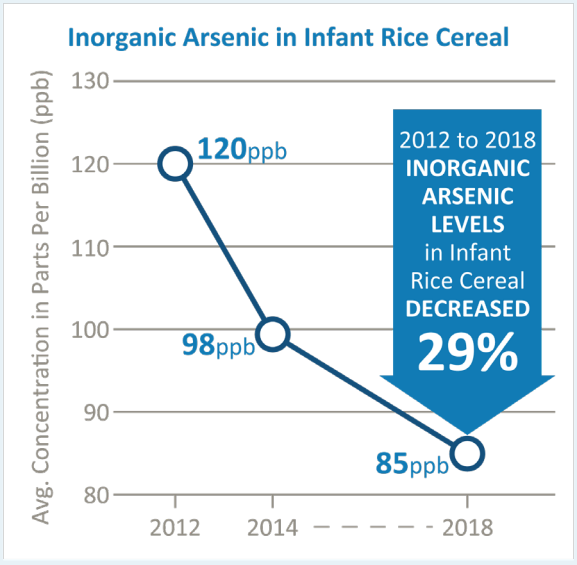
Ensuring food safety and protecting the food supply remains FDA's top priority. Thus, the FY 2024 President's Budget provides $1.7 billion, an increase of $211 million above the FY 2023 enacted, for FDA to invest in the tools, data infrastructure, and staff to promote and protect the public's health. This includes $1.7 billion in discretionary budget authority and $17 million in user fees.

Healthy and Safe Food for All

As the food industry evolves, FDA remains committed to modernizing the oversight of infant formula and empowering consumers to make healthier food choices.

The budget provides $87 million, which is $64 million above the FY 2023 enacted, for the Healthy and Safe Food for All program activities. Resources will support the modernization of infant formula oversight and allow the agency to hire additional staff and refine laboratory methods for detecting bacteria in products. Funds will also continue supporting FDA's Closer to Zero plan for reducing and eliminating toxic elements in infant and toddler foods. Furthermore, the budget will improve the agency's approach to assessing chemicals and food ingredients including post-market reassessment of previously approved food chemicals.

FDA PROGRAMS REDUCE CHILDREN'S EXPOSURE TO ARSENIC FROM FOODS



Emerging Chemical and Toxicological Issues

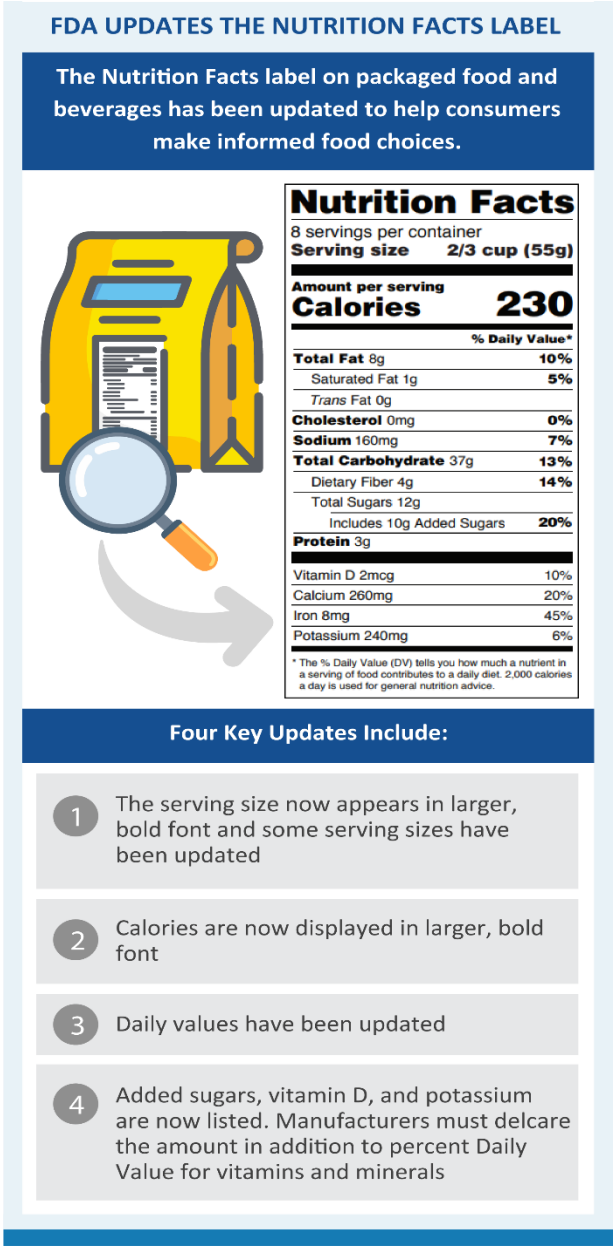
The budget also provides $20 million, $5 million above the FY 2023 enacted level, to modernize the regulatory framework for products or ingredients that pose potential risks to human health. This includes ensuring the safety of dietary supplements by advancing the identification and evaluation of emerging ingredients in dietary supplements and conducting post-market safety reviews. Funding will also support the scientific assessment of chemicals that enter the food supply through contamination, such as PFAS, to inform risk management policies for reducing dietary exposures among the U.S. population.

Nutrition and Food Labeling

FDA updated the Nutrition Facts label on packaged foods and drinks with compliance dates for

[32] FDA Provides Update on External Evaluation to Strengthen Agency's Human Foods Program

manufacturers now in effect.[33] This is the first major update to the label in over 20 years, based on the latest science and public input. The refreshed design and updated information provide consumers with a snapshot of the nutrient content of packaged food, enabling consumers to identify healthier foods and nutrients of concern more easily. FDA also provided a nutrition toolkit to educate the public on the new Nutrition Facts label.



Sources:
1/ https://www.fda.gov/food/new-nutrition-facts-label/whats-new-nutrition-facts-label

The budget provides $12 million in new funding to support further nutrition and food labeling modernization efforts as set forth in the White House National Strategy on Hunger, Nutrition, and Health. These efforts build on the Nutrition Facts Label by developing symbols, claims, and front-of-pack labeling. FDA will develop a standardized labeling system to help consumers easily identify foods that are part of a healthy eating pattern. These resources provide the tools, authorities, and staff for FDA to empower consumers with information and facilitate industry innovation toward healthier foods.

Modernization of Cosmetics

The budget provides $5 million to modernize the FDA's oversight of cosmetics consistent with the enactment of the Modernization of Cosmetics Act in CY 2022. The cosmetics program is one of the smallest programs at FDA and oversees the vast and continually growing $80+ billion cosmetics industry. This investment will support additional staff to initiate and develop regulations, compliance policies, and submission platforms for registration and product listing.

Smarter Food Safety

While the U.S. food supply is among the safest in the world, an estimated 1 in 6 Americans become sick from contaminated food each year, resulting in 128,000 hospitalizations and 3,000 deaths yearly.[34]

Through the implementation of the FDA Food Safety Modernization Act, FDA has made several advancements in food safety over the last decade. The FY 2024 budget builds on successes from the previous year with an increase of $37 million above FY 2023 enacted, for a total of $41 million, to support the expansion of the GenomeTrakr network, strengthen preparedness and food inspection efforts, and advance animal food safety coordination. These investments will allow the agency to leverage new tools, approaches, and technologies to build upon the benefits of the Food Safety Modernization Act's prevention-oriented framework.

Animal Food Safety Lifecycle

FDA protects the nation's animal food supply by ensuring that new ingredients are safe and appropriate for animal use and meet industry compliance standards with critical food safety regulations. The budget

[33] The New Nutrition Facts Label - FDA.
[34] Estimates of Foodborne Illness in the United States

includes a total of $27 million, an increase of $5.2 million above FY 2023 enacted, to keep pace with newly emerging animal food ingredients while addressing foundational gaps in the oversight of the animal food industry as these ingredients are combined, packaged, and sold as animal food. Building on existing modernization efforts, this funding will increase staff to support pre-market animal food ingredient reviews and invest in animal food risk models to promote advancements in food safety based on risk and identified food safety gaps.

Food Supply Chain Continuity

The budget also provides $5 million for food supply chain continuity efforts. This includes resources for the 21 Forward tool, which has helped track supply chain shortages during the COVID-19 pandemic and inform ongoing work to track and anticipate supply disruptions across the infant formula supply chain. This funding will support additional staff, strengthen the agency's capabilities to assess the health of supply chains, and inform efforts to respond to shortages of critical foods.

SECURING THE SAFETY, EFFECTIVENESS, AND AVAILABILITY OF MEDICAL PRODUCTS

FDA is the leader in global efforts to regulate medical products so that Americans have access to timely, safe, and effective drugs and medical devices. The FY 2024 Budget includes $4.6 billion, $200 million above the FY 2023 enacted, to support medical product safety activities across the agency. This total includes $2.1 billion in budget authority and $2.4 billion in user fees. Through these programs, FDA evaluates the safety of products before they are marketed to the public so that products are safe and appropriately marketed once available to the public.

Accelerating Access to Critical Therapies for ALS

The FY 2024 budget dedicates $8 million, an increase of $2.5 million, to support the implementation of the Accelerating Access to Critical Therapies for ALS Action Plan. This 5-year plan is to advance innovation that promotes and accelerates medical product development for the treatment of rare neurodegenerative diseases, including ALS.[35]

Rare neurodegenerative diseases, including ALS, are poorly understood, and with this funding, FDA will continue implementing activities outlined in the plan including expanding and leveraging FDA's regulatory and scientific expertise, expanding patient participation in clinical trials to underrepresented groups, and awarding contracts and grants for the development of innovative diagnostic tools, outcome assessments, and digital health technologies.

Opioids Epidemic

Drug overdoses are the leading cause of death for Americans, with 107,000 deaths reported in 2021. The overdose crisis has evolved beyond the use of prescription opioids to include increased use of illicit opioids, such as fentanyl, and in combination with psychostimulants, such as cocaine and methamphetamine.[36]

In 2023, FDA launched its Overdose Prevention Framework [37] and the FY 2024 budget implements the Framework with an additional $23 million above FY 2023 enacted, for a total of $103 million. The fund supports a range of activities, including

- Promoting appropriate prescribing of medications with abuse potential, including opioids, stimulants, and benzodiazepines;
- Expanding the availability of, and access to overdose reversal products;
- Expanding the availability of, and access to evidence-based treatments for substance use disorders; and,
- Increasing surveillance, enforcement, and indictment efforts targeting illegal, unapproved, counterfeit, and potentially dangerous products at international mail facilities, express courier hubs, and ports of entry.

[35] Accelerating Access to Critical Therapies for ALS Act – ACT for ALS | FDA
[36] Products - Data Briefs - Number 457 - December 2022 (cdc.gov)
[37] Food and Drug Administration Overdose Prevention Framework | FDA

Sources:
1/ https://www.fda.gov/drugs/drug-safety-and-availability/food-and-drug-administration-overdose-prevention-framework

Other Medical Product Safety Efforts

The FY 2024 President's budget provides an additional $24.7 million above FY 2023 enacted, for a total of $105 million, to support a range of medical product safety activities. These activities include:

- **Medical Product Safety Data Modernization** ($47 million, $3 million above FY 2023 enacted): to support ongoing technology and data modernization efforts within medical product safety;
- **Strengthening FDA Post-market Safety** ($37 million, $10.1 million above FY 2023 enacted): to support a range of medical product safety activities to modernize FDA's safety surveillance and oversight program, advance the development of an active surveillance system for medical devices that leverages high-quality, real-world evidence, and monitor approved, unapproved, and compound animal drug products; and,
- **Device Shortages and Supply Chain** ($22 million, $11.6 million above FY 2023 enacted): to strengthen public health supply chains and promote the availability of medical devices by proactively monitoring, assessing, and communicating risks and vulnerability.

Cancer Moonshot

In support of the Administration's Cancer Moonshot priorities, the budget provides $50 million for FDA, $48 million above FY 2023 enacted, to expand research efforts and develop diagnostic and therapeutic products to treat rare cancers.

INVESTING IN CROSS-CUTTING AGENCY-WIDE EFFORTS

FDA is trusted for its work ensuring the safety, efficacy, and security of the nation's medical products and food supply. A well-trained workforce, streamlined and centralized process to coordinate agency-wide operations and performance, and modernized information technology systems, are vital for FDA to address newly emerging agency-wide challenges and advance Food Safety and Medical Product Safety efforts.

The budget provides an increase of $131 million above the FY 2023 enacted, to support cross-cutting, agency-wide improvements in Food and Medical Product Safety programs. This investment will increase capacity and strengthen operational efficiency, maximize the use of data, and improve information technology systems so the agency can continue to carry out its responsibilities to safeguard the public.

Included within this total is an increase of $105.3 million above FY 2023 enacted to maintain FDA's workforce which includes, but is not limited to, inspectors, researchers, specialized subject matter experts to support crucial pandemic-related matters, and other ongoing FDA regulatory activities such as medical product reviews. This increase will cover the increases in pay costs for FDA's employees.

Regulatory and Mission Support

The budget includes an increase of $15.8 million above FY 2023 enacted to support regulatory capacity and mission support services in programmatic areas across Food and Medical Product Safety programs. Investing in these support services enables FDA to provide strategic direction and policy coordination and effectively communicate and streamline processes across centers and offices.

At this funding level, FDA will:

- Revamp the agency's limited and siloed processes, data, and systems;
- Bolster recruitment, retention, and other human capital efforts to support regulatory initiatives, review documents, and develop guidance, generate high-quality data that support regulatory decision-making; and
- Streamline operations, policy coordination, and cross-cutting scientific initiatives.

Enterprise Information Technology Infrastructure Modernization

The FY 2024 budget invests a total of $28 million, an increase of $10 million above FY 2023 enacted, to continue FDA's crosscutting technology and data modernization. The pandemic highlighted the need for of a shared, cross-agency approach to Information technology. The agency began its digital modernization journey in September 2019 with the release of the Technology Modernization Action Plan, followed by the Data Modernization Action Plan in 2021.[38] Both plans outline the agency's vision to modernize technology and data, and enhance operational efficiency and use of data, while strengthening the alignment between agency-wide strategic objectives and investments.

In CY 2022, FDA launched additional technology, data, cybersecurity, and enterprise modernization Action Plans, which build off the Technology Modernization Action Plan and the Data Modernization Action Plan and takes an agency-wide enterprise approach to business process, data, and technology management enabling the agency to promote and protect the public health.[39] With these additional resources, FDA will continue to support an agency-wide centralized enterprise data modernization effort to strengthen the common data infrastructure by investing in its information technology infrastructure, analytic services, talent, and tools.

Pandemic Preparedness

The budget proposes $670 million over five years to expand and modernize regulatory capacity and infrastructure to respond rapidly and effectively to any future pandemic or high-consequence biological threat.

FDA has a unique and central role in the whole-of-government response to protect and promote public health. These funds will improve FDA's core capabilities and help ensure there is the appropriate level of regulatory capacity to respond rapidly and effectively to any future pandemic.

REDUCING THE USE AND HARM OF TOBACCO

Since the enactment of the Family Smoking Prevention and Tobacco Control Act in 2009, FDA has had the authority to regulate the manufacturing, distribution, and marketing of tobacco. In 2016, the Deeming Rule extended FDA's authority to regulate all tobacco products to include cigars, hookah (waterpipe) tobacco, pipe tobacco, nicotine gels, and e-cigarettes. In 2022, FDA's authority to regulate tobacco products was expanded to include synthetic or non-tobacco nicotine —that is, nicotine not made or derived from tobacco.

The FY 2024 budget includes $712 million in user fees for FDA to continue implementing these authorities across a wide range of tobacco products to reduce tobacco-related diseases and deaths. The budget also proposes an additional $100 million in user fees to support electronic nicotine delivery systems and non-tobacco nicotine regulatory activities; and requests authority to include manufacturers and importers of all deemed products among the tobacco product classes for which FDA assesses tobacco user fees. These funds will support hiring more staff and help FDA bolster its tobacco product regulatory activities – including those related to application reviews, compliance and enforcement, policy development, and research programs, as it works to reduce tobacco-related disease and deaths.

INFRASTRUCTURE AND FACILITIES

The FY 2024 budget provides a total of $486 million—$396 million in budget authority and $90 million in user fees— a $7 million increase above the FY 2023 enacted, to support infrastructure costs and improve the condition of infrastructure and buildings at FDA's owned locations.

Within this amount, $377 million in budget authority is dedicated to cover the necessary costs to rent, operations, and maintenance of FDA and GSA facilities located nationwide. The budget also dedicates $19 million to improve the conditions of site infrastructure and buildings needed for FDA's

[38] Modernization in Action 2022 | FDA
[39] FDA's Cybersecurity Modernization Action Plan | FDA

workforce to effectively evaluate and regulate medical, food, and tobacco products.

Many FDA locations, directly owned and managed by GSA, require support 24 hours a day, 7 days a week, 365 days a year. These facilities contain labs or vivariums that house activities that cannot be accomplished remotely. The FDA must ensure that these workspaces are operated and maintained so staff can effectively work to protect public health. These resources will also ensure FDA's leased offices and labs across the country are functional and support the workforce in meeting its public health mission.

USER FEES

The FY 2024 proposes to reauthorize the Animal Drug User Fee Act and the Animal Generic Drug User Fee Act. These two user fee programs enhance the FDA's ability to maintain a predictable and timely animal drug review process, foster innovation in drug development, and expedite access to new therapies concerning animal drug reviews.

FDA's Medical product user fee programs were reauthorized from FYs 2023 to 2027 by the FDA User Fee Reauthorization Act of 2022. The user fees reauthorized include: the Prescription Drug User Fee Act, the Generic Drug User Fee Act, the Biosimilars User Fee Act, and the Medical Device User Fee Act.

User fees are critical to enabling FDA to fulfill its mission of protecting public health and enabling the agency to strengthen its efficiency and increase the speed at which products are available to the public. The FY 2024 budget includes a total of $3.3 billion from existing user fees and proposes an increase to the export certification fee program and the tobacco user fee program.

Health Resources and Services Administration

The following tables are in millions of dollars.

Primary Health Care	2022[40]	2023[40]	2024[41]	2024+/-2023
Health Centers	5,553	5,643	6,988	+1,345
Discretionary Budget Authority (non-add)	*1,628*	*1,738*	*1,818*	*+80*
Current Law Mandatory (non-add)	*3,905*	*3,905*	*--*	*-3,905*
Proposed Law Mandatory (non-add)	*--*	*--*	*5,170*	*+5,170*
Ending HIV/AIDS Epidemic (non-add)	*122*	*157*	*172*	*+15*
Alcee Hastings Cancer Screening Program (non-add)	*5*	*10*	*20*	*+10*
Health Centers Tort Claims	120	120	120	--
Free Clinics Medical Malpractice	1	1	1	--
Subtotal, Primary Care	**5,654**	**5,764**	**7,109**	**+1,345**

Health Workforce	2022	2023	2024	2024+/-2023
National Health Service Corps	414	418	966	+548
Discretionary Budget Authority (non-add)	*122*	*126*	*176*	*+50*
Current Law Mandatory (non-add)	*292*	*292*	*--*	*-292*
Proposed Law Mandatory (non-add)	*--*	*--*	*790*	*+790*
Training for Diversity	94	102	113	+11
Training in Primary Care Medicine	49	50	54	+4
Oral Health Training	41	43	43	--
Medical Student Education	55	60	60	--
Teaching Health Centers Graduate Medical Education (THCGME)	119	119	157	+38
THCGME Current Law Mandatory (non-add)	*119*	*119*	*--*	*-119*
THCGME Proposed Law Mandatory (non-add)	*--*	*--*	*157*	*+157*
Area Health Education Centers	45	47	47	--
Behavioral Health Workforce Development Programs	162	197	387	+190
Public Health and Preventive Medicine Programs	17	18	18	--
Nursing Workforce Development	280	300	350	+50
Children's Hospital Graduate Medical Education	375	385	385	--
National Practitioner Data Bank User Fees	19	19	19	--
Supporting the Mental Health of the Health Professions Workforce	--	--	25	+25
Health Care Workforce Innovation Program	--	--	28	+28
Other Workforce Programs	56	63	63	--
Subtotal, Health Workforce	**1,726**	**1,821**	**2,713**	**+892**

Maternal and Child Health	2022	2023	2024	2024+/-2023
Maternal and Child Health Block Grant	733	816	937	+122
Innovation for Maternal Health	12	15	15	--
Training for Health Care Providers	--	--	5	+5
Integrated Services for Pregnant and Postpartum Women	--	10	25	+15
Maternal Mental Health Hotline	4	7	7	--
Sickle Cell Treatment Demonstration Program	7	8	8	--
Autism and Other Developmental Disorders	54	56	57	+1
Heritable Disorders	20	21	21	--
Healthy Start	131	145	185	+40
Early Hearing Detection and Intervention	18	19	19	--
Emergency Medical Services for Children	22	24	28	+4

[40] FY 2022 and 2023 totals reflect sequestration.

[41] Excludes $65 million in transfer funding from PHSSEF for HRSA (Primary Health Care) for expenses related to a disaster or emergency for response and recovery, for the Health Centers Program under section 330 of the PHS Act.

Pediatric Mental Health Care Access Grants	11	13	13	--
Screening and Treatment for Maternal Depression	7	10	10	--
Poison Control Program	26	27	27	--
Maternal, Infant and Early Childhood Home Visiting[42]	377	500	519	+19
Current Law Mandatory (non-add)	*377*	*500*	*519*	*+19*
Proposed Law Mandatory (non-add)	--	--	--	--
Family-to-Family Health Information Centers (Mandatory)	6	6	6	--
Subtotal, Maternal and Child Health	**1,427**	**1,677**	**1,882**	**+205**

Ryan White HIV/AIDS	2022	2023	2024	2024+/-2023
Emergency Relief - Part A	670	681	681	--
Comprehensive Care - Part B	1,344	1,365	1,365	--
AIDS Drug Assistance Program (non-add)	*900*	*900*	*900*	--
Early Intervention - Part C	205	209	209	--
Children, Youth, Women, and Families - Part D	77	78	78	--
AIDS Education and Training Centers - Part F	34	35	35	--
Dental Services - Part F	13	14	14	--
Special Projects of National Significance – Part F	25	25	25	--
Ending HIV Epidemic Initiative	125	165	290	+125
Subtotal, Ryan White HIV/AIDS	**2,495**	**2,571**	**2,696**	**+125**

Health Systems	2022	2023	2024	2024+/-2023
Organ Transplantation	30	31	67	+36
Cell Transplantation and Cord Blood Stem Cell Bank	50	52	52	--
Hansen's Disease Program	14	14	14	--
Other Health Care System Programs	2	2	2	--
Subtotal, Heath Systems	**96**	**99**	**135**	**+36**

Rural Health	2022	2023	2024	2024+/-2023
Rural Outreach Grants	86	93	95	+2
Rural Health Policy Development	11	11	11	--
Rural Hospital Flexibility Grants	62	64	64	--
State Offices of Rural Health	13	13	13	--
Black Lung Clinics	12	12	12	--
Radiation Exposure Screening and Education Programs	2	2	3	+1
Rural Communities Opioids Response Program	135	145	165	+20
Rural Residency Program	11	13	13	--
Rural Health Clinic Behavioral Health Initiative	--	--	10	+10
Financial and Community Sustainability for At-Risk Rural Hospitals Program	--	--	10	+10
Rural Hospital Stabilization Pilot Program	--	--	20	+20
Subtotal, Rural Health	**331**	**352**	**416**	**+63**

[42] FY 2024 level reflects mandatory sequester of 5.7 percent.

Other Activities	2022	2023	2024	2024+/-2023
340B Drug Pricing Program	11	12	17	+5
Family Planning	286	286	512	+226
Program Management[43]	1,213	1,685	169	-1,516
Vaccine Injury Compensation Program Administration	13	15	26	+11
Countermeasures Injury Compensation Program	5	7	15	+8
Telehealth	35	38	45	+7
Long COVID	--	--	130	+130
Subtotal, Other activities	**1,564**	**2,044**	**914**	**-1,130**

HRSA Budget Totals	2022	2023	2024	2024+/-2023
Total, Discretionary Budget Authority	**8,575**	**9,487**	**9,205**	**-282**
Mandatory Funding	4,670	4,823	6,641	+1,818
User Fees	19	19	19	--
Total, Program Level	**13,294**	**14,329**	**15,865**	**+1,536**
Full-Time Equivalents	2,464	2,688	2,845	+157

The Health Resources and Services Administration improves health outcomes and achieves health equity through access to quality services, a skilled health workforce, and innovative, high-value programs.

The Health Resources and Services Administration (HRSA) is the primary federal agency that improves access to healthcare services for people who live in underserved and rural communities across the country. This includes infants, children and adolescents, parents, families, people with HIV/AIDS, and other individuals in need of high-quality healthcare. The FY 2024 budget requests $15.9 billion for HRSA, which is $1.5 billion above FY 2023 enacted. This total includes $9.2 billion in discretionary budget authority and $6.6 billion in mandatory funding and other sources. The budget prioritizes:

- Extending and increasing mandatory funding for the Health Center Program, National Health Service Corps, and the Teaching Hospital Graduate Medical Education program to provide a stable source of funding over 3 years to ensure continued growth of healthcare services and providers;
- A robust healthcare workforce by investing in training and supporting new nurses, primary care clinicians, dentists, mental health, and substance use providers and others;
- Direct healthcare services through key programs such as health centers and the Ryan White HIV/AIDS Program;
- Integrating behavioral health into primary care;
- Reducing maternal mortality;
- Supporting healthcare needs in rural communities; and
- Expanding access to treatment for substance use disorder, including opioids.

EXPANDING ACCESS TO DIRECT HEALTH CARE SERVICES

The FY 2024 budget invests in direct healthcare services through Health Centers and Ryan White HIV/AIDS programs. These safety-net programs deliver critical healthcare services to low-income and vulnerable populations across the United States.

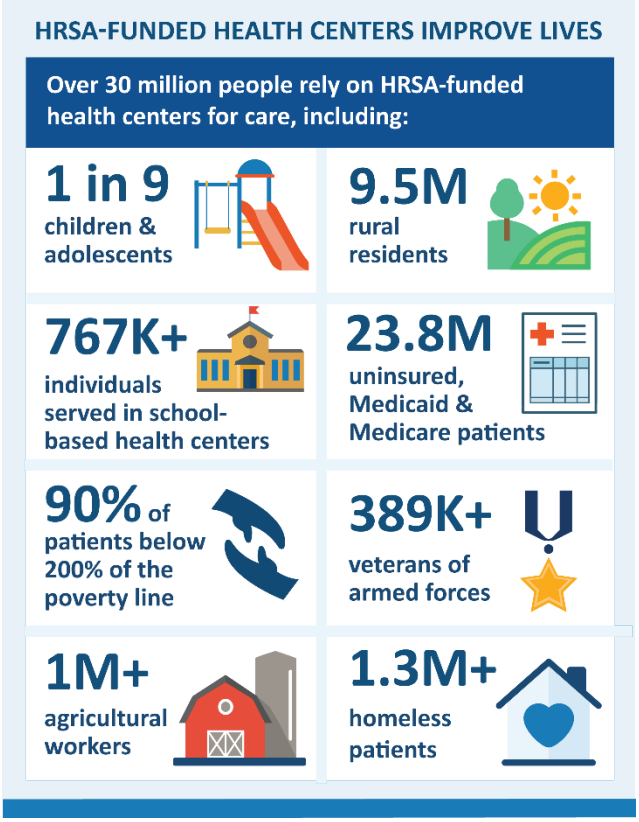
Health Centers

For over 50 years, HRSA's Health Center Program has supported access to comprehensive, culturally competent, quality primary healthcare services. Approximately 1,400 health centers operate nearly 15,000 service delivery sites nationwide. The FY 2024 budget provides $7.1 billion for Health Centers, which includes $1.9 billion in discretionary funding and $5.2 billion in proposed mandatory resources. The budget proposes a pathway to doubling the program's funding with a critical three-year down payment on this goal. The FY 2024 budget for the Health Center program will provide care for approximately 33 million patients across the United States in FY 2024.

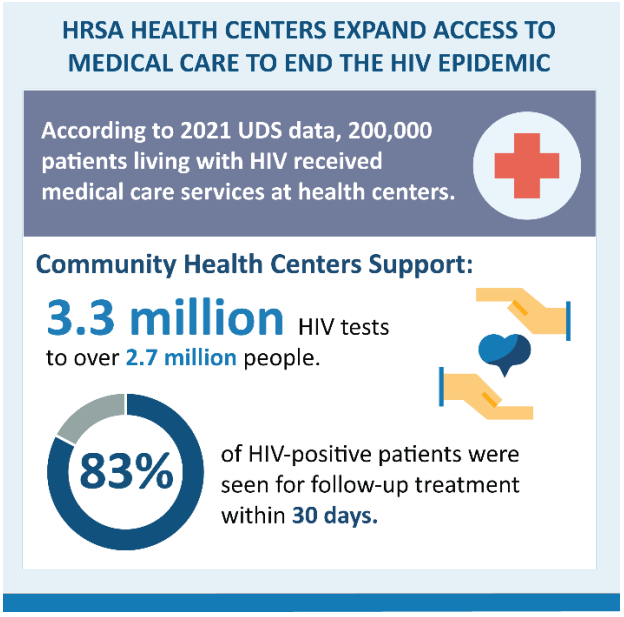
Health centers provide critical primary care and are well-positioned to help address the pressing mental

[43] FY 2024 budget excludes $1.5 billion in congressionally directed earmarks, which are for one-time projects. This contributes to the total reduction in HRSA budget authority.

health and substance use disorder challenges among children, adolescents, and adults. Currently, Health Centers are meeting about one quarter of the estimated demand for behavioral health services among their patients. To address this gap in demand, the budget more than doubles the investment in behavioral health services at health centers by directing $700 million in new mandatory funds to behavioral health service expansion and requiring that all health centers provide behavioral health services.



The proposed funding growth will also support increased hours of operation and patient support. Healthcare patients face many issues in accessing care, including the cost of taking time off work to see a provider, child care costs, transportation issues and other barriers. By supporting health centers in offering extended or weekend hours, the budget would help alleviate some of these barriers and ease access to care.



The Health Center Program also supports the Ending HIV Epidemic and the Cancer Moonshot initiatives, dedicating $172 million to expand PrEP and HIV/AIDS services and $20 million to increase equitable access to cancer screenings and treatment.

GROWING THE NATION'S HEALTH WORKFORCE

HRSA's health workforce programs aim to grow the healthcare workforce, enhance the skills of the workforce, improve the support and recruitment of individuals from diverse communities, and provide support to encourage providers to practice in the communities that need them most. The FY 2024 budget provides $2.7 billion for HRSA workforce programs, which includes $947 million in mandatory resources, to expand workforce capacity across the country.

National Health Service Corps

The National Health Service Corps offers scholarship and loan repayment to healthcare clinicians in return for their commitment to practice in the communities that need them most.

The FY 2024 budget includes $966 million for the National Health Service Corps, an increase of $548 million above FY 2023 enacted. With support from pandemic relief efforts, the National Health Service Corps has grown to historic levels and in 2022, more than 20,000 clinicians are practicing in underserved and rural communities through the program. The budget's investments will sustain this

critical growth and ensure we don't lose ground in this vital provider network. The budget proposes to extend mandatory funding, which expires in FY 2023, through FY 2026 to support the health workforce in high need communities.

Teaching Health Center Graduate Medical Education

The Teaching Health Center Graduate Medical Education Program both grows the number of primary care physician and dental providers and ensures that residency happens in the community, not just in healthcare institutions. The budget includes $157 million in mandatory funding for FY 2024 and extends and increases funding over three years, through FY 2026, to support over 2,000 resident slots by 2026 in these innovative, community-based physician and dental training programs.

Behavioral Health Workforce Development

One in five American adults has a mental health condition and/or substance use disorder. HRSA's behavioral health workforce development programs train new behavioral health providers— including clinicians, peer support specialists, and others—and increase the number of providers practicing in areas of high demand throughout the country. The FY 2024 budget includes $387 million, which is $190 million above FY 2023 enacted, to train about 18,000 behavioral health providers to help respond to the mental health and substance use crisis currently affecting our country.

Expanding and Modernizing the Nursing Workforce

The FY 2024 budget includes $349.9 million for the Nursing Workforce, an increase of $49.5 million over the FY 2023 enacted.

The budget includes an additional $32 million to expand, enhance, and modernize nursing education programs. Among other things, the investment will increase the number of nurse faculty and clinical preceptors. HRSA will emphasize expanding nursing student enrollment and recruiting and supporting the nurse faculty and preceptors necessary to develop new nurses.

The budget includes an increase of $17 million for Advanced Nursing Education to grow and diversify the maternal and perinatal health nursing workforce by increasing the number of Certified Nurse Midwives, with a focus on practitioners working in rural and underserved communities.

HRSA INVESTS IN THE HEALTH WORKFORCE

The budget provides $2.7 billion in mandatory and discretionary resources for HRSA health workforce programs.

National Health Service Corps

$965.6 M for scholarships and loan repayment to clinicians in return for practicing in underserved areas. In 2022, 20,215 clinicians were practicing in underserved communities.

Teaching Health Center Graduate Education Program

$157 M in mandatory funding to increase primary care physicians and dental residents nationwide and expand community-based training.

Behavioral Health Workforce Development

$387.4 M to train 18,000 more behavioral health providers and expand community-based experiential opportunities.

Nursing Workforce Development

$349.9 M to strengthen nursing workforce capacity by training and providing education assistance to nurses.

Health Workforce Innovation

$27.5 M to seed innovative approaches to grow the healthcare workforce and address shortages.

Health Care Workforce Innovation

Healthcare workforce shortages are impacting hospitals, clinics, physician offices, and mental health, and substance use disorder treatment centers, hurting patients' access to care. Additionally, many training curricula and models for training health professionals, particularly in medicine, remain unchanged from decades ago—they do not fully leverage the technology available today. The FY 2024 budget invests $28 million for a new program to address growing concerns around healthcare workforce shortages— this initiative would stimulate and develop innovative approaches to recruiting, supporting, and training new providers, with an emphasis on meeting the needs of underserved communities.

Supporting the Mental Health and Wellness of the Health Professions Workforce

Healthcare professionals experience disproportionate amounts of stress and burnout that put them at risk for a variety of mental health conditions. The FY 2024 budget invests $25 million, in support of the Dr. Lorna Breen Act, for a new program to support the development of a culture of wellness in healthcare facilities including hospitals, rural health clinics, community health centers and medical professional associations. Provider retention is increasingly associated with the environment in which clinicians work and the Budget recognizes that this is an important moment to continue to care for our caregivers.

IMPROVING MATERNAL HEALTH

The FY 2024 budget invests a total of $1.9 billion in HRSA's Maternal and Child Health programs serving nearly 60 million people.

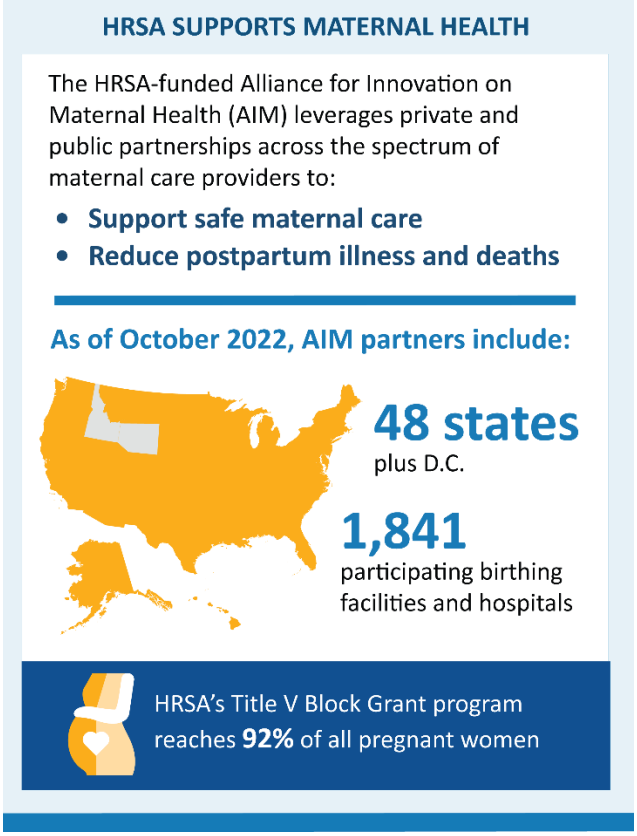
Maternal Mortality

The United States continues to have the highest maternal mortality rate among developed nations. In 2020, more than 800 women died from pregnancy-related causes in the United States, and nearly 20,000 infants died before reaching their first birthday. In addition, each year, tens of thousands of mothers experience severe morbidity—unintended outcomes of labor and delivery that result in life-altering short- or long-term health challenges, such as severe heart issues, hemorrhages, seizures, and blood infections.

The maternal mortality rates are highest for Black and American Indian/Alaska Native women, with rates that are two to three times higher than those for white populations. Recent research shows that these racial gaps persist when controlling for income. These inequities are major drivers of the poor overall U.S. rates of maternal mortality and infant mortality. Geographic disparities in maternal health outcomes also persist, and county-level access to obstetric care services varies widely across states.

Addressing this critical public health issue is a major priority of the Administration included in the White House Blueprint for Addressing the Maternal Health Crisis. To tackle these disparities, the Budget directs $276 million within the Maternal Health total towards reducing maternal mortality and morbidity by improving access to maternal care services, implementing evidence-based interventions to address service gaps, expanding maternal care in rural areas, increasing access to treatment for mental health related issues and addressing maternity care health shortages.

HRSA's Alliance for Innovation on Maternal Health program promotes safety and quality of care during and immediately after childbirth and works to reduce disparities in health outcomes.



HRSA's Integrated Services for Pregnant and Postpartum Women program takes a holistic approach to caring for pregnant and post-partum women. The program aims to reduce negative maternal health outcomes and maternal health disparities, including racial and ethnic disparities, by considering the person's social, emotional, and behavioral health needs along with their overall physical health. The budget includes $25 million, which is $15 million above FY 2023 enacted, to expand support for these comprehensive and integrated healthcare services.

The budget also provides $5 million for the Training for Healthcare Providers program to reduce and prevent biases among healthcare providers in maternity care settings and to improve maternal health outcomes.

Innovation in Maternal Health

The budget total includes $185 million for the Healthy Start program to reduce disparities in infant mortality and improve health outcomes before and after the birth of a child. Within this total, $15 million will allow Healthy Start sites to hire clinical service providers to provide direct access to well-woman care and maternity care services. This will reduce barriers to care and better address health disparities among high-risk and underserved women. The budget also includes an additional $40 million above FY 2023 enacted for a Benefits Bundle demonstration project. This initiative will help low-income families thrive after the birth of a new child by increasing awareness of and access to support and benefits.

COMBATING HIV/AIDS ACROSS OUR NATION

The budget provides $2.7 billion for the Ryan White HIV/AIDS Program, which is $125 million above FY 2023 enacted. This program provides a comprehensive system of primary medical care, essential support services, and medication for people with low incomes living with HIV/AIDS. More than half a million people receive services through the Ryan White Program each year. In 2021, 89.7 percent of Ryan White HIV/AIDS Program clients were virally suppressed, which exceeds the national average of 70.5 percent. This means individuals who have an undetectable viral load, cannot sexually transmit the virus to a partner, and can live long, healthy lives.

The budget increases funding for the Ending the HIV Epidemic in the United States Initiative by providing an additional $125 million above FY 2023 enacted, for a total of $290 million. Funding will support HIV care and treatment for clients in the 50 geographic locations that currently have more than 50 percent of new HIV diagnoses nationally and the seven states with substantial rural HIV burden. This funding will also expand evidence-informed practices to link, engage, and retain people with HIV in care, and support capacity building, technical assistance, program implementation, and oversight – with a focus on reducing disparities in health outcomes and building the capacity of organizations that reflect the communities they serve.

REACHING RURAL COMMUNITIES

HHS will continue to focus on meeting the unique needs of rural communities through targeted HRSA programming.

Rural Health

The FY 2024 Budget invests a total of $416 million for the Federal Office of Rural Health Policy, which is $63 million above FY 2023 enacted, for grants to increase healthcare access, strengthen health networks, and focus on quality-of-care improvements for Critical Access Hospitals, small rural hospitals, and Rural Emergency Hospitals.

Rural Opioids Response

Within the total for Rural Health, the budget invests $165 million for the Rural Communities Opioid Response Program, an increase of $20 million above the FY 2023 enacted. This increase will support the development and continuation of community-based grant programs and technical assistance that provide needed behavioral health, including Opioid Use Disorder and Substance Use Disorder services to rural residents. This investment will enable HHS to continue focusing on emergent behavioral health needs and reducing disparities in health outcomes and access among high-risk populations in rural communities.

Financial and Community Sustainability for At-Risk Rural Hospitals

Small hospitals are a lifeline in rural areas. There have been 143 hospital closures since 2010, including 19 closures in 2020. The FY 2024 budget invests $30 million towards helping rural communities sustain their healthcare infrastructure. Within this amount, $10 million will support a new program will target rural hospitals at-risk for imminent closure. Aiding hospitals and communities is critical to ensure healthcare services remain accessible, which can lead to improved health outcomes. In addition, $20 million for a new pilot program that would provide support to at-risk rural hospitals to enhance and or expand needed service lines. This pilot program would provide market assessments of participating hospitals to assess gaps in services and those clinical areas where expansion would meet local need and generate additional service volume for the participating hospital. This program would assist hospitals in providing services that would help patients avoid having to bypass rural hospitals for more distant facilities. The funding would also work with rural hospitals to identify and move into those services areas that are linked to broader public health needs such as behavioral health, maternity care and those services that could help rural hospitals reduce disparities identified by the CDC in the five leading causes of avoidable or excess death.

Rural Behavioral Health Initiative

Rural areas represent nearly 60 percent of Mental Health Professional Shortage Areas, encompassing more than 25 million people who do not have adequate access to mental healthcare providers. Rural health clinics serve as a key access point for healthcare service where there is no Federally Qualified Health Center. The budget for rural health includes $10 million for a new Rural Health Clinic Behavioral Health Initiative to expand access to mental health services in rural communities.

OTHER HRSA PROGRAMS

Organ Transplantation

The FY 2024 budget includes $67 million for the Organ Transplantation Program, an increase of $36 million above FY 2023 enacted. The Organ Transplantation Program extends and enhances the lives of individuals with end-stage organ failure for whom an organ transplant is the most appropriate therapeutic treatment. In FY 2024, funding will support HRSA's investment in the modernization of the Organ Procurement and Transplantation Network—the system used to allocate and distribute donor organs to individuals waiting for transplants. The funding will support lifesaving modernization of the system to make it more agile, user friendly, accountable, and equitable. The goal is to best meet patients' needs by increasing the availability of, and access to, donor organs for patients with end-stage organ failure.

HHS is committed to addressing priority issues to increase accessibility, transparency, and equitable distribution of organs through the Organ Procurement and Transplantation Network with this funding increase. The budget also includes a legislative proposal to modernize statutory tools governing the Organ Procurement and Transplantation Network to improve oversight, transparency, accountability, and efficiency in the organ transplantation system.

340B Drug Pricing Program

The 340B Drug Pricing Program requires drug manufacturers, as a condition of participating in Medicaid, to provide discounts on outpatient prescription drugs to certain healthcare providers. The budget provides $17 million, an increase of $5 million above FY 2023 enacted, to continue to provide oversight of drug manufacturers and covered providers including additional manufacturer and covered entity audits, support operational improvements including system improvements to support the statutorily mandated Administrative Dispute Resolution process, and increase efficiencies. The funding increase provides resources to improve education of participating covered entities and prospective sites on compliance with statutory requirements to increase compliance. The FY 2024 budget also proposes requiring covered entities to annually report to HRSA how the savings achieved through the Program benefits the communities they serve and provide HRSA regulatory authority to implement this requirement.

Telehealth

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 $45 million for Telehealth, an increase of $7 million above FY 2023 enacted.

Long COVID

The FY 2024 budget provides $130 million in new resources to fund Long COVID Integrated Diagnostics and Care Units ($100 million), which will provide integrated multispecialty evaluation and care for uninsured patients with Long COVID, including through telemedicine. The remaining resources ($30 million) will support Provider Training, Capacity Building and Consultation, which aims to provide primary care providers with knowledge about Long COVID diagnostics and treatment.

Title X Family Planning Program

The Office of the Assistant Secretary for Health administers the Title X Family Planning Program. For more than 50 years, Title X family planning clinics have played a critical role in ensuring access to a broad range of family planning and preventive health services for millions of individuals who are low-income or uninsured. The FY 2024 budget proposes to increase funding for this program by 76 percent above enacted funding levels to $512 million. These investments will support family planning and related services for 4.5 million individuals, with 90 percent having family incomes at or below 250 percent of the federal poverty level.

Indian Health Service

The following tables are in millions of dollars.

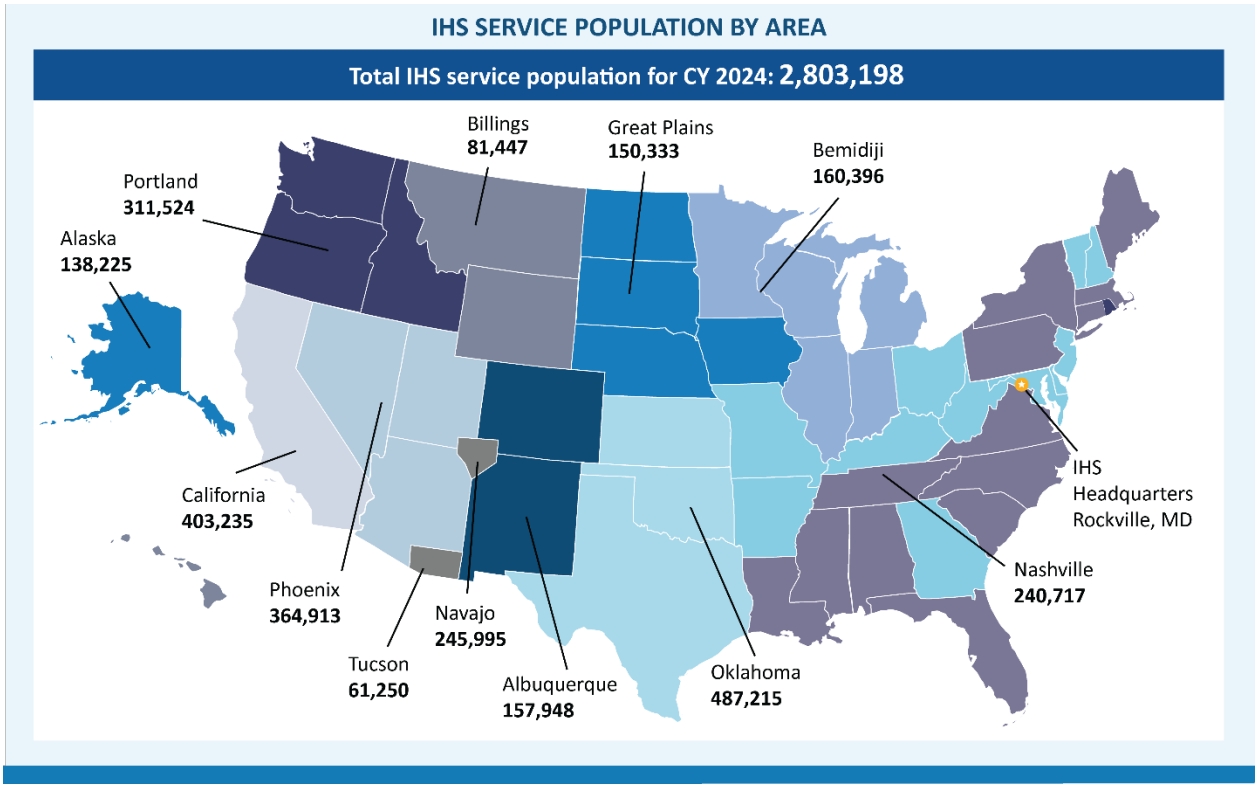
Services Account	2022[44]	2023	2024[45]	2024+/-2023
Clinical Services	**4,191**	**4,433**	**6,437**	**+2,004**
Hospitals and Health Clinics	2,375	2,503	3,554	+1,051
Electronic Health Record System	145	218	913	+696
Dental Health	233	248	319	+71
Mental Health	121	127	164	+37
Alcohol and Substance Abuse	258	266	309	+42
Purchased/Referred Care	985	997	1,178	+181
Indian Health Care Improvement Fund[46]	74	74	--	-74
Preventive Health	**191**	**203**	**238**	**+35**
Public Health Nursing	102	111	132	+22
Health Education	23	24	28	+4
Community Health Representatives	64	65	75	+9
Immunization Programs (Alaska)	2	2	3	--
Other Services	**250**	**284**	**339**	**+55**
Urban Indian Health	73	90	115	+25
Indian Health Professions	73	81	94	+14
Tribal Management Grant Program	2	3	5	+2
Direct Operations	95	104	119	+15
Self-Governance	6	6	6	--
Subtotal, Services Programs	**4,631**	**4,920**	**7,013**	**+2,093**

Facilities Account	2022	2023	2024[45]	2024+/-2023
Maintenance and Improvement	170	171	188	+17
Sanitation Facilities Construction[47]	198	196	201	+5
Health Care Facilities Construction	259	261	261	--
Facilities and Environmental Health Support	283	298	372	+73
Medical Equipment	30	33	45	+12
Subtotal, Facilities Programs	**940**	**959**	**1,066**	**+108**

Contract Support Costs Account[48]	2022	2023	2024	2024+/-2023
Contract Support Costs	880	969	1,168	+199
Subtotal, Contract Support Costs	**880**	**969**	**1,168**	**+199**
Payments for Tribal Leases Account[48]Error! Bookmark not defined.	**2022**	**2023**	**2024**	**2024+/-2023**
Section 105(*l*) Leases	150	111	153	+42
Subtotal, Section 105(*l*) Leases	**150**	**111**	**153**	**+42**
Special Diabetes Program for Indians[49]	**2022**	**2023**	**2024**	**2024+/-2023**
Special Diabetes Program for Indians	147	147	250	+103
Subtotal, Special Diabetes Program for Indians	**147**	**147**	**250**	**+103**
Total IHS Funding Error! Bookmark not defined. [50]	**2022**	**2023**	**2024**	**2024+/-2023**
Total Funding, IHS	**6,749**	**7,105**	**9,650**	**+2,545**

[44] Reflects final levels, including required and permissive transfers, and the rescission of $29 million within Services account total, consistent with the FY 2023 Consolidated Appropriations Act.
[45] Reflects enacted 2024 advance appropriation of $5.1 billion for IHS. Subtotals may not add due to rounding.
[46] The FY 2024 budget proposes to move the Indian Health Care Improvement Fund to the Hospitals and Health Clinics line.
[47] Excludes $700 million appropriated in the Infrastructure Investment and Jobs Act (P.L. 117-58) in FY 2022, FY 2023, and FY 2024.
[48] The FY 2024 budget proposes indefinite mandatory funding for this account, starting in 2024. Funding in FY 2022 and FY 2023 was provided through an indefinite discretionary appropriation.
[49] FY 2022 and FY 2023 funding reflects mandatory sequester of 2 percent. The FY 2024 budget proposes a three-year reauthorization of SDPI as well as the exemption of all IHS funding from sequestration.
[50] Excludes estimated third-party collections. The budget does not propose any changes to the treatment of third-party collections.

The mission of the Indian Health Service is to raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives to the highest level.



The federal government has a unique government-to-government relationship with 574 federally recognized tribes. In accordance with this relationship, the Indian Health Service (IHS) provides healthcare to over 2.8 million American Indians and Alaska Natives (AI/ANs) through IHS and Tribal Health Programs and Urban Indian Organizations, often referred to as the I/T/U or the Indian Health system. IHS consults and partners with tribes to incorporate their priorities and needs into programs that affect their communities. More than 60 percent of the IHS budget is operated directly by tribes who manage their own health programs through self-determination and self-governance agreements.

The Indian Health system is chronically under-funded compared to other health systems in the United States.[51,52] These funding deficiencies directly contribute to stark health disparities in tribal communities. AI/AN people born today have a life expectancy that is 10.9 years less than all other races in the U.S. population. They also experience disproportionate rates of mortality related to most major health issues. The pandemic compounded these disparities. AI/AN life expectancy dropped from an estimated 71.8 years in 2019 to 65.2 years in 2021 – the same life expectancy as the general United States population in 1944.[53] The United States government has a responsibility to provide high-quality, culturally sensitive health care to its AI/AN patients.

FUNDING SOLUTIONS

Advance Appropriations

The Administration prioritizes partnership with tribal and urban Indian organization leaders, Congress, and other key stakeholders to advance policies to address chronic IHS funding challenges. In 2023, with support from Tribes and the Administration, Congress achieved a historic advance for Indian health: advance appropriations for IHS. Advance appropriations provide long overdue funding stability and predictability for the Indian Health system. IHS is already reaping the benefits of the advance

[51] Government Accountability Office Report: *Indian Health Service: Spending Levels and Characteristics of IHS and Three Other Federal Health Care Programs*
[52] United States Commission on Civil Rights Report: *Broken Promises: Continuing Federal Funding Shortfall for Native Americans*
[53] Centers for Disease Control and Prevention National Center for Health Statistics: *Provisional Life Expectancy Estimates for 2021*

appropriation, as hospitals and health clinics have reported this change has improved planning for health care services and increased job security for health care providers.

Robust Funding in FY 2024

Continuing to reinforce the gains enacted in the advance appropriation, this year's budget proposes total IHS funding of $9.7 billion, an increase of $2.5 billion or 36 percent above FY 2023 enacted. Of this amount, $8.1 billion is enacted and proposed discretionary funding, and $1.6 billion is proposed mandatory funding for Contract Support Costs, Section 105(l) Leases, and the Special Diabetes Program for Indians.

Mandatory Funding for FY 2025 and Beyond

Looking beyond 2024, the Administration continues to support full mandatory funding for IHS as the most appropriate long-term funding solution for the agency. We 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 critical facilities activities are not disrupted.

> ***"I've asked Congress, for the first time ever, to make [IHS] funding mandatory…That means the funding would always be there, and it insulates Indian Health Service from budget uncertainties that make it harder to deliver the health care [that] Indian Country deserves."***
>
> *- President Biden, 2022 White House Tribal Nations Summit*

The budget would make all funding for IHS mandatory beginning in FY 2025. Under the proposed mandatory structure, IHS funding would grow automatically to address inflationary factors, key operational needs, and existing backlogs in both healthcare services and facilities infrastructure.

EXPANDING ACCESS TO HIGH-QUALITY HEALTH CARE IN TRIBAL COMMUNITIES

Direct Health Care Services

FY 2024 Discretionary Approach

Persistent health disparities illustrate the need for substantial investments to expand access to direct healthcare services in Indian Country. In FY 2024, the budget builds on the 2024 advance appropriation and includes $7 billion in the Services account, an increase of $2.1 billion above FY 2023 enacted. This funding will expand access to programs that provide essential health services and community-based disease prevention and promotion in tribal communities.

In alignment with the recommendations of tribal leaders, the FY 2024 budget expands direct patient care services across the IHS system through general program increases in:

- Hospitals and Health Clinics by $495 million;
- Purchased/Referred Care by $121 million;
- Dental Services by $45 million;
- Mental Health by $25 million;
- Alcohol & Substance Abuse by $17 million;
- The Urban Indian Health Program by $21 million; and,
- IHS's Preventive Health Programs by $19 million.

These investments will support an estimated additional 2.6 million inpatient and outpatient visits, 529,000 dental services, and 146,000 mental health services in FY 2024. The budget also includes $108 million in 2024 to provide culturally appropriate cancer screening, education, and treatment activities, in support of the President's Cancer Moonshot.

Additionally, the FY 2024 budget fully funds Current Services costs at $346 million. This funding accounts for medical and non-medical inflation, population growth, and pay costs, to ensure base healthcare funding is not eroded by inflationary factors. The budget also fully funds staffing for newly constructed or expanded health care facilities at $82 million in FY 2024 to support the staffing needs of seven facilities, many of which were constructed through the Joint Venture Construction Program:

- Chugachmiut Regional Health Center in Seward, Alaska;

- Dilkon Alternative Rural Health Center in Dilkon, Arizona;
- Naytahwaush Health Center in Naytahwaush, Minnesota;
- Elbowoods Memorial Health Center in New Town, North Dakota;
- Fred LeRoy Health and Wellness Center in Omaha, Nebraska;
- Ysleta Del Sur Health Center in El Paso, Texas; and,
- Rapid City Health Center in Rapid City, South Dakota.

FY 2025 and Outyear Mandatory Approach

Beginning in FY 2025, the budget would make all funding in the Services account mandatory. Funding for direct healthcare services would grow automatically to:

- Account for inflationary factors including Consumer Price Index for All Consumers medical and non-medical inflation, and pay cost growth;
- Provide staffing increases for newly constructed or expanded health care facilities;
- Provide funding for new federally recognized tribes;
- Increase funding (+$12 billion) to address the Level of Need Gap documented by the 2018 Indian Health Care Improvement Fund workgroup. The budget would continue growth for direct services once the 2018 gap is addressed; and,
- Provide additional recurring funding beginning in FY 2025 for long-COVID treatment ($130 million) and to sustain investments made in the American Rescue Plan Act for behavioral health and public health workforce activities ($220 million).

The budget also establishes a new dedicated funding stream of $150 million in FY 2025, that grows to $500 million annually over the budget window, to address public health capacity and infrastructure needs in Indian Country. This funding will support an innovative hub-and-spoke model to address local public health needs in partnership with tribes and urban Indian organizations. Establishing a new program to build public health capacity is a key lesson learned from the COVID-19 pandemic, and a top recommendation shared by tribal leaders in consultation with HHS.

Special Diabetes Program for Indians

The budget proposes to reauthorize the Special Diabetes Program for Indians and provide $250 million in FY 2024, $260 million in FY 2025, and $270 million in FY 2026 in new mandatory funding. This program has proven to be effective at reducing the prevalence of diabetes among AI/AN adults[54], and has also demonstrated an estimated net-savings to Medicare of up to $520 million over 10 years due to averted cases of end-stage renal disease[55]. The budget's proposed increases will enable the program to expand to additional grantees, and allow local recipients to plan for larger and longer-term interventions more effectively.

ADDRESSING KEY INFRASTRUCTURE NEEDS IN INDIAN COUNTRY

Health Information Technology Modernization

The IHS Health Information Technology infrastructure directly supports the delivery of quality healthcare. The Electronic Health Record (EHR) 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 EHR 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. A modernized EHR solution will advance patient safety and outcomes, clinical quality measures, agency performance reporting, improved disease management, and 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

[54] British Medical Journal: *Prevalence of diagnosed diabetes in American Indian and Alaska Native adults, 2006-2017*
[55] HHS Assistant Secretary for Planning and Evaluation Issue Brief: *The Special Diabetes Program for Indians Estimates of Medicare Savings*

FY 2023, IHS will undergo an extensive procurement process to select a new commercial EHR.

The budget fully funds IHS' EHR modernization effort from FY 2024 to FY 2029. In FY 2024, the budget includes $913 million in discretionary funding, an increase of $696 million above FY 2023 enacted, to support procurement of the new EHR and other key project activities. From FY 2025 to FY 2029, the budget provides an additional $1.1 billion each year to fully-fund the transition to the new EHR. This effort will require extensive staff, project and change management efforts, site transition planning, and individualized deployments of the new EHR. Once the EHR modernization effort is complete, the budget ensures sufficient funding is maintained for ongoing maintenance of the new EHR.

Facilities Activities

IHS manages a comprehensive facilities and environmental health portfolio, including programs that support the planning and construction of healthcare facilities, sanitation facilities construction, engineering services, and facilities operations. IHS hospitals are 40 years old on average, which is almost four times the age of the average hospital in the United States. Outdated facilities can pose challenges in providing patient care, recruiting and retaining staff, and meeting accreditation standards. Infrastructure improvements continue to be an urgent need across the Indian Health System.

FY 2024 Discretionary Approach

In FY 2024, the budget builds on the 2024 advance appropriation and includes $1.1 billion for Facilities programs, an increase of $108 million above FY 2023 enacted. Funding increases would support maintenance and improvement of IHS and Tribal facilities (+$10 million) and replacement or repair of medical equipment (+$10 million). The budget also includes additional funding (+$49 million) to address staffing needs associated with implementing supplemental Sanitation Facilities Construction funding appropriated in the Infrastructure Investment and Jobs Act.

FY 2025 and Outyear Mandatory Approach

Beginning in FY 2025, the budget would make all funding in the Facilities account mandatory. Funding would grow automatically to:

- Account for inflationary factors including Consumer Price Index for All Consumers medical and non-medical inflation, and pay cost growth;
- Provide staffing increases for newly constructed or expanded health care facilities;
- Increase funding by $635 million per year from FY 2025 to FY 2029 to address the remaining projects on the 1993 Health Care Facilities Construction Priority List. Funding will continue to increase each year beginning in FY 2030 to begin addressing the full scope of Facilities needs as identified in the most recent IHS Facilities Needs Assessment Report to Congress;[56]
- Increase funding for Sanitation Facilities Construction starting in FY 2027 due to the significant resources appropriated for this program in the Infrastructure Investment and Jobs Act;
- Provide funding increases in FY 2025 and FY 2026 for Maintenance and Improvement (+$511 million) and Medical Equipment (+$227 million) to address current backlogs. Once the backlogs are addressed, the budget ensures sufficient funding is maintained for ongoing maintenance and equipment needs;
- Increase funding for Facilities and Environmental Health Support proportional to growth in the other IHS facilities programs to ensure adequate staffing and operational capacity to carry out proposed facilities funding increases.

OYATE HEALTH CENTER

This new facility was constructed with IHS Health Care Facilities Construction program funding. It will expand and improve healthcare services for American Indians/Alaska Natives in Rapid City, South Dakota and surrounding areas.

FUNDING KEY OPERATIONAL COSTS

Direct Operations

It is critical that IHS has sufficient administrative resources to carry out the bold investments proposed in the budget. In FY 2024, the budget includes $118 million for Direct Operations, an increase of $15 million above FY 2023 enacted, to bolster IHS' core management and inherently federal functions. Direct Operations funding would be mandatory beginning in FY 2025 and would grow by 25 percent each year to ensure the agency maintains adequate oversight, funding implementation, and quality improvement activities.

Contract Support Costs

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 carry out to ensure compliance with the contract but are normally not carried out by IHS in its direct operation of the program. The budget proposes to fully fund Contract Support Costs at an estimated $1.2 billion through an indefinite mandatory appropriation to support these costs in FY 2024. The indefinite mandatory appropriation grows with inflation and is maintained across the 10-year budget window to ensure Contract Support Costs continue to be fully funded each year.

Section 105(*l*) Leases

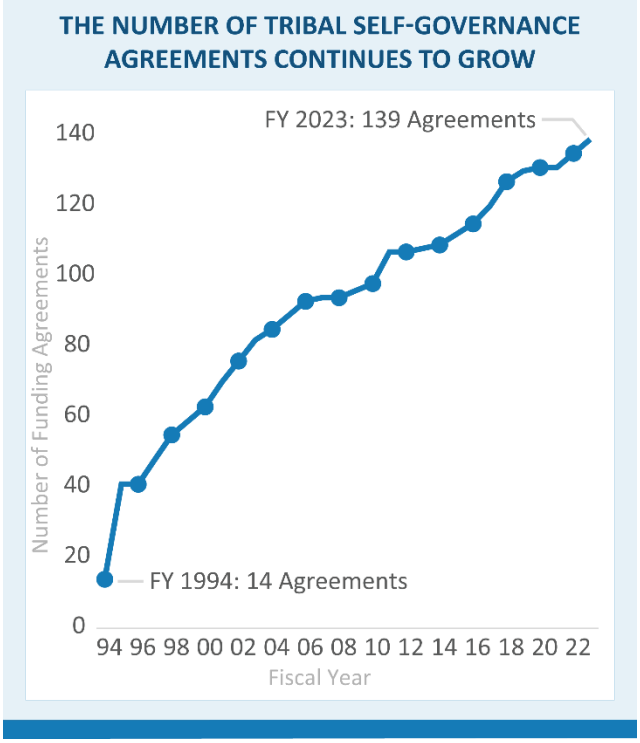
The Indian Self-Determination and Education Assistance Act requires compensation for reasonable operating costs associated with facilities leased or owned by tribes and tribal organizations to carry out health programs under the Act. In FY 2024, the budget proposes to fully fund section 105*(l)* leases, or tribal leases, at an estimated $153 million through an indefinite mandatory appropriation. The indefinite mandatory appropriation grows with inflation and is maintained across the 10-year budget window to ensure section 105(*l*) leases continue to be fully funded each year.

[56] *2016 Indian Health Service and Tribal Health Care Facilities' Needs Assessment Report to Congress*

Supporting Tribal Self-Determination

Ensuring that 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. Tribes design and manage the delivery of individual and community health services through 22 hospitals, 330 health centers, 559 ambulatory clinics, 76 health stations, 146 Alaska village clinics, and 7 school health centers across Indian Country. The budget continues this strong commitment to supporting tribes as they determine the best approach to providing healthcare services in their individual communities.

Working in partnership with tribes and urban Indian organizations is a key pillar of the Administration's work to address IHS funding challenges. The FY 2024 budget reflects key input received through tribal consultation, urban confer, and the national tribal budget formulation process. HHS will continue to collaborate and engage with tribes to incorporate feedback into the long-term mandatory funding solutions proposed for IHS.



Centers for Disease Control and Prevention

The following tables are in millions of dollars.

CDC Programs[57]	2022[58]	2023[59]	2024	2024+/-2023
Immunization and Respiratory Diseases	868	919	1,256	+337
Prevention and Public Health Fund (non-add)	*419*	*419*	*505*	*+86*
HIV/AIDS, Viral Hepatitis, Sexually Transmitted Infection and Tuberculosis Prevention	1,345	1,391	1,545	+153
Emerging and Zoonotic Infectious Diseases	693	751	846	+95
Prevention and Public Health Fund (non-add)	*52*	*52*	*52*	--
Chronic Disease and Health Promotion	1,339	1,430	1,814	+383
Prevention and Public Health Fund (non-add)	*255*	*255*	*262*	*+7*
Birth Defects, Developmental Disabilities, Disabilities & Health	177	206	223	+17
Environmental Health	228	247	421	+174
Prevention and Public Health Fund (non-add)	*17*	*17*	*17*	--
Public Health Service Evaluation Funds (non-add)	--	--	*7*	*+7*
Injury Prevention and Control	715	761	1,352	+590
Public Health and Scientific Services	652	754	962	+207
Prevention and Public Health Fund (non-add)	--	--	*140*	*+140*
Public Health Service Evaluation Funds (non-add)	--	--	*170*	*+170*
Occupational Safety and Health	352	363	363	--
Global Health	647	693	765	+72
Domestic Preparedness[59]	862	905	943	+38
Buildings and Facilities	30	40	55	+15
Crosscutting Activities and Program Support	494	724	1,039	+315
Prevention and Public Health Fund (non-add)	*160*	*160*	*210*	*+50*
Agency for Toxic Substances and Disease Registry (ATSDR)	81	85	86	+1
Total Program Level	**14,716**	**14,466**	**19,508**	**+5,042**

[57] This table reflects totals by budget activity. The FY 2024 budget proposes a single "CDC-Wide Activities and Program Support" account structure.

[58] The FY 2022 column reflects final levels, including required and permissive transfers. Excludes $29.5 million in supplemental funding provided in the Afghanistan Supplemental Appropriations Act, 2022 (P.L. 117-43), and $54 million in the Additional Ukraine Supplemental Appropriations Act (P.L. 117-128).

[59] The FY 2023 column comparably reflects $21.9 million within CDC's total for HHS Protect. FY 2023 Report Language provides $21.9 million from the Public Health and Social Services Emergency Fund (PHSSEF) for HHS Protect, to support activities implemented by CDC. The FY 2024 budget proposes directly appropriated funding to CDC for HHS Protect/Ready Response Enterprise Data Integration Platform. Excludes emergency and supplemental funding of $86 million in the Disaster Relief Supplemental Appropriations Act (P.L. 117-328 Division N). The 2024 Budget proposes the realignment of Public Health Emergency Preparedness Cooperative Agreement; Academic Centers for PH Preparedness; and All Other CDC Preparedness into a new Domestic Preparedness PPA.

CDC Budget Totals	2022	2023	2024	2024+/-2023
Total Program Level	**14,716**	**14,466**	**19,508**	**+5,042**
Less Funds from Other Sources				
Vaccines for Children[60]	5,540	4,434	6,002	+1,568
Vaccines for Adults – Proposed Law Mandatory[60]	--	--	1,004	+1,004
World Trade Center Health Program[60]	641	710	782	+72
Public Health Service Evaluation Funds	--	--	177	+177
Prevention and Public Health Fund	903	903	1,186	+283
Energy Employee Occupational Illness Compensation Program[61]	51	51	51	--
User Fees	2	2	2	--
Total Budget Authority (including ATSDR)	**7,579**	**8,366**	**10,303**	**+1,937**
Full-Time Equivalents (including ATSDR)	12,563	12,842	13,363	+521
Pandemic Preparedness – Proposed Law Mandatory via PHSSEF[62]	--	--	*6,100*	*+6,100*

The Centers for Disease Control and Prevention works 24/7 to protect America from health, safety, and security threats, both foreign and in the United States. Whether diseases start at home or abroad, are chronic or acute, curable or preventable, human error or deliberate attack, the CDC fights disease and supports communities and citizens to do the same. CDC increases the health security of our nation. As the nation's health protection agency, CDC saves lives and protects people from health threats. To accomplish its mission, CDC conducts critical science and provides health information that protects our nation against expensive and dangerous health threats and responds when these threats 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 and authorities included in FY 2024 budget, CDC will continue to work toward the recovery and revitalization of the public health system to address the consequences of the COVID-19 pandemic, and to build a better public health infrastructure for the future. In addition, CDC will advance several targeted public health priorities to reduce violence, prevent chronic and infectious diseases, and mitigate the health impacts of environmental hazards.

The FY 2024 President's Budget includes $19.5 billion in total mandatory and discretionary funding for CDC and the Agency for Toxic Substances and Disease Registry (ATSDR). This total includes $10.5 billion in discretionary funding, $1.2 billion from the Prevention and Public Health Fund, and $8 billion in current and proposed funding for mandatory programs, including a legislative proposal to establish and fund a Vaccines for Adults program. In addition, the FY 2024 budget includes $20 billion in mandatory funding across HHS for pandemic preparedness, which is reflected in the Public Health and Social Services Emergency Fund. Of this total, $6.1 billion is allocated to CDC.

ADVANCING PUBLIC HEALTH CORE CAPABILITIES AND CROSS-CUTTING SUPPORT

The FY 2024 budget prioritizes investments in core capabilities to enhance the public health system at federal, state, and local levels. In addition to streamlining CDC's budget structure, the budget also includes several legislative authorities to allow CDC to function as a public health response agency more effectively and efficiently. This includes additional authorities to:

- Recruit and retain public health professionals;
- Limit caps on overtime pay for employees working on response operations;
- Provide danger pay adjustments to employees serving in high-risk environments; and,
- Collect necessary public health data.

The budget also includes a legislative proposal that would allow CDC to dedicate a small percentage of funding to support a cadre of response-ready staff for short and long-term emergency details or deployments.

[60]Reflects estimates for current and proposed mandatory programs. FY 2023 total for Vaccines for Children reflects latest estimate under current law. FY 2024 total for Vaccines for Children reflects estimate under proposed law to expand Vaccines for Children to include all individuals enrolled in the Children's Health Insurance Program. World Trade Center Health Program funds reflect federal share only.

[61]Reflects post-sequester amounts.

[62]The FY 2024 budget also provides $20 billion in mandatory funding across HHS for pandemic preparedness, which is reflected in the Public Health and Social Services Emergency Fund chapter. Of this total, CDC will receive $6.1 billion.

Improving Public Health Data

The budget includes a suite of strategic investments to enhance the nation's public health data. Specifically, a program level of $340 million, an increase of $165 million above FY 2023 enacted, is included for CDC's ***Data Modernization Initiative***, to address significant needs in public health data systems. This investment will continue bringing systems up to date with technological advancements, improve understanding of early warning signals through increased reporting of syndromic and disease surveillance data, decrease clinical and public health reporting lags, and improve the timeliness and accuracy of death reports.

In addition, the budget includes a dedicated $60 million within CDC to continue to manage the ***Ready Response Enterprise Data 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, to provide timely information to support evidence-based decision-making for current and emerging public health threats.

Launched in April 2022 with supplemental funding from the American Rescue Plan Act, the ***Center for Forecasting and Outbreak Analytics*** has enabled timely, effective decision-making through innovative data analytic and modeling approaches. With the $100 million program level included in the FY 2024 budget, CDC will be able to maintain and grow the center's functionality for COVID-19 and other emerging threats as they arise.

The ***National Healthcare Safety Network*** is the most comprehensive federally funded data collection and quality improvement system for healthcare and is used by nearly 40,000 facilities nationwide. To enhance this critical data resource, the budget includes $50 million, an increase of $26 million above FY 2023 enacted, to meet the increasing demand of the platform and to modernize and improve the timeliness of patient safety and health-related guidance. The budget also includes an additional $2 million above FY 2023 enacted for the ***National Center for Health Statistics,*** the principal federal health statistics agency, to increase timeliness of data releases and number of analytic materials produced annually.

CDC's ***Surveillance for Emerging Threats to Mothers and Babies Network (SET-NET)*** gathers data on how health threats affect pregnancy and early childhood. SET-NET helps inform prevention and treatment guidance for these uniquely susceptible phases of life. The budget includes $40 million, an increase of $17 million above FY 2023 enacted, to support additional jurisdictions to build state SET-NET programs and provide increased support to the 31 currently funded jurisdictions.

Enhancing Crosscutting Support and Public Health Infrastructure

CDC leverages critical cross-cutting resources to effectively implement, manage, and provide oversight of federal funding appropriated to CDC. The budget includes $144 million, $15 million above FY 2023 enacted, for the ***Public Health Leadership and Support*** funding line, to expand CDC's capacity for crosscutting functions including policy, science, and communications, and to support implementation of recommendations from CDC Moving Forward. In addition, the budget includes a $600 million investment, $250 million above FY 2023 enacted, 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, 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 $55 million for ***Buildings and Facilities,*** an increase of $15 million above FY 2023 enacted, CDC will continue to reduce a $194 million maintenance and repairs backlog. This investment is critical to keep CDC facilities fully functional and prepared.

With $28 million for ***Advancing Laboratory Science,*** an increase of $5 million above FY 2023 enacted, CDC will continue to implement agency-wide solutions, which include shortening the development time for diagnostic tests, implementing a new Infectious Disease Test Review Board, and improving the speed and quality of CDC laboratory test results.

The American Rescue Plan Act has provided significant investment in the public health workforce to date. To leverage these strategic investments going forward, and in addition to the Public Health Infrastructure and Capacity funding, the budget includes a total of $106 million in base funding for CDC's ***Public Health***

Workforce training and fellowship programs to ensure there is a current workforce as well as a future pipeline that is ready and able to address public health threats.

PUBLIC HEALTH INFRASTRUCTURE PROVIDES THE FOUNDATION FOR ALL PUBLIC HEALTH SERVICES

Public Health Infrastructure is made up of the **people, services, and systems** needed to promote and protect health in every U.S. community

PREVENTING AND MITIGATING THE IMPACT OF INFECTIOUS DISEASES

Pandemic Preparedness

The FY 2024 budget includes $20 billion in mandatory funding across HHS to support President's plan to 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 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.

Global and Domestic Immunization

The FY 2024 budget highlights critical investments to enhance vaccination efforts to mitigate the health impacts of infectious diseases. Specifically, with $240 million, $10 million above FY 2023 enacted, for the ***Global Immunization Program***. This increase will allow CDC to achieve priority goals including shifting children out of zero-dose status, increasing life-course vaccination, preventing and mitigating large outbreaks and exportations, and working toward essential service targets globally.

The budget includes significant investments in the ***Domestic Immunization*** infrastructure, including an additional $317 million in funding above FY 2023 enacted for the existing discretionary immunization infrastructure. This includes modernizing immunization information systems, implementing new strategies for vaccine equity, building vaccine confidence, expanding the scientific evidence base, and enhancing support in the human papilloma virus (HPV) vaccination efforts in alignment with the Administration's Cancer Moonshot initiative. As a complement to the successful Vaccines for Children program, the budget establishes the ***Vaccines for Adults*** program. This new capped mandatory program will provide uninsured adults with access to routine and outbreak vaccines recommended by the Advisory Committee on Immunization Practices at no cost. The budget would also expand the *Vaccines for Children* program to include all children under age 19 enrolled in a separate Children's Health Insurance Program.

IMMUNIZATION SAVES LIVES & REDUCES HEALTHCARE COSTS

The Vaccines for Children program helps ensure that all children have a better chance of getting their recommended vaccines.

The CDC estimates that vaccination of children born between 1994 and 2018 has:

- Prevented **419 million** illnesses and **26.8 million** hospitalizations
- Helped avoid **936,000** deaths
- Saved nearly **$1.9 trillion** in total societal costs including **$406 billion** in direct costs

Emerging Infectious Diseases

With an additional $40 million above FY 2023 enacted, the budget will expand CDC's core emerging infectious disease work. This includes improving laboratory capabilities at the federal, state, and local levels that are necessary for response to outbreaks for a range of critical and emerging pathogens, including mpox, Ebola, anthrax, and rabies.

Antimicrobial Resistance

The budget prioritizes funding to address the ongoing risk of antimicrobial resistance. With $212 million, an additional $15 million above FY 2023 enacted, 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 help implement and achieve the goals under the National Action Plan for Combating Antibiotic-Resistant Bacteria (CARB), 2020-2025.

Ending the HIV Epidemic (EHE) in the U.S.

The budget includes $310 million, an increase of $90 million above FY 2023 enacted, to continue to advance HHS's efforts to end the HIV/AIDS epidemic. This work will reach disproportionately affected populations, including gay and bisexual men of color, transgender and cisgender Black/African American women, and people who inject drugs. In FY 2024, the CDC will expand innovations, implement approaches that integrate health equity into the entire HIV prevention portfolio, test innovative service delivery models designed to increase access to prevention services, and strengthen engagement of community-based organizations in implementing the Ending the HIV Epidemic in the U.S. initiative.

Within the Office of the Secretary, the Budget also includes a new mandatory Pre-Exposure Prophylaxis (PrEP) Delivery Program to End the HIV Epidemic in the U.S ("PrEP Delivery Program"). The PrEP Delivery Program will complement the EHE initiative and be designed to expand access to PrEP and essential wraparound services for uninsured and underinsured individuals at high risk of HIV infections across the United States.

Cronobacter Infections and other bacterial contaminants

The FY 2024 budget will support efforts to increase standardized surveillance and reporting of *Cronobacter* infections in infants to CDC. CDC will work with public health partners to enhance all aspects of *Cronobacter* surveillance, including creating an electronic surveillance platform, and improving mechanisms for case reporting, notification timelines, laboratory testing methods, outbreak response processes, and disease prevention.

PREVENTING CHRONIC DISEASES AND PROMOTING HEALTHY LIVING

Cancer Moonshot Initiative

The Administration's Cancer Moonshot Initiative is a bold effort to accelerate progress in cancer research and aims to make more therapies available to more patients. In the years since the Cancer Moonshot Initiative was launched, remarkable progress and scientific accomplishments have been made. To support the Cancer Moonshot Initiative goals, the FY 2024 budget includes a total of $839 million to support cancer prevention and control programs across CDC, including tobacco prevention, HPV prevention and analysis of cancer clusters, and laboratory and environmental health activities.

Nutrition and Physical Activity

In support of the White House National Strategy on Hunger, Nutrition, and Health, the FY 2024 budget includes an additional $72 million above FY 2023 enacted to expand the State Physical Activity and Nutrition (SPAN) program to all 50 states, District of Columbia, and 14 territories. The SPAN program works with states to implement evidence-based strategies to reduce chronic disease by improving physical activity and nutrition. Through this program, the Active People, Healthy Nation initiative makes physical activity safe and accessible for all by implementing state and community-level policies and activities that connect pedestrian, bicycle, or transit opportunities to everyday destinations.

Improving Maternal Health

The FY 2024 budget invests an additional $56 million above FY 2023 enacted in CDC programs aimed at reducing maternal mortality. Specifically, additional funding for the Maternal Mortality Review Committees will promote representative community engagement to further expand support for all states and territories and increasing support for tribes. Additional funding will also be directed to expand Perinatal Quality Collaboratives to every state, support community engagement in maternal mortality prevention and to increase support for the Pregnancy Risk Assessment Monitoring System. CDC will also support tools to help states develop coordinated regional systems to help those at high risk of complications receive care at a birth facility that is best prepared to meet their health needs.

BUILDING PUBLIC HEALTH APPROACHES TO PRIORITIZE MENTAL HEALTH

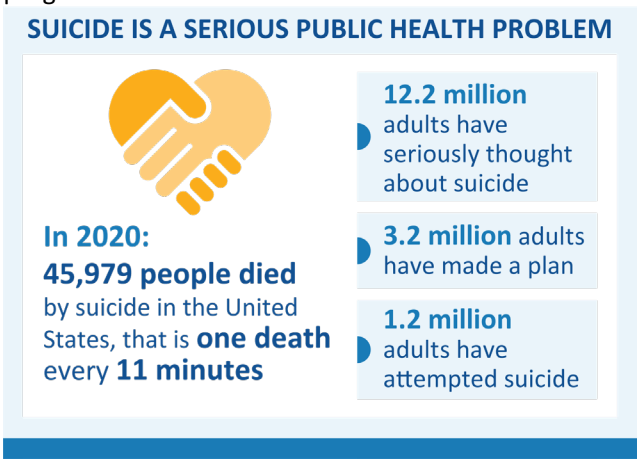
What Works in Schools

The budget request includes $90 million, an increase of $52 million above FY 2023 enacted, for CDC's ***What Works in Schools*** program. CDC will scale up the

program from 28 local education agencies up to 75 of the largest local education agencies nationwide. The program strengthens the integrated delivery of mental health promotion and treatment interventions to students and families across a range of care settings with a focus on Black and Hispanic youth, female students, and LGBTQI+ youth who experience disproportionately adverse mental health outcomes. This comprehensive approach helps schools provide quality health education, connect students to health and behavioral services, and establish safe and supportive school environments, with a specific focus on increasing connectedness.

Suicide Prevention

Multiple factors contribute to 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 goal of suicide prevention is to reduce factors that increase risk and increase factors that promote resilience. CDC's vision is, "no lives lost to suicide." CDC uses data, science, and partnerships to identify and implement effective suicide prevention strategies. The FY 2024 budget requests $80 million, an increase of $50 million above FY 2023 enacted, for the ***Suicide Prevention Program*** to expand CDC's work to all 50 states, the District of Columbia, and 18 tribal and territorial communities, as well as other non-governmental organizations and university research programs to reduce suicide.



REDUCING INJURY AND VIOLENCE

CDC is the nation's leading authority on violence and injury prevention. CDC is focused on priorities including preventing injury and violence, protecting youth, and addressing urgent threats like suicide. The FY 2024 budget includes $1.4 billion, an increase of $590 million above FY 2023 enacted. Within this total, CDC will expand activities related to opioid overdose ($713 million), rape prevention ($102 million), firearm injury and mortality research ($35 million), the National Violent Death Reporting System ($35 million), and adverse childhood experiences ($15 million).

Community and Youth Violence Prevention

Violence is a serious and growing problem in the United States affecting people in all stages of life. The FY 2024 budget includes $268 million, of which $250 million is dedicated to the Community Violence Intervention Initiative. This program supports community-based organizations in 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

Environmental Health

CDC helps protect Americans from environmental hazards, addressing environmental factors that could otherwise pose health risks, and working 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 2024 budget includes $421 million, an increase of $174 million above FY 2023 enacted, to support CDC's environmental health activities. This increase includes $39 million above FY 2023 enacted for the Childhood Lead Poisoning Prevention Program and $100 million above FY 2023 enacted to bolster CDC's efforts in supporting state, tribal, local, and territorial public health agencies as they prepare for specific health impacts of a changing climate, including $10 million to support states to pilot the provision of portable High Efficiency Particulate Air (HEPA) filtration systems in homes and communities most affected by exposure to wildfire smoke, and to better understand the feasibility and health impact of installing such systems.

Within the total for environmental health activities, the budget will also support the Administration's Cancer Moonshot Initiative, with a focus on enhanced study of

cancer clusters and understanding of human health and exposure to hazardous substances and pathways by which exposures may cause or contribute to development of different cancers.

Agency for Toxic Substances and Disease Registry

The Agency for Toxic Substances and Disease Registry (ATSDR) is the only federal health agency that works directly with concerned citizens to address environmental hazards and responds to requests for assistance from communities across the nation. Its work is centered on protecting communities from harmful health effects related to exposure to natural and man-made hazardous substances. 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. The FY 2024 budget includes $86 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

The following tables are in millions of dollars.

Institutes/Centers[63]	2022[64]	2023[65]	2024	2024+/-2023
National Cancer Institute	6,910	7,317	7,820	+503
National Heart, Lung, and Blood Institute	3,810	3,985	3,985	--
National Institute of Dental and Craniofacial Research	501	520	520	--
National Institute of Diabetes and Digestive and Kidney Diseases	2,206	2,303	2,303	--
National Institute of Neurological Disorders and Stroke	2,607	2,809	2,825	+16
National Institute of Allergy and Infectious Diseases	6,322	6,562	6,562	--
National Institute of General Medical Sciences	3,092	3,240	3,240	--
Eunice K. Shriver National Institute of Child Health and Human Development	1,681	1,748	1,748	--
National Eye Institute	864	896	896	--
National Institute of Environmental Health Sciences: Labor/HHS Appropriation	842	914	939	+25
National Institute of Environmental Health Sciences: Interior Appropriation	83	83	83	--
National Institute on Aging	4,223	4,412	4,412	--
National Institute of Arthritis and Musculoskeletal and Skin Diseases	658	688	688	--
National Institute on Deafness and Communication Disorders	515	534	534	--
National Institute of Mental Health	2,221	2,342	2,542	+200
National Institute on Drugs and Addiction[66]	1,596	1,663	1,663	--
National Institute on Alcohol Effects and Alcohol-Associated Disorders[65]	575	597	597	--
National Institute of Nursing Research	181	198	198	--
National Human Genome Research Institute	636	661	661	--
National Institute of Biomedical Imaging and Bioengineering	425	441	441	--
National Institute on Minority Health and Health Disparities	460	525	525	--
National Center for Complementary and Integrative Health	159	170	170	--
National Center for Advancing Translational Sciences	882	923	923	--
Fogarty International Center	87	95	95	--
National Library of Medicine	478	495	495	--
Office of the Director[67]	2,623	2,647	2,898	+251
21st Century Cures Innovation Account[68]	150	419	235	-184
Buildings and Facilities	250	350	350	--
Mandatory Funding – Type 1 Diabetes[69]	141	141	250	+109

[63] Totals may not add due to rounding.

[64] The FY 2022 column reflects final levels, including required transfers and the HIV/AIDS permissive transfer.

[65] The FY 2023 column reflects enacted levels, including required transfers and HIV/AIDS permissive transfer.

[66] The FY 2024 Budget proposes to change the name of the National Institute on Drug Abuse to the National Institute on Drugs and Addiction, and to change the name of the National Institute on Alcohol Abuse and Alcoholism to the National Institute on Alcohol Effects and Alcohol-Associated Disorders.

[67] Amounts for all FYs reflect directed transfer of $5 million to the HHS Office of Inspector General.

[68] Total funding available through the 21st Century Cures Act in FY 2023 is $1,085 million. It is allocated to the National Cancer Institute ($216 million), National Institute of Neurological Disorders and Stroke ($225 million), National Institute of Mental Health ($225 million), and the Innovation Account ($419 million). Total funding available through the 21st Century Cures Act in FY 2024 is $407 million. It is allocated to National Institute of Neurological Disorders and Stroke ($86 million), National Institute of Mental Health ($86 million), and the Innovation Account ($235 million).

[69] Reflects the mandatory sequester of 5.7 percent in FY 2022 and FY 2023. The FY 2024 budget proposes the reauthorization of the mandatory program.

Institutes/Centers[63]	2022[64]	2023[65]	2024	2024+/-2023
Total, Program Level	**45,178**	**47,678**	**48,598**	**+920**
Less Funds from Other Sources	-1,451	-1,554	-2,198	+644
Public Health Service Evaluation Funds	-1,309	-1,412	-1,948	+536
Mandatory Funding – Type 1 Diabetes	-141	-141	-250	+109
NIH Total, Discretionary Budget Authority	**43,727**	**46,125**	**46,400**	**+275**
Mandatory Funding PHSSEF– Pandemic Preparedness (non-add)[70]	--	--	2,690	+2,690
NIH Appropriations	**2022**	**2023**	**2024**	**2024 +/- 2023**
Labor/HHS Appropriation	43,645	46,042	46,317	275
Interior Appropriation	83	83	83	--

Advanced Research Projects Agency for Health[71]	2022	2023	2024	2024 +/- 2023
Advanced Research Projects Agency for Health (ARPA-H)	1,000	1,500	2,500	+1,000
NIH and ARPA-H Total, Discretionary Budget Authority	**44,727**	**47,625**	**48,900**	**+1,275**
NIH and ARPA-H Total, Program Level	**46,178**	**49,178**	**51,098**	**+1,920**

The National Institutes of Health's (NIH) mission is to seek fundamental knowledge about the nature and behavior of living systems and the application of that knowledge to enhance health, lengthen life, and reduce illness and disability.

The NIH mission is to uncover new knowledge that will lead to better health for everyone. NIH works toward that mission by: conducting research in its own laboratories; supporting the research of non-federal scientists in universities, medical schools, hospitals, and research institutions throughout the country and abroad; helping in the training of research investigators; and fostering communication of medical and health sciences information.

The Fiscal Year (FY) 2024 President's Budget provides $48.6 billion in discretionary and mandatory resources for NIH, an increase of $920 million above FY 2023 enacted. The NIH budget continues vital work to address the opioid crisis and end HIV. The budget also continues to make investments in mental health, nutrition, and climate research, and supports NIH's work as part of the Cancer Moonshot. The budget proposes to reauthorize the Special Type 1 Diabetes Program with increased funding over three years, in the amounts of $250 million in 2024, $260 million in 2025, and $270 million in 2026.

In FY 2024, NIH estimates it will support a total of 44,410 research project grants, an increase of 790 above FY 2023, including a total of 10,414 new and competing grants. More than 80 percent of the funds appropriated to NIH will flow out 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 resources will also support the agency's intramural 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.

PANDEMIC PREPAREDNESS

The FY 2024 budget will support pandemic preparedness activities across HHS with mandatory funding of $20 billion, including $2.69 billion for NIH research and development of vaccines, diagnostics, and therapeutics against high priority viral families, biosafety and biosecurity, and expanding laboratory capacity and clinical trial infrastructure. For example, NIH will conduct and support preclinical and clinical research on vaccines and vaccine platforms, monoclonal antibodies (mAbs) and novel adjuvants to provide protection against prototype or representative pathogens. It will support development and clinical trials of additional therapeutic candidates, including host-tissue-directed therapies, and develop both next-generation diagnostics to fill critical gaps and

[70]The FY 2024 budget also provides $20 billion in mandatory funding across HHS for pandemic preparedness, which is reflected in the Public Health and Social Services Emergency Fund chapter. Of this total, NIH will receive $2.7 billion.

[71]The FY 2024 budget captures ARPA-H within NIH for display purposes informed by the ARPA-H FY 2023 authorization language; HHS is presenting separate budget materials for ARPA-H.

innovative clinical and environmental surveillance technologies.

RESEARCH PRIORITIES IN FY 2024

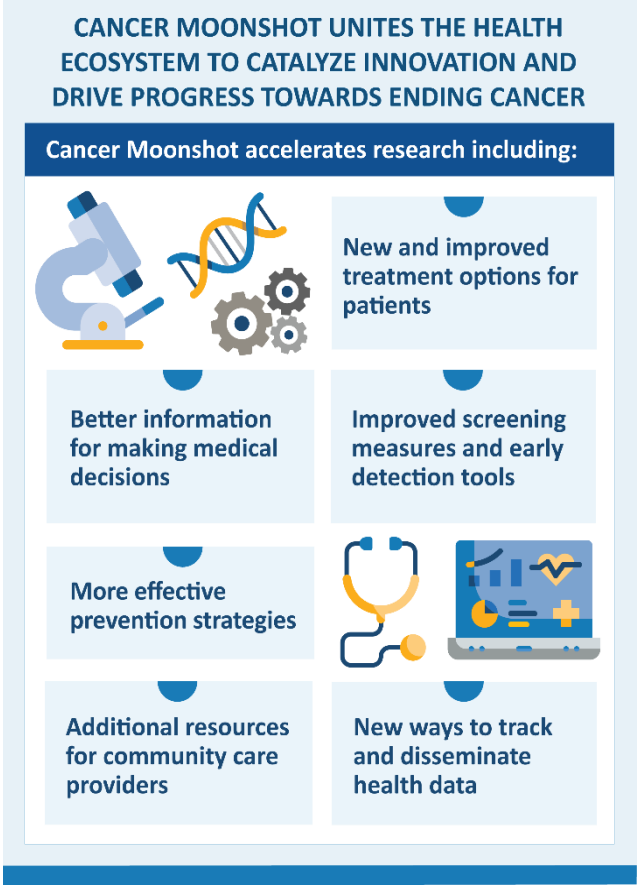
Cancer Moonshot

Since the launch of the Cancer Moonshot in 2016, remarkable progress has been made. The National Cancer Institute has supported more than 250 research projects that achieved the original Cancer Moonshot goals of accelerating discovery, increasing collaboration, and expanding data sharing among the research community. These projects 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.

NCI continues to be committed to supporting the most promising ongoing research projects in support of the Administration's Cancer Moonshot initiative. The budget proposes $716 million for this effort, an increase of $500 million above FY 2023 enacted, and supports the President's goal of reducing the cancer death rate by half within 25 years and improving the lives of people with cancer and cancer survivors.

NCI funding will focus on substantially increasing the number and diversity of people who participate in NCI-sponsored clinical trials to develop new prevention, diagnosis, and treatment approaches at a speedier pace, and continue working towards increasing the pipeline of new cancer drugs. Additionally, the resources will continue to fund the major trial to evaluate multi-center detection tests, the Cancer Moonshot Scholars program, and the NCI Telehealth Research Centers of Excellence, allowing the agency to sustain and progress towards meeting the President's goal to end cancer as we know it.

In addition to discretionary resources requested in FY 2024, the budget also proposes to reauthorize the 21st Century Cures Act Cancer Moonshot through 2026 and provide $2.9 billion in mandatory funding in 2025 and 2026, $1.45 billion each year. In total, the Budget proposes $3.6 billion in combined discretionary and mandatory funding through 2026.



Transforming Nutrition Science

The Office of Nutrition Research focuses on advancing nutrition science to promote health, and to reduce the burden of diet-related diseases and nutrition health disparities. The budget includes $121 million to support nutrition research, including investments that will advance the goals of the White House National Strategy on Hunger, Nutrition, and Health.[72] Resources will expand the efforts of the NIH Common Fund Community Partnerships to Advance Science for Society, and help to ensure diversity and inclusion in nutrition, health, and food security research. Funding will also allow NIH to focus on expanding and diversifying the nutrition science workforce and investing in creative new approaches to advance research regarding the prevention and treatment of diet-related diseases, including the Food is Medicine initiative.

[72] White House National Strategy released in September 2022

All of Us and Brain Research Through Advancing Innovative Neurotechnologies (BRAIN)

The FY 2024 budget includes an additional $462 million in base funding to continue the important momentum of *All of Us* and BRAIN, two initiatives supported by the 21st Century Cures Act. The additional funding holds these initiatives at their FY 2023 level, for a total of $1.2 billion that includes authorized and base funding.

The *All of Us* program seeks to create one of the largest and diverse longitudinal biomedical datasets, leading to breakthroughs in medical research and treatment. The program has the ambitious goal to recruit 1 million participants by 2026. In addition, BRAIN is a groundbreaking initiative that is transforming brain and nervous system research. BRAIN continues to encourage collaboration between researchers from diverse backgrounds and support projects that focus on modulating brain activity to treat conditions, such as depression and epilepsy.

Combatting Overdose and Addiction

The budget includes over $1.8 billion within NIH for opioids, stimulant and pain research, flat with FY 2023 enacted. 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 (HEAL) Initiative.

Founded in 2018, the HEAL initiative strives to address opioid addiction by developing new treatments and strategies to address both pain and opioid use disorder and advance healthy equity by acknowledging the environmental factors that contribute to drug use and chronic pain. In FY 2024, HEAL will focus on the health effects of taking multiple drugs together, find tailored treatment approaches, such as combination therapies, for different environments, and continue research on health disparities in treatment for opioid use disorder, neonatal opioid exposure and maternal health, and integrated pain and mental health treatments.

Health Disparities and Inequities Research

The National Institute on Minority Health and Health Disparities (NIMHD) is the lead institute on research to improve minority health and reduce health disparities, and also works with other NIH Institutes and Centers to expand investments in research on health disparities, fostering collaborations and partnerships to promote and support evidence-based science to address long-standing inequities. NIH will also continue to support the UNITE initiative, an NIH-wide effort committed to ending racial inequities across the biomedical research enterprise that was launched in early FY 2021. In FY 2023 Congress provided increased funding for health disparities research at NIMHD, the National Institute of Nursing Research, the National Institute of General Medical Sciences, and the Fogarty International Center. The FY 2024 budget will continue funding these efforts at $95 million.

Developing a Universal Influenza Vaccine

A priority for the National Institute of Allergy and Infectious Diseases (NIAID) is development of a universal influenza vaccine providing durable protection against multiple influenza strains. The Budget will continue funding this research at $270 million which will allow NIAID to continue focusing on research areas that simultaneously broaden knowledge around basic influenza immunity and advance translational research efforts to drive the universal influenza vaccine development.

Ending the HIV Epidemic (EHE) in the United States

The FY 2024 budget includes $26 million, flat with FY 2023 enacted, for NIH-sponsored Centers for AIDS Research and HIV/AIDS Research Centers to continue efforts toward accomplishing HHS's initiative to end the HIV epidemic in the United States by 2030.

In FY 2024, NIH will build upon this work by addressing the gaps in the current HIV research infrastructure and workforce, as well as address the racial inequities in access to HIV health services. This includes supporting novel research and study designs that are responsive to the ongoing shifts in the HIV epidemic, incorporate innovative technology resources, include diverse study populations and investigators, and focus on dissemination and implementation science.

Improving Maternal Health

The Implementing a Maternal health and PRegnancy Outcomes Vision for Everyone (IMPROVE) Initiative is an evidence-based approach to reduce preventable maternal deaths and associated health disparities for women at all stages of pregnancy. The FY 2024 budget includes funding to continue IMPROVE.

In summer 2023, IMPROVE will implement a national network of Maternal Health Research Centers of Excellence to support research projects that build on previous research and take innovative, community-tailored approaches to address health disparities and

risk factors for maternal morbidity and mortality. This research supports the development of earlier interventions to decrease or prevent negative maternal outcomes and promote maternal health equity.

The FY 2024 budget also provides $3 million to support the *Eunice Kennedy Shriver* National Institute of Child Health and Human Development's (NICHD) continued research on mitigating the effects of COVID-19 on pregnant, lactating, and post-partum individuals, with a focus on individuals from racial and ethnic minority groups.

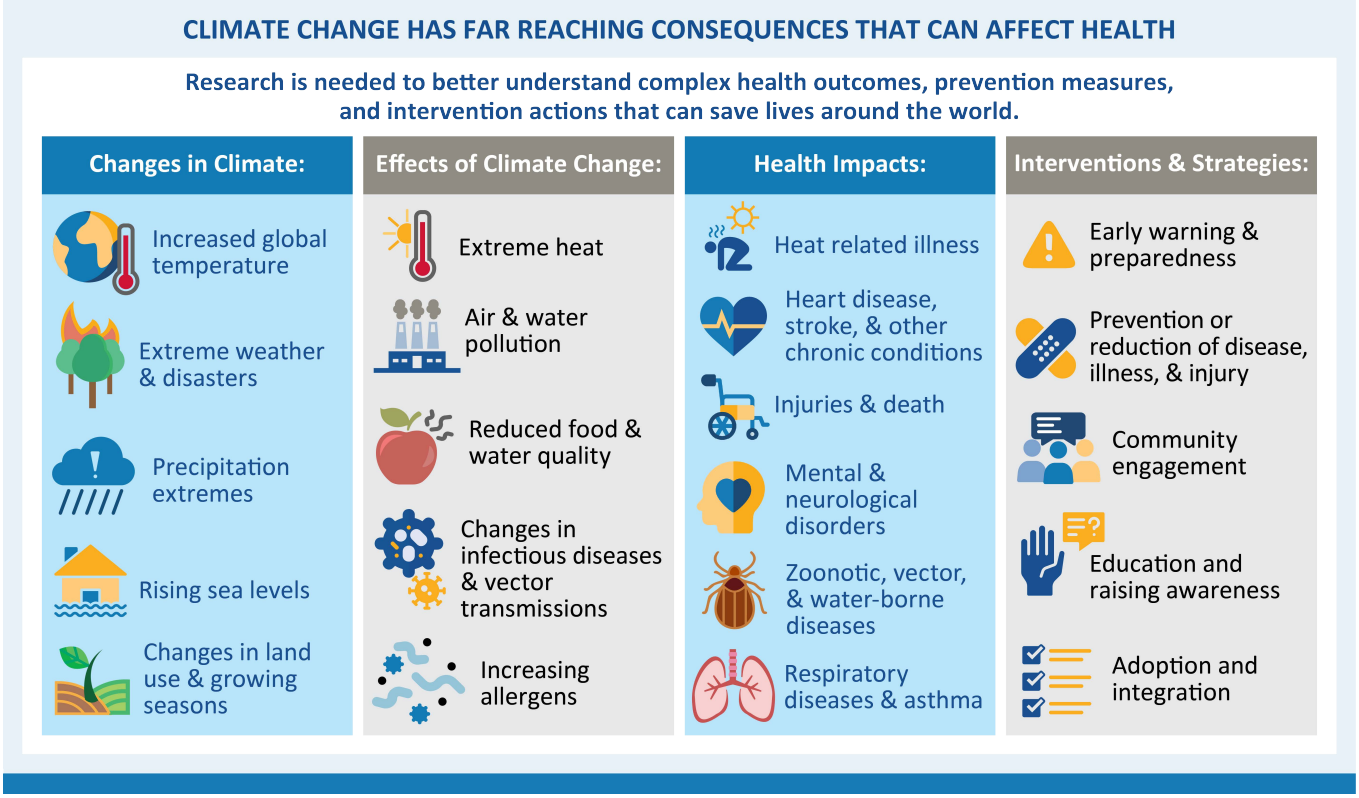
Innovating Mental Health Research and Treatment

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 2024 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. Funding will support a new precision psychiatric initiative that will address two parallel areas of need-biomarker development and precision diagnostics.

Impact of Climate Change on Human Health

The FY 2024 President's Budget will include an increase of $25 million for NIH to continue research and other activities related to climate change, in collaboration and coordination with other federal agencies. NIH not only provides research on human health impacts related to climate change and adaptation but also raises awareness and creates new partnerships to advance key areas of health research and knowledge development on the effects of climate change on human health. In FY 2024, NIH will continue to work towards advancing the key areas of health research and knowledge development on human health effects of climate change. While climate change is a global process, it has very local impacts that can profoundly affect communities, which the Department considers to be one of the top public health challenges in our time.



RESEARCH INFRASTRUCTURE AND CROSSCUTTING PROPOSALS

Buildings and Facilities

A total of $350 million is requested for NIH intramural Buildings and Facilities to ensure the necessary infrastructure for cutting-edge science. This is part of a long-term effort to strengthen stewardship of NIH facilities, informed by a 2019 independent review of facility needs by the National Academies of Sciences, Engineering, and Medicine. Building upon administrative improvements to the NIH capital planning process, these resources will help stem the growth of NIH's backlog of maintenance and repair. The budget also increases flexibility for Institutes and Centers to fund repair and improvement projects.

Legislative Proposals

In addition to reauthorizing the Special Type 1 Diabetes Program, the budget proposes to allow the use of hiring authority within the Undergraduate Scholarship Program and providing the flexibility for awardees during the summer and some awardees being able to receive during the full-year payback obligation.

The budget also proposes to allow the mailing of electronic nicotine delivery systems (ENDS) for the purposes of conducting public health research, investigations, and surveillance.

Overview by Mechanism

The following tables are in millions of dollars.

Mechanism	2022	2023	2024	2024+/- 2023
Research Project Grants (dollars)	25,423	26,806	27,089	+284
[# of Non-Competing Grants]	29,423	30,768	32,055	+1,287
[# of New/Competing Grants]	11,333	10,961	10,414	-547
[# of Small Business Grants]	1,840	1,891	1,941	+50
[Total # of Grants]	42,596	43,620	44,410	+790
Research Centers	2,846	2,909	2,922	+12
Other Research	3,110	3,299	3,489	+191
Research Training	967	1,034	1,051	+17
Research and Development Contracts	3,682	3,829	3,947	+118
Intramural Research	4,828	5,012	5,057	+45
Research Management and Support	2,160	2,305	2,491	+186
Office of the Director[73]	1,799	2,022	2,089	+67
NIH Common Fund (non-add)	670	735	735	--
Office of Research Infrastructure Programs (non-add)	304	309	309	--
OD Appropriation (non-add)	2,773	3,066	3,133	+67
Buildings and Facilities[74]	280	380	380	--
National Institute of Environment Health Services Interior Appropriation (Superfund)	83	83	83	--
Advanced Research Projects Agency for Health	1,000	1,500	2,500	+1,000
NIH and ARPA-H Total, Program Level	**46,178**	**49,178**	**51,098**	**+1,920**

NIH Budget Totals	2022	2023	2024	2024+/- 2023
NIH Total, Program Level	**45,178**	**47,678**	**48,598**	**+920**
NIH and ARPA-H Total, Program Level	**46,178**	**49,178**	**51,098**	**+1,920**
Less Funds from Other Sources	-1,451	-1,554	-2,198	+644
Public Health Service Evaluation Funds (NIGMS)[75]	-1,309	-1,412	-1,948	+536
Current Law Mandatory Funding – Type 1 Diabetes (NIDDK)[76]	-141	-141	-250	+109
NIH Total, Discretionary Budget Authority	**43,727**	**46,125**	**46,400**	**+275**
NIH and ARPA-H Total, Discretionary Budget Authority	**44,727**	**47,625**	**48,900**	**+1,275**

[73] Number of grants and dollars for the Common Fund and Office of Research Infrastructure Programs components of the Office of the Director (OD) are distributed by mechanism and the dollars are noted here as a non-add. OD appropriations are noted as a non-add because the remaining funds are accounted for under OD Other. Includes 21st Century Cures Innovation Account.

[74] Includes Buildings and Facilities appropriation and funds for facility repairs and improvements at the National Cancer Institute Federally Funded Research and Development Center in Frederick, Maryland.

[75] Number of grants and dollars for Program Evaluation Financing are distributed by mechanism above; therefore, the amount is deducted to provide subtotals only for the Labor/HHS Budget Authority.

[76] Number of grants and dollars for mandatory Type I Diabetes are distributed by mechanism above; therefore, Type I Diabetes amount is deducted to provide subtotals only for the Labor/HHS Budget Authority.

Substance use And Mental Health Services Administration

The following tables are in millions of dollars.

Mental Health	2022	2023	2024	2024+/-2023
Community Mental Health Services Block Grant	858	1,008	1,653	+645
PHS Evaluation Funds (non-add)	*21*	*21*	*21*	--
Programs of Regional and National Significance	578	1,044	1,778	+734
Prevention and Public Health Fund (non-add)	*12*	*12*	*12*	--
National Child Traumatic Stress Network	82	94	150	+56
Assisted Outpatient Treatment for Individuals with SMI	21	21	21	
Community Mental Health Centers - Mandatory (Proposed)	0	0	413	+413
Certified Community Behavioral Health Clinics	315	385	553	+168
Children's Mental Health Services	125	130	225	+95
Projects for Assistance in Transition from Homelessness	65	67	110	+43
Protection and Advocacy for Individuals with Mental Illness	38	40	40	--
Subtotal, Mental Health	**2,081**	**2,789**	**4,942**	**+2,153**

Substance Use Prevention Services	2022	2023	2024	2024+/-2023
Programs of Regional and National Significance	218	237	246	+9
Subtotal, Substance Use Prevention	**218**	**237**	**246**	**+9**

Substance Use Services	2022	2023	2024	2024+/-2023
Substance Use Prevention, Treatment and Recovery Block Grant	1,908	2,008	2,708	+700
PHS Evaluation Funds (non-add)	*79*	*79*	*79*	--
Formula Grants to States to Address Opioids	1,525	1,575	2,000	+425
Programs of Regional and National Significance	522	574	755	+181
PHS Evaluation Funds (non-add)	*2*	*2*	*2*	--
Subtotal, Substance Use Treatment	**3,955**	**4,157**	**5,463**	**+1,306**

Health Surveillance and Program Support	2022	2023	2024	2024+/-2023
Program Support	82	85	85	--
Health Surveillance	49	51	53	+3
PHS Evaluation Funds (non-add)	*30*	*30*	*30*	--
Public Awareness and Support	13	13	13	--
Drug Abuse Warning Network	10	13	20	+7
Performance and Quality Information Systems	10	10	10	--
Data Request and Publications, User Fees	2	2	2	--
Behavioral Health Workforce Data and Development, PHS Eval.	1	1	1	--
Congressionally Directed Community Project Funding	128	161	0	-161
Subtotal, Health Surveillance and Program Support	**293**	**335**	**184**	**-151**

SAMHSA[77] Budget Totals	2022	2023	2024	2024+/-2023
Total, Program Level	**6,547**	**7,518**	**10,834**	**+3,317**
Less Funds from Other Sources	-147	-148	-560	-414
Prevention and Public Health Fund (non-add)	*-12*	*-12*	*-12*	*--*
PHS Evaluation Funds (non-add)	*-134*	*-134*	*-134*	*--*
Data Request and Publications User Fees (non-add)	*-2*	*-2*	*-2*	*--*
Community Mental Health Centers – Mandatory (Proposed)	*0*	*0*	*-413*	*-413*
Total, Discretionary Budget Authority	**6,400**	**7,370**	**10,275**	**2,904**
Full-Time Equivalents	615	725	815	+90

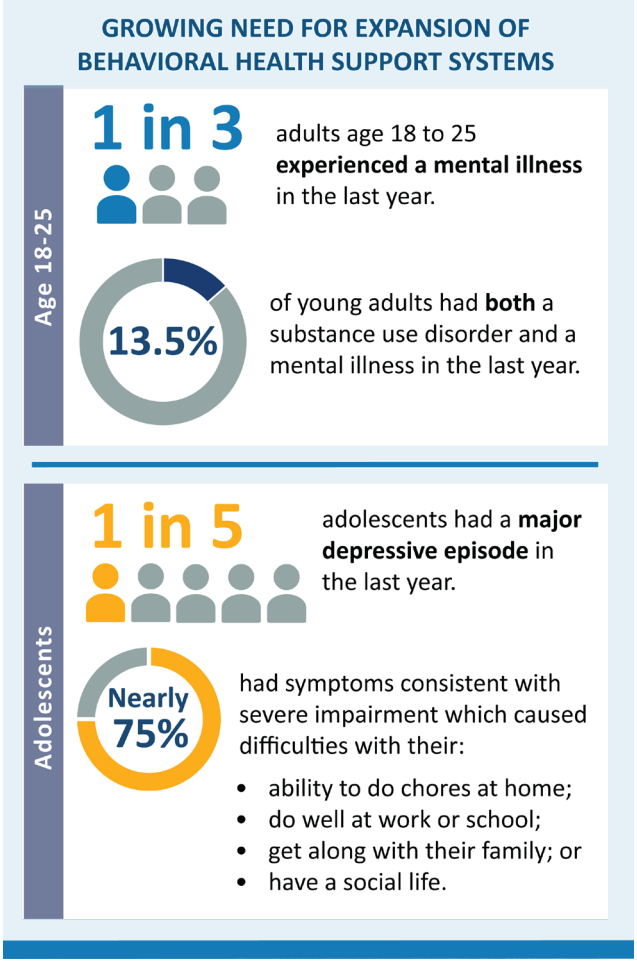
The Substance use And Mental Health Services Administration leads public health efforts and service delivery efforts that promote mental health, prevent substance misuse, and provide treatments and supports to foster recovery while ensuring equitable access and better outcomes.

An estimated 46.3 million Americans aged 12 or older had a substance use disorder and 106,000 people died from a drug-related overdose in 2021. The nation's young people are experiencing growing rates of depression, anxiety, and suicidal thoughts, yet only 41 percent of the 5 million young people who experienced a major depressive episode received depression treatment in the past year. Addressing these challenges and increasing access to care for all Americans is a priority.

The FY 2024 President's Budget provides $10.8 billion for the Substance use And Mental Health Services Administration (SAMHSA), an increase of $3.3 billion above FY 2023 enacted. Building on recent historic gains, the proposed increases for SAMHSA will expand access to lifesaving behavioral health care and grow investments in crisis response, harm reduction, the behavioral health workforce, services to people experiencing homelessness, and recovery services.

INVESTING IN MENTAL HEALTH AND CRISIS RESPONSE

In 2021, approximately 1 in 5 adults in the United States had a mental illness in the past year and 12.3 million adults had serious thoughts of suicide.[78] The FY 2024 budget provides $4.9 billion for SAMHSA's mental health activities, an increase of $2.2 billion over FY 2023 enacted. The proposed investments will address suicide prevention, increase crisis response, and provide direct services to people experiencing homelessness.



1/ https://www.samhsa.gov/data/sites/default/files/2022-12/2021NSDUHFFRHighlights092722.pdf /

[77] The FY 2023 budget proposed to change the name of the Substance use And Mental Health Services Administration by removing "abuse" from the agency name. Individuals do not choose to "abuse" drugs and alcohol; they suffer from a disease known as addiction. The Administration is committed to moving past outdated and stigmatizing language that is harmful to the individuals and families that suffer because of addiction.

[78] 2021 National Survey of Drug Use and Health

9-8-8 and Behavioral Health Crisis Services

In 2020, there was 1 death from suicide about every 11 minutes.[79] Approximately 900,000 youth aged 12-17 and 1.7 million adults attempted suicide in 2021.[80] Suicide is the second leading cause of death for people between ages 10 and 35, and suicide risk is disproportionately high for tribal populations, sexual and gender minorities, middle-aged adults, and veterans.[81] It is critical to provide tailored, culturally relevant services to high-risk populations to meaningfully address the risk factors associated with suicidal ideation. The FY 2024 budget proposals will build on the historic investments in suicide prevention made in FY 2023 and ensure the 9-8-8 and Behavioral Health Crisis Services program is accessible and tailored to all people seeking help.

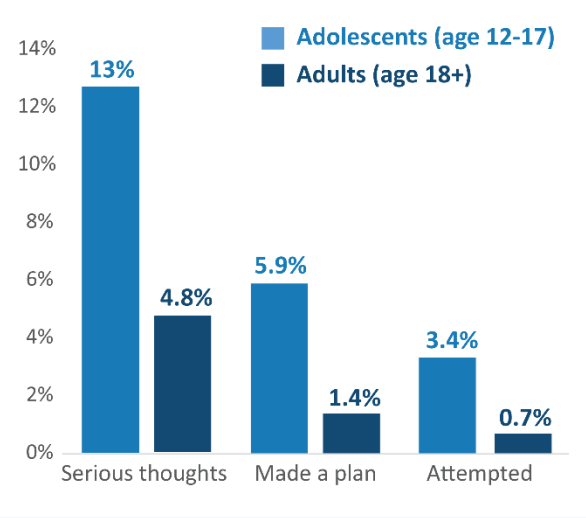
In July 2022, SAMHSA transitioned the National Suicide Prevention Lifeline from a 10-digit number to 9-8-8, a 24/7 lifeline that provides access to trained counselors to people in crisis. With new funding in FY 2022, the 9-8-8 program has successfully accommodated a 45 percent increase in contact volume and significantly increased chat and text response. SAMHSA estimates that the 9-8-8 call centers will respond to approximately 6 million contacts in 2023—compared to approximately 3.6 million answered contacts in 2021. In FY 2024, SAMHSA will dedicate $836 million to the 9-8-8 and Behavioral Health Services program, an increase of $334 million over FY 2023 enacted. This investment will increase capacity for 988 to respond to 100 percent of the estimated 9 million contacts in 2024. This funding will also provide specialized services for LGBTQI+ youth, services for Spanish speakers, invest significantly in local crisis centers, and develop a national media campaign.

Mobile Crisis Response

A fully developed crisis response system answers at any time or place. Investing in the crisis response continuum is critical to providing the right care to people need when they need it most. Mobile crisis is a crucial component of behavioral health care. Effective mobile crisis units reduce reliance on law enforcement and lower the risk of excessive force in crisis response.[82] The budget builds on the nation's growing commitment to mobile crisis centers in a way that will improve quality and advance equity.

The FY 2024 budget request provides $100 million for mobile crisis response, $80 million over FY 2023 enacted. This investment will expand partnerships with 9-8-8 local crisis centers, community providers, 9-1-1 centers, and first responders to promote health-first responses to mental health, suicidal, and substance use crisis events.

MANY ADULTS AND YOUTH EXPERIENCE SUICIDAL THOUGHTS, PLANS, AND ATTEMPTS



2/ https://www.samhsa.gov/data/sites/default/files/2022-12/2021NSDUHFFRHighlights092722.pdf

Expand Access to Care for People Experiencing Homelessness

Individuals with a mental illness are more likely to experience homelessness than those without mental illness, and they experience homelessness longer than the rest of the homeless population. In 2022, 582,462 individuals experienced homelessness on any given night in the United States, and 138,361 people experienced chronic homelessness.[83] Between 2021 and 2022, sheltered homelessness, including people in emergency shelters, transitional housing programs, or safe havens, increased by seven percent.[84] Data

[79] "Facts about Suicide", Centers for Disease Control and Prevention
[80] 2021 National Survey of Drug Use and Health
[81] "Disparities in Suicide", Centers for Disease Control and Prevention
[82] Ready to Respond, Mental Health Beyond Crisis and COVID-19
[83] The U.S. Department of Housing and Urban Development, 2022 CoC Homeless Populations and Subpopulations Reports
[84] Exchange, H. U. D. (2022). The 2022 Annual Homeless Assessment Report (AHAR) to Congress

suggest that approximately 20 percent of individuals experiencing homelessness have a serious mental illness.[85] The budget proposes to significantly increase funding for services to engage those who are most vulnerable in their communities and who are least likely to seek out services on their own.

The FY 2024 budget proposes to provide $110 million for the Projects for Assistance in Transition from Homelessness program, +$43 million above FY 2023 enacted. The costs associated with this program have continued to increase and the number of providers has steadily decreased over the past 10 years. Increasing funding will substantially improve access to services by expanding the communities served and increasing the number of PATH providers, resulting in 212,000 individuals contacted and 119,000 individuals enrolled in FY 2024.

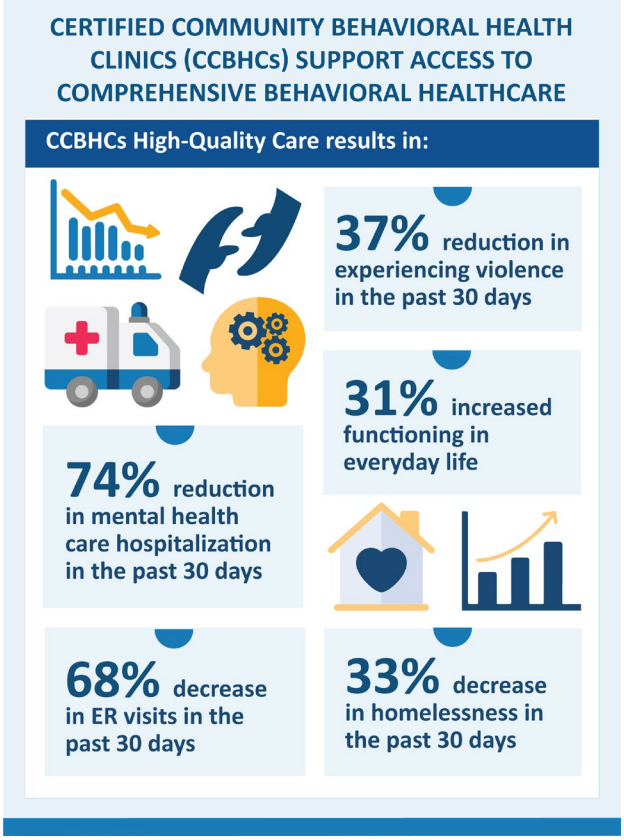
Mental Health Infrastructure

The budget continues to invest in the nation's mental health infrastructure, beginning with $1.7 billion for the Community Mental Health Block Grant, an increase of $645 million above FY 2023 enacted. This block grant provides flexible funding and supports stable and effective services for our nation's most vulnerable populations. In 2021, the block grant served 8.2 million clients; of those served, only 8 percent returned to a state psychiatric hospital within 30 days of discharge.

Community-based behavioral health services meet people in need where they live or work. The budget includes $553 million for the Certified Community Behavioral Health Clinics grant program, an increase of $168 million above FY 2023 enacted. These clinics provide comprehensive, coordinated, high-quality state-certified behavioral health services at the local level and will serve approximately 350,000 individuals in FY 2024.

In support of the President's call for transforming how we deliver mental healthcare, the budget includes a $2 billion mandatory Mental Health System Transformation Fund to expand access to mental health services through workforce development and service expansion, including the development of non-traditional health delivery sites, the integration of quality mental health and substance use care into primary care settings, and dissemination of evidence-based practices. This activity is funded in the Office of the Secretary and the Office of the Assistant Secretary for Health will coordinate this work.

Among the 57.8 million adults with any mental illness in 2021, less than half (47 percent) received mental health services in the past year. Continuing to invest in these critical pieces of mental health infrastructure will ensure high-quality access to care for all Americans, particularly our most vulnerable populations.



3/ SAMHSA National Outcome Measures, 2022

ADDRESS OVERDOSE EPIDEMIC AND SUPPORT RECOVERY

The budget provides $5.7 billion for substance use prevention and treatment activities, an increase of $1.3 billion over FY 2023 enacted, funding states and territories to increase access to treatment for substance use disorder, advance public-health interventions like naloxone, and expand recovery support services.

[85] The U.S. Department of Housing and Urban Development, 2022 CoC Homeless Populations and Subpopulations Reports.

Recovery Support Services

Recovery support services are widely valued by states, communities, healthcare providers, peers, families, researchers, and advocates.[86] The budget provides $158 million for the Targeted Capacity Expansion program, an increase of $36 million over FY 2023 enacted. This proposed increase includes $10 million for a new pilot initiative to combine services that incorporate harm reduction, treatment, and recovery supports with housing and intensive case management. These services will be delivered based on individual assessments at-home and in the community.

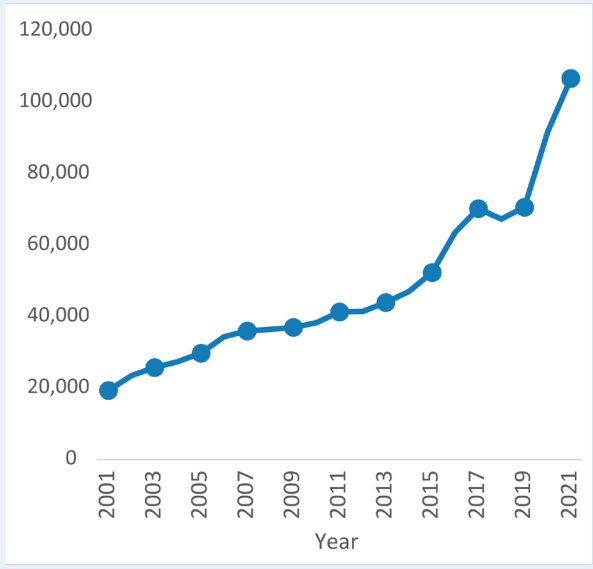
Peer services also play a vital role in assisting individuals in achieving recovery from substance use disorders. The budget provides $28 million for the Building Communities of Recovery program, an increase of $12 million above FY 2023 enacted, to expand peer recovery services and foster a strong community of shared life experiences and a wealth of practical knowledge among program participants. This proposed investment will provide needed investments in this critical component of recovery support services.

Harm Reduction

The 2020 National Survey on Drug Use and Health estimated that approximately 37.5 million people, or about 13.5 percent of all Americans aged 12 and older, would benefit from community harm reduction services. The budget proposes to provide $50 million for a harm reduction program to continue the initiative first created in the American Rescue Plan. Reaching approximately 330,000 individuals, the program would support distribution of naloxone, prevent overdose deaths, increase testing for HIV and viral hepatitis, and provide peer support services.

The budget also proposes to increase access to naloxone by providing $78 million to the First Responder Training program, an increase of $22 million over FY 2023 enacted, and providing $28 million for grants to prevent overdose, an increase of $12 million above FY 2023 enacted.

THE RATE OF DRUG OVERDOSE DEATHS SUBSTANTIALLY INCREASED DURING THE PANDEMIC



4/ https://www.cdc.gov/nchs/data/databriefs/db457.pdfhttps://www.kff.org/medicare/issue-brief/one-in-four-older-adults-report-anxiety-or-depression-amid-the-covid-19-pandemic/

Substance Use Prevention and Treatment Infrastructure

SAMHSA's formula grants support critical prevention, treatment, harm reduction, and recovery support services necessary to improve individual outcomes and reduce the impact of substance misuse on American communities. The budget includes $2.7 billion for the Substance Use Prevention, Treatment, and Recovery Services Block Grant — an increase of $700 million over FY 2023 enacted. This funding will ensure individuals, their families, and communities have access to the range of services needed—serving 1.5 million people in FY 2024. The budget also includes $2 billion for the State Opioid Response grant program, a $425 million increase above FY 2023 enacted, to provide direct services to prevent, treat, and promote recovery from issues related to opioid misuse and stimulant misuse. Within this program, the budget increases the set-aside for tribes to $75 million, to ensure culturally competent prevention and intervention services are available to American Indians/Alaska Natives.

[86] "Recovery and Recovery Support", Substance use And Mental Health Services Administration

BUILDING CAPACITY TO IMPROVE NATION'S BEHAVIORAL HEALTH

The budget continues to support access to high-quality public health data regarding mental health and substance use. The Administration is committed to developing a diverse behavioral workforce and supporting individuals entering the workforce early in their education and career.

Expanding and Diversifying the Behavioral Health Workforce

The budget includes $37 million for SAMHSA's Minority Fellowship Programs, an increase of $17 million over FY 2023 enacted. Since the Fellowship began in 1973, the program has increased the number of culturally competent behavioral health professionals who teach, administer, conduct services research, and provide direct mental illness or substance use disorder treatment services for underserved minority populations. The proposed investment in this program will almost double the number of fellows and increase the number of trained providers to 6,500. The budget also proposes to add a service requirement to ensure participants are supporting communities in need, as well as to add addiction medicine, and sexual and gender minority populations as participants in the Minority Fellowship Program. The Administration is committed to meaningfully expanding the diversity of this critically important healthcare field.

Agency for Healthcare Research and Quality

The following tables are in millions of dollars.

Research on Health Costs, Quality, and Outcomes	2022	2023	2024	2024+/-2023
Health Services Research, Data, and Dissemination	98	111[87]	170	+59
Patient Safety	80	90	91	+1
Digital Healthcare Research	16	16	18	+2
U.S. Preventive Services Task Force	12	12	18	+6
Subtotal, Health Costs, Quality, and Outcomes	**206**	**229**	**297**	**+68**

Medical Expenditure Panel Survey	2022	2023	2024	2024+/-2023
Medical Expenditure Panel Survey	72	72	72	--
Subtotal, Medical Expenditure Panel Survey	**72**	**72**	**72**	**--**

Program Support	2022	2023	2024	2024+/-2023
Program Support	73	73	79	+6
Subtotal, Program Support	**73**	**73**	**79**	**+6**

Patient-Centered Outcomes Research Trust Fund	2022	2023	2024	2024+/-2023
Patient-Centered Outcomes Research Trust Fund	105	111	116	+5
Subtotal, Patient-Centered Outcomes Research Trust Fund	**105**	**111**	**116**	**+5**

AHRQ Budget Totals	2022	2023	2024	2024+/-2023
Total, Budget Authority	350	374	403	+29
Total, Public Health Service Evaluation Funds	0	0	45	+45
Total, Patient-Centered Outcomes Research Trust Fund	105	111	116	+5
Total, Program Level	**455**	**485**	**564**	**+79**

The Agency for Healthcare Research and Quality's mission is to produce scientific evidence to make healthcare safer, higher quality, more accessible, equitable, and affordable, and to work within HHS and with other partners to make sure that the evidence is understood and used to improve healthcare delivery in the United States.

The Agency for Healthcare Research and Quality (AHRQ) is the lead federal agency charged with improving the safety and quality of healthcare for all Americans. AHRQ develops the knowledge, tools, and data needed to improve the healthcare system and help consumers, healthcare professionals, and policymakers make informed health decisions. AHRQ's overarching goal is to improve the lives of patients. The agency aims to help healthcare systems and professionals deliver care that is high quality, safe, equitable, and high value. AHRQ accomplishes its mission by focusing on three core competencies:

Health Services and Systems Research: Investing in research on the nation's health delivery system that goes beyond the "what" of healthcare to understand "how" to make healthcare safer and improve quality.

Practice Improvement: Creating materials to teach and train healthcare systems and professionals to put research results into practice.

Data and Analytics: Generating data, measures and information used by consumers, healthcare professionals, and policymakers.

The FY 2024 budget invests in AHRQ's core program areas of health services research, patient safety, digital healthcare, and sustaining key data resources on access, care delivery, and affordability for all.

The FY 2024 budget requests $564 million for AHRQ. The request includes $403 million in budget authority, $45 million in Public Health Service Evaluation Set Aside funding, and $116 million in mandatory transfers from the Patient-Centered Outcomes Research Trust Fund. The budget supports new behavioral health activities, the development of an all-payer claims database, activities to evaluate the effects of telehealth on healthcare delivery and health outcomes, and the

[87] FY 2023 Enacted has been adjusted to include research grants and contracts requested for the Long COVID portfolio to provide comparability to the FY 2024 President's Budget that integrates this program into the Health Services Research, Data, and Dissemination portfolio.

collection of more robust data focused on maternal health. The budget also provides additional resources to further Long COVID, primary care, and diagnostic safety research.

HEALTH SERVICES, RESEARCH, DATA, AND DISSEMINATION

The principal goals of health services research are to identify the most effective ways to organize, manage, finance, and deliver healthcare that is high quality, safe, equitable, and high value. This portfolio first conducts research on the most pressing questions faced by clinicians, health system leaders, policymakers and others about how to best provide the care patients need, together with appropriate solutions. This research is done through investigator-initiated and directed research grants programs as well as through research contracts. AHRQ also supports the translation and implementation of these research findings by partnering with health delivery systems. Finally, AHRQ creates and disseminates data and analyzes key trends in the quality, safety, equity, and healthcare cost to help users understand and respond to what is driving the delivery of care today. AHRQ also develops measures of quality used to track changes in quality, safety, equity, and healthcare costs over time, providing benchmarks and dashboards for judging the effectiveness of clinical interventions and policy changes.

The FY 2024 budget provides $170 million, an increase of $59 million above FY 2023 enacted, for the health services research, data, and dissemination portfolio.

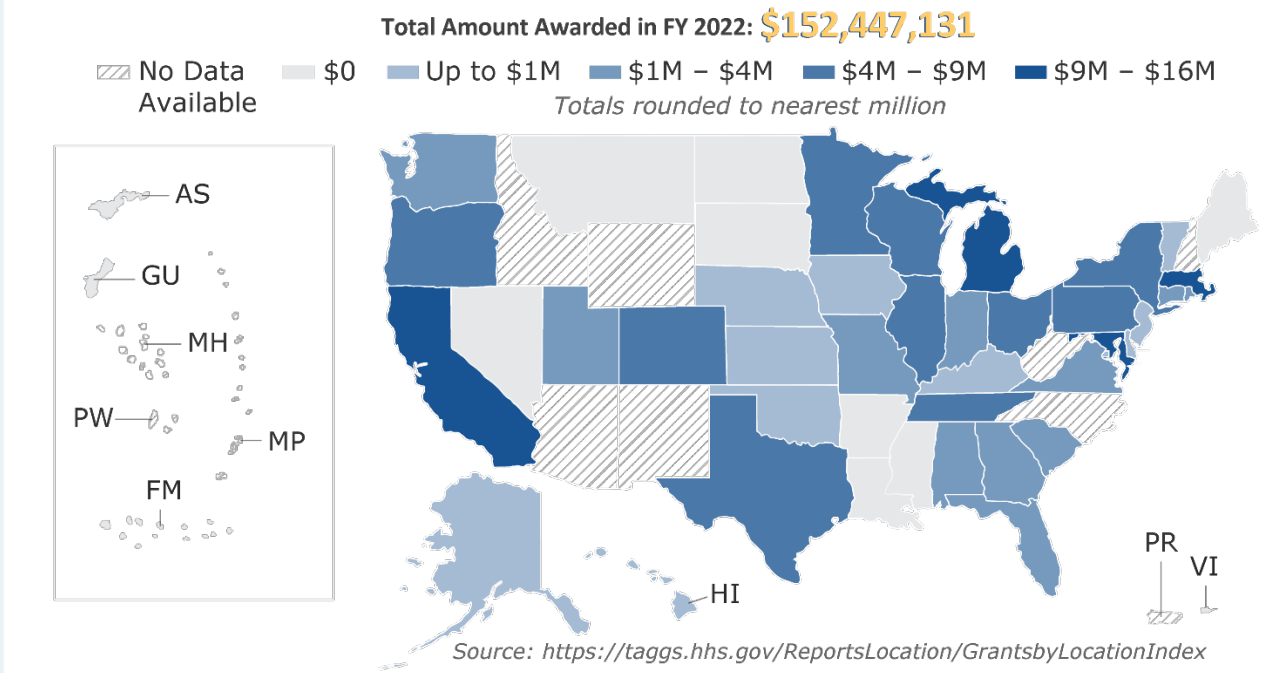
Investigator-Initiated Grants and Contracts

AHRQ-funded research generates new research findings and develops knowledge into practice. The budget provides $59 million, an increase of $6 million above FY 2023 enacted, for investigator-initiated research to support new and continuing general research grants. New investigator-initiated research and training grants are essential to health services research – they ensure new ideas and new investigators are supported each year. In this light, the investigator-initiated grant funding is one of the most vital forces driving health services research in the country.

Primary Care Research

AHRQ is the lead federal agency for Primary Care Research due to additional authorities added within the Affordable Care Act, and as such, is the only Public Health Service agency supporting clinical, primary care research which includes translating science into patient care and better organizing healthcare to meet patient and population needs. The budget proposes an investment of $11 million, an increase of $9 million above FY 2023 enacted, allowing AHRQ to increase support for research in this area.

NATIONWIDE AHRQ GRANT SUPPORT



Behavioral Health

Integrating behavioral health into primary care is an essential strategy for making behavioral healthcare widely available and accessible, thereby addressing rising rates of mental illness, overdose, and suicide. Addressing mental and behavioral issues improves control of chronic physical conditions and better healthcare outcomes. The FY 2024 budget requests $5 million in new funding, which would allow AHRQ to expand behavioral health activities. Specifically, AHRQ will conduct new research to better understand how to scale and spread existing Local Integrated Care Network models. Local Integrated Care Networks provide behavioral health support systems for primary care practices including those providing pediatric and maternity care, and other front-line providers in medically underserved localities. Primary care providers are often the first point of contact with the healthcare system for people living with behavioral and mental health conditions and play a critical role in screening, prevention, diagnosis, and management of these conditions. These activities align with HHS's Roadmap for Behavioral Health Integration.

Improving Maternal Health

The budget requests $7 million to fund AHRQ's contribution to the HHS-wide *Improving Maternal Health Initiative.* Funding would support the first year of the effort. This initiative will focus on expanding state capacity to link local and federal healthcare, vital statistics, and social service data; using predictive analytics to improve maternal health and outcomes; expanding the Medical Expenditure Panel Survey to provide better data on maternity care; and expanding the capacity to measure pregnant individuals' experience with care.

Long COVID

Long COVID is impacting a growing number of people who experience consequences across multiple organ systems, potentially compounded by underlying conditions, with negative impacts on health and quality of life. The FY 2024 budget invests $19 million, an increase of $9 million, to continue Long COVID research activities started in FY 2023. AHRQ's work will ensure healthcare delivery systems are prepared to provide patient-centered, coordinated care.

Patient Experience Measurement Tools

As a result of the COVID-19 pandemic and digital innovation and consolidation, health care delivery is transforming, and the measurement of patient and family experience of care must evolve with it. AHRQ's Consumer Assessment of Healthcare Providers and Systems program aims to advance scientific understanding of patient experience with healthcare. The program is a multi-year AHRQ initiative to support and promote the assessment of consumer experiences (or what occurred from the patient's perspective) within a healthcare setting, with healthcare providers, and with their health plans. In FY 2024, the budget invests $3 million to support one or two competitive grants to explore opportunities for low-burden, purpose-driven patient experience measurement tools that are designed to promote equity. AHRQ will rely on our experience with the Consumer Assessment of Healthcare Providers and Systems to guide this work above FY 2023 enacted.

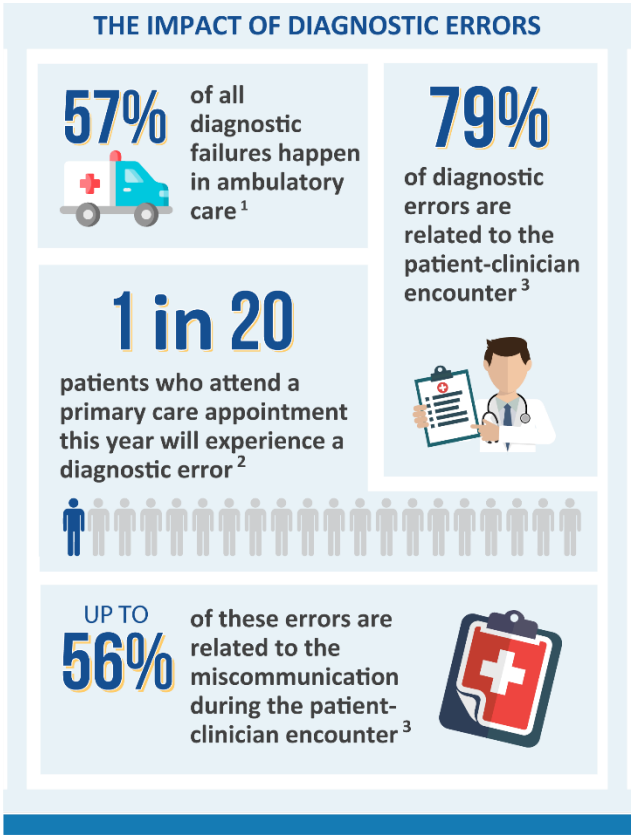
All-Payer Claims Database

The FY 2024 budget provides $7 million to advance HHS efforts to coordinate and align ongoing state-level efforts to develop the necessary infrastructure to create and regularly disseminate a national all-payer claims database (APCD). The APCD, a nationally representative sample of health insurance claims data, could be used to inform public and private policy issues at the state and national levels, address equity issues, and to improve healthcare quality. In addition, AHRQ will enrich the basic national APCD through data linkages, focusing on creating new supplemental databases on medical professionals, organizations delivering health care, other healthcare entities, or local community characteristics. These new supplemental databases linked to the national APCD will create a robust data resource to address emerging policy issues at the state and national levels.

ENHANCING PATIENT SAFETY

At the core of AHRQ's efforts to improve healthcare delivery is a focus on patient safety. AHRQ is the lead federal agency for patient safety research, which includes prevention of diagnostic errors, medical errors, injury, or other preventable harm to a patient during the process of healthcare and risk reduction of unnecessary harm associated with healthcare. AHRQ conducts critical research to advance the field of patient safety and develops tools and resources to ensure health systems and professionals can put this evidence into real-world practice. AHRQ collects data to monitor the nation's progress in preventing harm in healthcare settings. The FY 2024 budget provides

$91 million, an increase of $1 million above FY 2023 enacted, for patient safety research to reduce patient safety risks and harms, support patient safety organizations, and address healthcare-associated infections. The additional resources will support a contract to develop and implement an HHS-wide national patient safety strategy—the HHS Action Alliance.



DIGITAL HEALTHCARE RESEARCH

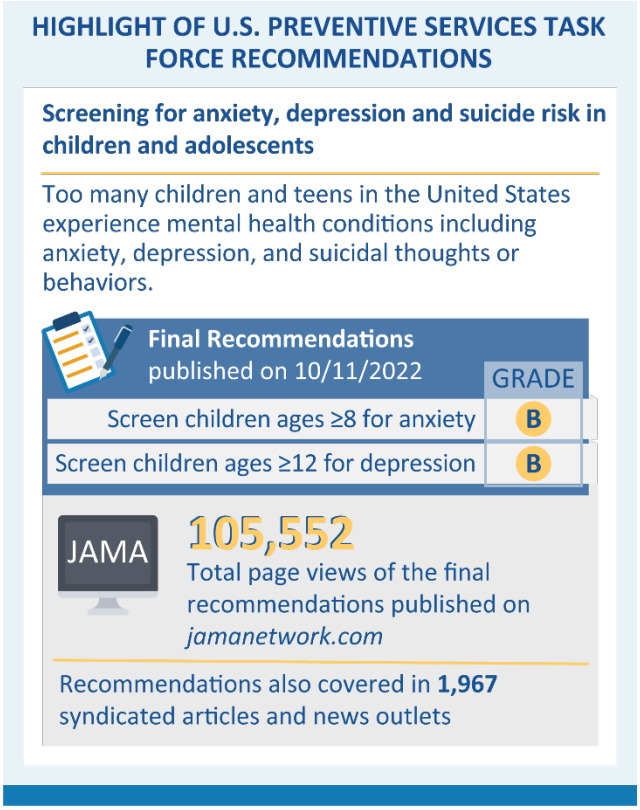
The mission of AHRQ's Digital Healthcare Research Program is to produce and disseminate evidence about how the evolving digital healthcare ecosystem can best advance the quality, safety, and effectiveness of healthcare for patients and their families. The program also funds research to create actionable findings around "what and how digital healthcare technologies work best" for its key stakeholders: patients, clinicians, and health systems working to improve healthcare quality. For the past decade, AHRQ-funded research has consistently informed and shaped programs and policy of the Office of the National Coordinator for Health Information Technology, CMS, U.S. Department of Veterans Affairs, and other federal entities.

The FY 2024 budget provides $18 million for the AHRQ digital healthcare research portfolio, an increase of $2 million above FY 2023 enacted. The increase will support the establishment of two Centers of Excellence in Telehealthcare Implementation. These centers will be charged with researching and evaluating the effects of telehealth on healthcare delivery and health outcomes to ensure the promise of telehealth is delivered through evidence-based practice and policy. This research would include both Medicare and Medicaid populations and focus attention on the impact of telehealthcare on increasing access and equity for minority, aging, and rural people. This research would target also telehealthcare use in mental health, substance abuse, and maternal healthcare. During the COVID-19 pandemic, there was rapid expansion of telehealthcare; it is critical to evaluate its effects to drive improvement both in the short- and long-term.

U.S PREVENTIVE SERVICES TASK FORCE

The U.S. Preventive Services Task Force (Task Force) is an independent, volunteer panel of national experts in prevention and evidence-based medicine. The Task Force works to improve the health of people nationwide by making evidence-based recommendations about clinical preventive services such as screenings, counseling services, and preventive medications. AHRQ provides scientific and

administrative support for the task force, ensuring that it has the evidence it needs to make recommendations; the ability to operate in a transparent, scientifically rigorous, and efficient manner; and the ability to share its recommendations clearly and effectively with the healthcare community and public. In FY 2022, the Task Force issued 12 final recommendation statements. Recent notable recommendations include screening for anxiety, depression, and suicide risk in children and adolescents, and the use of aspirin as a preventive medication for pregnant persons at increased risk for preeclampsia. The budget invests $18 million, an increase of $6 million above FY 2023 enacted, to allow the Task Force to expand the number of clinical preventive services reviews in FY 2024, thereby increasing the number of final recommendations in future years and increasing transparency and patient engagement.



MEDICAL EXPENDITURE PANEL SURVEY

The Medical Expenditure Panel Survey (MEPS) is the most complete source of data on the cost and use of healthcare and health insurance. It is a set of large-scale surveys of families and individuals, their medical providers, and employers across the United States. The FY 2024 budget provides $72 million for this effort, and supports data collection and analytical file production for the MEPS's family of interrelated surveys, which includes household, medical provider, and insurance components. In addition to collecting data supporting annual estimates for a variety of measures related to health insurance coverage and healthcare use and expenditures, MEPS provides estimates of measures related to health status, demographic characteristics, employment, access to healthcare and healthcare quality. One result of these data: AHRQ recently released analyses from the household component, which showed persons making up the top 1 percent of expenses had an average of $151,839 in healthcare expenditures in 2020, an increase of more than $20,000 from previous years.

PROGRAM SUPPORT

The budget includes $79 million, an increase of $6 million above FY 2023 enacted, to support staff and operation costs necessary to carry out the AHRQ's responsibilities. This increase will also fund the addition of two full-time equivalents needed to support large initiatives including patient safety and Long COVID.

IMPLEMENTING PATIENT CENTERED OUTCOMES RESEARCH FINDINGS

In FY 2024, AHRQ will receive $116 million from the Patient-Centered Outcomes Research Trust Fund. This funding will:

- Provide training and career development for researchers and institutions in methods to conduct comparative effectiveness research;
- Continue support for the patient-centered outcomes fellowship program;
- Develop behavioral health integration measures; and
- Advance the use of clinical decision support and other digital technologies to incorporate patient-centered outcomes research findings into clinical practice.

Centers for Medicare & Medicaid Services: Overview

The following tables are in millions of dollars.

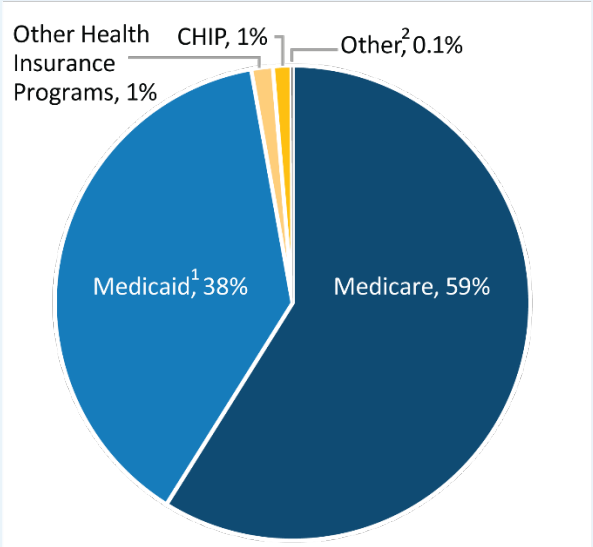
Current Law	2022	2023	2024	2024+/-2023
Total, Net Outlays, Current Law	**1,413,737**	**1,489,806**	**1,451,781**	**-38,025**

Proposed Law	2022	2023	2024	2024+/-2023
Total Proposed Law	--	--	768	+768
Total, Net Outlays, Proposed Law	**1,413,737**	**1,489,806**	**1,452,836**	**-36,970**

The Centers for Medicare & Medicaid Services ensures effective and high-quality healthcare while promoting more equitable and accessible care for all

As the largest single health payer in the United States, the Centers for Medicare & Medicaid Services (CMS) administers Medicare, Medicaid, the Children's Health Insurance Program (CHIP), and the federal Marketplace, Healthcare.gov. Over 160 million Americans rely on CMS programs for high-quality health coverage. The President's Fiscal Year (FY) 2024 Budget estimates $1.5 trillion in mandatory and discretionary outlays for CMS, a net decrease of $38 billion below FY 2023 enacted.

FY 2024 NET FEDERAL OUTLAYS
PROPOSED LAW – $1.5 TRILLION



/1 Medicaid represents total federal spending only
/2 Other includes State Grants and Demos and CMMI

BUDGETARY REQUEST

CMS is dedicated to moving toward a healthcare system that emphasizes equitable and high-quality healthcare access for all Americans. As the Nation's largest administrator of health benefit programs, CMS is uniquely positioned to accelerate initiatives that advance the Secretary's commitment to lower health care costs, expand behavioral services, enhance CMS program access and benefits, transform pandemic preparedness capabilities, advance health equity, end hunger and reduce diet-related diseases and disparities while enhancing food security, strengthen the quality of long-term services and supports including home care, and promote responsible stewardship of taxpayer dollars through good government.

MEDICARE

The budget includes new revenues that will extend Part A Trust Fund solvency by at least 25 years without cutting benefits. The budget invests $8 billion to enhance Medicare benefits, such as preventing diabetes, expanding access to behavioral health services and community health workers, improving the quality and safety of long-term care services, and advancing equity. The Budget also builds on efforts in the Inflation Reduction Act to lower prescription drug prices.

MEDICAID AND CHIP

The budget includes $138 billion in Medicaid and CHIP investments over 10 years to make the Medicaid and CHIP programs more accessible, sustainable, and equitable. Most notably, the budget invests $150 billion over 10 years in Medicaid home and community-based services, as well as support for the workers and caregivers who provide these services, to keep more people in their homes and communities. Similarly, the budget demonstrates the Administration's commitment to addressing health-related social needs, including improving access to coverage for individuals dually eligible for Medicare and Medicaid. Other proposals remove barriers to accessing medications and vaccines, streamline the

eligibility process, and improve care quality, all with the intent to improve health outcomes for beneficiaries.

PRIVATE INSURANCE

The budget for private insurance programs invests $183 billion over 10 years to strengthen healthcare coverage for more Americans through a permanent extension of the enhanced premium tax credits. The budget also provides Medicaid-like coverage to low-income individuals 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 further strengthens consumer protections in behavioral and mental healthcare by closing various loopholes that have resulted in unequitable coverage. Proposals include, providing additional funding for enforcement of mental health parity requirements, and requiring coverage of three behavioral health visits without cost-sharing. The budget extends the Inflation Reduction Act's $35 cap on out-of-pocket costs per monthly insulin product in Medicare to group and individual market plans. Finally, the budget advances the progress made under the No Surprises Act by extending surprise billing protections to ground ambulance services and ensuring that agencies continue to have sufficient funding to enforce and carry out the law.

PROGRAM INTEGRITY

The budget invests $5.2 billion in new mandatory and discretionary Health Care Fraud and Abuse Control (HCFAC) resources over the next decade at HHS and the U.S. Department of Justice to address rapidly growing fraud, waste and abuse threats and schemes. These HCFAC investments, plus new legislative authorities to strengthen program integrity oversight, yield $19.7 billion in savings over 10 years.

DISCRETIONARY PROGRAM MANAGEMENT

The budget request of $4.6 billion for Program Management enables advances in value-based care and access to coverage while continuing to support the ongoing core administrative operations of the Medicare, Medicaid, CHIP, and Marketplace programs. The request invests $566 million to improve oversight of nursing homes and other healthcare facilities, and $25 million to advance health equity.

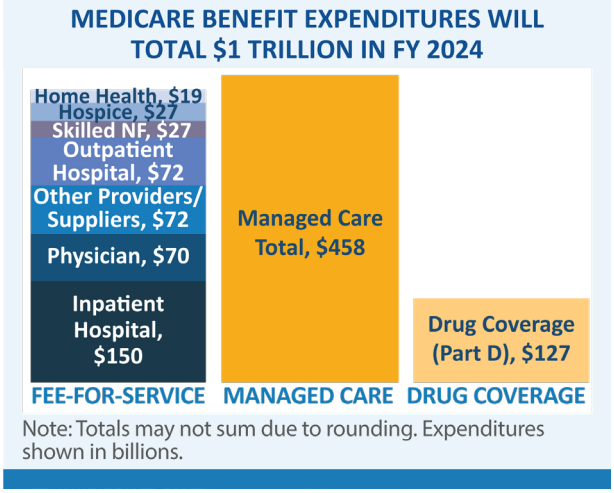
Centers for Medicare & Medicaid Services: Medicare

The following tables are in millions of dollars.

Current Law Outlays and Offsetting Receipts	2022	2023	2024	2024+/-2023
Benefits Spending (gross)[88]	965,995	996,233	1,021,213	24,980
Less: Premiums Paid Directly to Part D Plans[89]	-11,467	-12,243	-12,516	-273
Subtotal, Benefits Net of Direct Part D Premiums Payments	**954,528**	**983,990**	**1,008,697**	**24,707**
Related-Benefit Expenses[90]	58,243	22,610	14,182	-8,428
Repayments of Accelerated and Advance Payments	-61,332	-5,728	0	5,728
Administration[91]	10,230	10,837	12,736	1,899
Total Outlays, Current Law	**1,023,001**	**1,017,437**	**1,035,615**	**18,178**
Premiums and Offsetting Collections	-224,977	-173,135	-180,540	-7,406
Current Law Outlays, Net of Offsetting Receipts	**798,025**	**844,302**	**855,074**	**10,773**

Proposed Law	2022	2023	2024	2024+/-2023
Medicare Proposals, Net of Offsetting Receipts [92]			-1,139	-1,139
Subtotal, Medicare Proposed Law			**-1,139**	**-1,139**
Total Net Outlays, Proposed Law	**798,025**	**844,302**	**853,935**	**9,634**
Mandatory Total Net Outlays, Proposed Policy[93]	**790,129**	**835,893**	**845,051**	**9,159**

Medicare provides health benefits to adults aged 65 and over, individuals with disabilities, and people with End Stage Renal Disease. In FY 2024, the Centers for Medicare & Medicaid Services (CMS) Office of the Actuary estimates that gross current law spending on Medicare benefits will total $1 trillion and the program will provide health benefits to 67 million beneficiaries.



HOW MEDICARE WORKS – THE FOUR PARTS OF MEDICARE

Part A

Medicare Part A pays for healthcare services in inpatient hospitals, skilled nursing facilities and home healthcare related to a hospital stay, and hospice care. A 2.9 percent payroll tax, paid by both employees and employers, is the primary financing mechanism for Part A. Part A gross fee-for-service spending totals an estimated $209.9 billion in FY 2024. Individuals who have worked for 10 years (40 quarters) and paid Medicare taxes during that time generally receive Part A benefits without paying a premium. For those enrolled in Original Medicare (fee-for-service), most services require beneficiary coinsurance. In CY 2023, beneficiaries pay a $1,600 deductible for a hospital stay of 1–60 days, and a $200 daily coinsurance for days 21–100 in a skilled nursing facility.

Part B

Medicare Part B pays for physician, outpatient hospital, End-Stage Renal Disease, laboratory, durable medical

[88] Represents all spending on Medicare benefits by either the federal government or through other beneficiary premiums.

[89] In Part D only, beneficiary premiums paid directly to plans and not from the Trust Funds are netted out.

[90] Includes refundable payments made to providers and plans, transfers to Medicaid, and premiums to Medicare Advantage plans paid out of the Trust Funds from beneficiary Social Security withholdings.

[91] Includes CMS Program Management, the Health Care Fraud and Abuse Control Program, Quality Improvement Organizations, and other administration.

[92] Includes non-legislative savings from program integrity investments in HCFAC and the Social Security Administration.

[93] Removes total Medicare discretionary amount: FY 2022 -$7,896 million; FY 2023 -8,409 million; and FY 2024 -$8,884 million.

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 enrolled in Part B through either Original Medicare or Medicare Advantage in CY 2022. 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 about $225.7 billion in FY 2024.

The standard monthly Part B premium is $164.90 in CY 2023, a $5.20 decrease from $170.10 in CY 2022. Some beneficiaries also pay a higher Part B premium based on income. Those with annual incomes above $97,000 (single), or $194,000 (married) will pay from $230.80 to $560.60 per month in CY 2023, depending on income levels. The Part B annual deductible in CY 2023 is $226.00 for all beneficiaries, a $7.00 decrease from $233.00 in CY 2022.

Part C

Medicare Part C, the Medicare Advantage Program, pays plans a capitated monthly payment to provide 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 participate in Part C may pay monthly plan premiums that vary based on the services offered by the plan and the efficiency of the plan.

Over half of Medicare-eligible beneficiaries are now enrolled in Medicare Advantage. In CY 2023, Medicare Advantage enrollment is expected to total about 32 million beneficiaries, or 53.3 percent of all eligible Medicare beneficiaries. Between 2014 and 2023, private plan enrollment grew by 16 million enrollees, or 107 percent, compared to growth in the overall Medicare population of 23 percent for the same period. Medicare payments for private health coverage under Part C are expected to total $458.3 billion in FY 2024. MedPAC reports payments to plans are 106 percent of what they would be to provide Part A and B benefits in fee-for-service, negatively affecting Part A solvency and increasing Part B premiums for beneficiaries.

Part D

Medicare Part D offers a standard prescription drug benefit with a CY 2023 deductible of $505.00 and base beneficiary premium of approximately $32.74 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. Certain low-income beneficiaries enrolled in the low-income subsidy program have varying degrees of cost-sharing, with copayments ranging from $0 to $10.35 in CY 2023 and low or no monthly premiums. For FY 2024, CMS expects Medicare Part D enrollment to increase three percent from FY 2023 to 54 million, including 14 million beneficiaries who receive the low-income subsidy. CMS estimates Part D program costs total $127.4 billion in FY 2024.

In CY 2023, among beneficiaries with Part D coverage, approximately 43 percent are enrolled in a standalone Part D Prescription Drug Plan, 56 percent are enrolled in a Medicare Advantage Prescription Drug Plan, and two percent are enrolled in a qualifying employer sponsored retiree health plan.

Currently, for most Part D enrollees (those without the low-income subsidy), the Part D defined standard benefit covers 75 percent of drug spending above a deductible and all but five percent coinsurance once a beneficiary reaches an out-of-pocket threshold. In the initial coverage phase, if the combined amount the beneficiary and the drug plan pay for prescription drugs reaches a certain level ($4,660 in CY 2023), the beneficiary enters the Part D coverage gap phase. As of CY 2020, non-low-income subsidy beneficiaries who reach this phase of Medicare Part D coverage continue to pay no more than 25 percent of costs for all covered Part D drugs. Low-income subsidy beneficiaries are statutorily excluded from the coverage gap discount program, and Medicare pays most of their cost-sharing. Beneficiaries stay in this phase until they reach the threshold for qualified out-of-pocket spending ($7,400 in out-of-pocket costs CY 2023), at which point they enter the catastrophic phase and are then generally responsible for no more than five percent of their drug costs. The Inflation Reduction Act makes major changes to the Part D program that start in 2023 and will be phased in over the next several years, as discussed below.

Medicare Quality Improvement Organizations

CMS contracts with Quality Improvement Organizations (QIOs) – experts in quality improvement – to ensure Medicare beneficiaries and their families receive high-quality care and support CMS's goals for better health, better care, and lower costs. The QIOs drive local change by partnering directly with Medicare providers, beneficiaries, families, and other organizations to support innovative approaches to improve quality, accessibility, and affordability, which translates into national quality improvement.

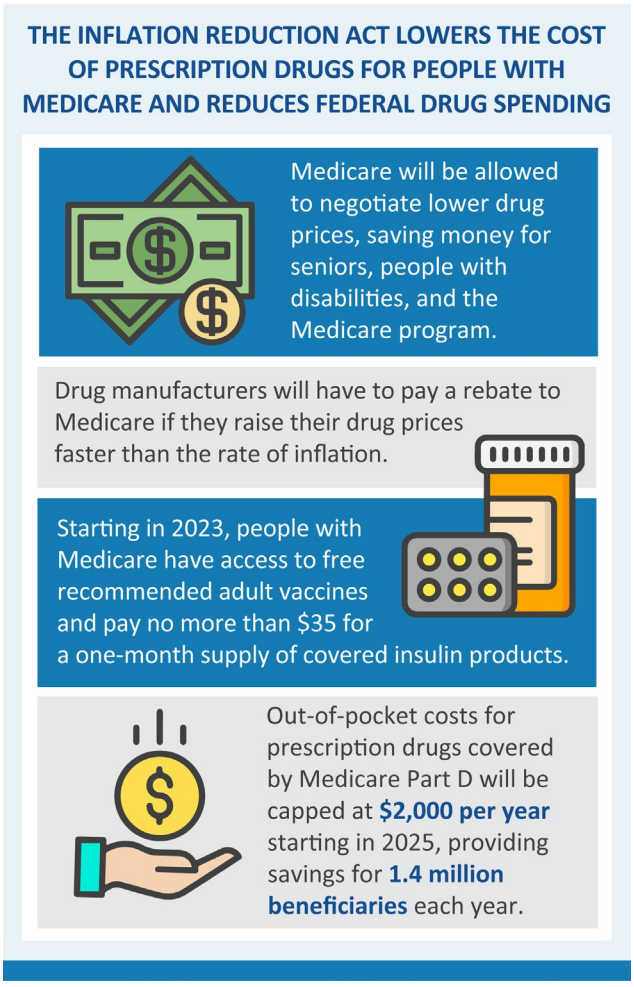
The current five-year contract cycle, or 12th Scope of Work, began FY 2019 and lasts through FY 2023. Spending under this Scope of Work totals $670 million in FY 2023 and $4 billion over five years. There are two types of QIOs that work with providers and beneficiaries: Quality Innovation Network contractors and Beneficiary and Family Centered Care contractors. During the 12th Scope of Work, Quality Innovation Network QIOs assist patients, providers, and communities to improve behavioral health outcomes, decrease opioid misuse, increase patient safety, address chronic disease self-management, and promote effective transitions of care, and work with nursing homes on infection control and other quality of care issues. Quality Innovation Network QIOs also played an essential role in the Department's response to COVID-19 by providing targeted response and technical assistance to nursing homes experiencing infection outbreaks. To date, the Quality Innovation Network QIOs have trained frontline staff and managers in over 11,600 nursing homes on first-of-its-kind COVID-19 infection control techniques. Beneficiary and Family Centered Care organizations perform the program's statutory case review work, including beneficiary complaints, concerns related to early discharge from healthcare settings, and patient and family engagement.

RECENT PROGRAM DEVELOPMENTS

Inflation Reduction Act

The Inflation Reduction Act 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.

The law allows Medicare to negotiate drug prices for certain high expenditure, single source drugs directly with drug manufacturers for the first time. This kind of negotiation, used successfully for decades by the U.S. Departments of Defense and Veterans Affairs and the Indian Health Service, will increase competition, expand access to innovative, life-saving treatments, and lower costs for enrollees and Medicare. By September 1, 2023, Medicare will select and announce the first 10 drugs to be negotiated. The law requires that those 10 are chosen from a list of certain high expenditure, single-source Medicare Part D drugs that do not have generic or biosimilar competition. The Maximum Fair Prices (MFP) negotiated Medicare drug prices for these first 10 drugs will be available for MFP-eligible individuals starting in 2026. Medicare will select and negotiate 15 more Part D drugs for 2027, 15 more Part B or Part D drugs for 2028, and 20 more Part B or Part D drugs for each year after that.



Source: https://www.kff.org/medicare/issue-brief/how-will-the-prescription-drug-provisions-in-the-inflation-reduction-act-affect-medicare-beneficiaries/

Changes in the Medicare Part B program that improve access to high-quality, affordable biosimilars became

effective October 1, 2022. Starting in CY 2023, Medicare beneficiaries have expanded access to recommended, preventive adult vaccines, including the shingles and Tetanus-Diphtheria-Whooping Cough vaccines, with no cost-sharing. Also starting in CY 2023, beneficiaries who use insulin now pay no more than $35.00 per covered insulin product for a one-month supply, including when used with an external insulin pump.

Starting in CY 2024, Medicare beneficiaries with prescription drug coverage will no longer pay cost-sharing toward their prescription drugs in the catastrophic phase. Also beginning in CY 2024, low-income Medicare beneficiaries (those with incomes up to 150 percent of the federal poverty line and who meet resource thresholds) will receive expanded assistance to cover premiums and cost-sharing for their prescriptions.

Beginning in CY 2025, beneficiaries benefit from an unprecedented $2,000 yearly cap on what they pay out-of-pocket for Part D prescription drugs and will have the option to pay their prescription costs in monthly amounts spread over the year rather than all at once.

Drug manufacturers will have to pay a rebate to Medicare if they raise their drug prices on certain Part B and Part D drugs at a rate that is faster than the rate of inflation. In CY 2025, there will be a new Manufacturer Discount Program in Medicare Part D that will require drug manufacturers to pay discounts on certain brand-name drugs and biologic products, both in the initial coverage and catastrophic phases of the Medicare prescription drug benefit. Government reinsurance, the amount that Medicare subsidizes Part D plans for the highest cost beneficiaries in the catastrophic phase, will decrease from 80 percent to 20 percent for most brand-name drugs, biologics, and biosimilars, and will decrease from 80 percent to 40 percent for generics beginning in CY 2025. These changes realign the prescription drug program to reduce Medicare spending and remove previous incentives for drug plans and manufacturers that led to increased drug spending.

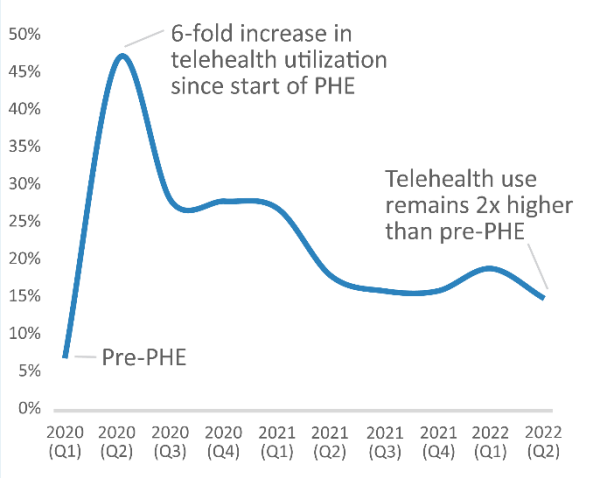
Consolidated Appropriations Act of 2023

Congress enacted legislation with important safeguards and coverage expansions for Medicare enrollees.

Telehealth

In response to the COVID-19 public health emergency, which is set to expire in May 2023, flexibilities for Medicare telehealth services were issued through legislative and regulatory authorities to increase access to care for patients and providers. The Consolidated Appropriations Act of 2023 recently extended many of these flexibilities through December 31, 2024. Extended telehealth flexibilities include waiving geographic and site of service originating site restrictions so that Medicare patients can continue to use telehealth services from their home and allowing audio-only telehealth services. Additionally, the expanded list of providers eligible to deliver telehealth services is also extended so Medicare beneficiaries can continue to receive telehealth services furnished by physical therapists, occupational therapists, speech language pathologists, and audiologists, as well as receive telehealth services from Rural Health Clinics and Federally Qualified Health Centers through December 31, 2024.

PERCENTAGE OF MEDICARE BENEFICIARIES WITH A TELEHEALTH SERVICE UTILIZATION REMAINS ABOVE PRE-PANDEMIC LEVELS



Source: https://data.cms.gov/sites/default/files/2022-12/a7c3a319-5ded-4baf-ad7c-9aa2a897263a/Medicare%20Telehealth%20Trends%20Snapshot%2020221201.pdf

Additionally, recent legislative and regulatory changes made several telehealth flexibilities permanent. Federally Qualified Health Centers and Rural Health Clinics can furnish certain behavioral and mental health services via telecommunications technology. Medicare patients can continue to receive these telehealth services in their home as geographic restrictions on the originating site are eliminated for these telehealth services. Certain behavioral and mental telehealth services can be delivered using audio-only

communication platforms, and rural emergency hospitals can serve as an originating site for telehealth services.

Behavioral Health Improvements

The act strengthens behavioral health for the Medicare population. The law makes behavioral healthcare more accessible for Medicare beneficiaries by adding coverage for intensive outpatient mental health programs, covering treatment provided by marriage and family therapists and mental health counselors, and the development of new mobile crisis codes, that will increase Medicare payment rates for certain crisis care services provided in settings outside of an office or facility setting, such as mobile units and homes.

Other Benefit Expansions

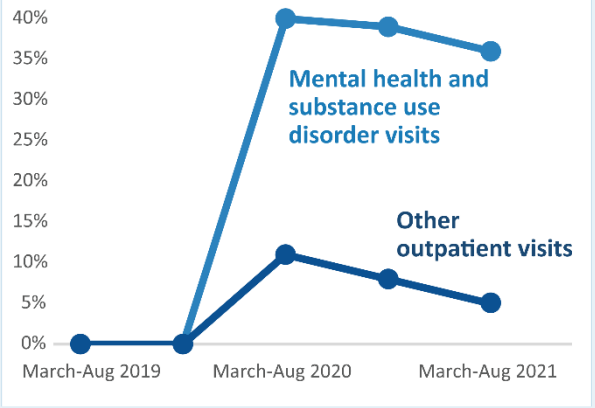
The same legislation provides temporary Part D coverage of oral antiviral medications allowed under an emergency use authorization to help combat the spread of COVID-19 and other deadly viruses. In addition, starting in CY 2024, Medicare will cover certain compression garments for the treatment of lymphedema.

Nursing Home Oversight

In 2022, the Administration took steps to improve nursing home safety and quality through examining staffing requirements, improving quality incentives, expanding oversight, and promoting transparency. CMS will release a proposal in spring 2023 for minimum staffing levels in nursing homes, and to address hiring, HHS and the U.S. Department of Labor are working together to make hundreds of millions of dollars available for training and recruiting of nurses and caregivers. To encourage better quality outcomes, CMS included a nearly $1 billion increase in payments to Skilled Nursing Facilities in FY 2023 and made updates to the Skilled Nursing Facilities Quality Reporting and Value-Based Purchasing Programs. CMS also implemented rules to raise the safety-standards for poor-performing nursing homes, increase penalties for violations, and require nursing home owners to undergo federal background checks to reduce fraud and abuse. The agency has taken steps to enhance transparency for consumers by improving the Nursing Home Five-Star Quality Rating System and Care Compare website, including releasing data publicly on Medicare-enrolled hospital and nursing home ownership and changes of ownership (i.e., mergers, acquisitions, and consolidations). Additionally, alongside the Consumer Financial Protection Bureau, CMS is protecting residents and their families by drawing attention to illegal debt collection by nursing homes. Lastly, the Administration is prioritizing safe and high-quality nursing home care by requiring an infection control specialist be on site and educating residents on the benefits of vaccines.

TELEHEALTH SUPPORTS ACCESS TO BEHAVIORAL HEALTH SERVICES

Mental health and substance use services by telehealth has remained elevated whereas other outpatient care use by telehealth has declined.



Source: https://www.kff.org/coronavirus-covid-19/issue-brief/telehealth-has-played-an-outsized-role-meeting-mental-health-needs-during-the-covid-19-pandemic/

Behavioral Health

CMS is executing a multi-faceted approach to increase access to equitable and high-quality behavioral health services and improve outcomes for people covered by Medicare. In 2022, CMS issued its Behavioral Health Strategy that aligns with the Administration's commitment to ensure that every American gets the behavioral healthcare they deserve. The CMS Behavioral Health Strategy enables well-coordinated and effectively integrated care with a data-informed approach to remove barriers to care and services, including prevention and treatment services for substance use disorders, mental health services, crisis intervention, and pain care, while promoting person-centered behavioral healthcare.

Through recent regulatory action, CMS finalized a series of new Medicare behavioral health policies to improve access for Medicare beneficiaries to behavioral health services and make greater use of the

services of behavioral health professionals, such as licensed professional counselors and Licensed Marriage and Family Therapists, and auxiliary personnel.

Accountable Care

In 2022, CMS took major steps to drive value in healthcare by finalizing a redesign of the Medicare Shared Savings Program. The Shared Savings Program encourages providers to come together to create Accountable Care Organizations, which agree to be held accountable for the quality, cost, and patient experience of an assigned Medicare fee-for-service beneficiary population. To advance equity, CMS will now pay advance shared savings payments to certain accountable care organizations that serve underserved populations and provide greater flexibility in the progression to performance-based risk. To sustain and grow program participation, the new rules also reduce the impact of accountable care organizations' prior performance on their spending targets and eliminate burdensome reporting requirements.

These new policies are designed to reverse the recent stagnation in the number of beneficiaries in the value-based care program and the underrepresentation of higher spending populations and high need populations. These changes will help the program better achieve its goal of achieving better health for individuals, better population health, and lower expenditures.

Streamlining Enrollment

CMS is implementing changes to simplify enrollment in and expand access to Medicare coverage. These changes, made possible by the Consolidated Appropriations Act of 2021, eliminate confusing coverage waiting periods and allow for a remedy when beneficiaries miss their enrollment periods by creating special enrollment opportunities. These changes align with the Administration's Executive Orders on transforming federal customer experience and strengthening access to affordable, high-quality health coverage.

2024 LEGISLATIVE PROPOSALS

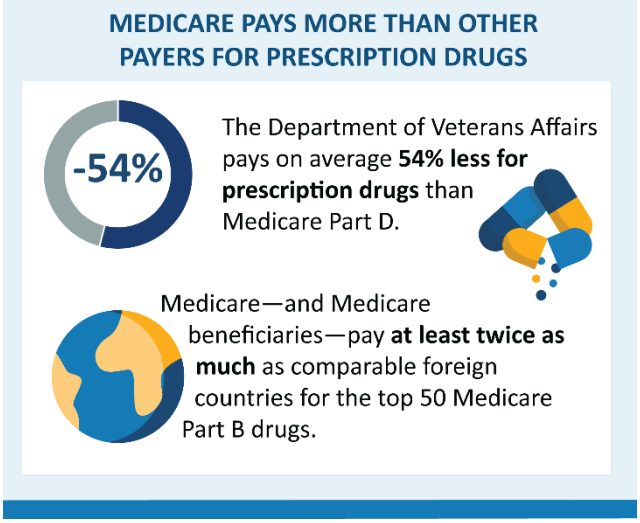
The legislative package extends Medicare solvency by at least 25 years without cutting benefits. Beginning in 2024, the budget directs revenues from the net investment income tax and includes tax code reforms that make high-income earners pay their fair share (those making above $400,000), into the Part A Trust Fund. The budget also credits savings from drug reforms into the Part A trust fund.

The FY 2024 budget also includes a targeted package of Medicare proposals totaling $8 billion over 10 years that supports the Administration's priorities such as investing in mental health, strengthening nursing home oversight, and enhancing program benefits.

Prescription Drug Reforms

Expand Medicare Prescription Drug Price Negotiation

The landmark Inflation Reduction Act establishes a new Medicare Drug Price Negotiation Program and permits Medicare to directly negotiate drug prices for certain high expenditure, single source Medicare Part B and Part D drugs for the first time. The proposal builds on the Inflation Reduction Act by increasing the number of drugs subject to negotiation and making drugs eligible for negotiation sooner after their launch. Expanding the Drug Price Negotiation Program accelerates the increased gains in access for Medicare beneficiaries to innovative, life-saving treatments enacted by the law, with lower costs for people with Medicare and the program. [$160.0 billion in savings over 10 years]



Sources:
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 Medicare Part D Cost-sharing on High Value Generic Drugs to $2

Affordability and limited price transparency are two of the primary reasons Medicare beneficiaries may fail to take prescribed medications. While most Part D prescription drug plans include a generic formulary tier

with low cost-sharing, the offering is not standard, the specific drugs vary by plan, and a deductible often applies. This proposal adds a new permanent benefit to Part D coverage and requires all Part D plans, including both standalone prescription drug plans and Medicare Advantage prescription drug plans, to offer a Medicare standard list of generic drugs at a maximum copayment of $2 for a 30-day supply across all phases of the prescription drug benefit until the beneficiary reaches the out-of-pocket maximum. Providing Medicare beneficiaries access to a standard list of high-value generic medications at stable and predictable co-payments increases beneficiary adherence to chronic care medications, improves clinical outcomes, and reduces healthcare costs. [$1.3 billion in costs over 10 years]

Mental Health

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 2008 Mental Health Parity and Addiction Equity Act (the Act), which requires health plans that offer mental 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 Act apply to the mental health and substance use disorder benefits offered by Medicare Advantage plans so that enrollees do not face greater limitations on reimbursement or access to care relative to medical and surgical benefits. Applying the Act 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 that Medicare beneficiaries suffering from mental health and substance use disorders are just as deserving of 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 benefits 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 serves to improve 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 regulations to ensure appropriate lengths of stay and maintaining access to community-based mental healthcare. [$2.4 billion in Medicare costs over 10 years]

Revise Criteria for Psychiatric Hospital Terminations from Medicare

Current law requires CMS to terminate psychiatric hospital participation in Medicare after six months of non-compliance with conditions of participation, even if the deficiency does not jeopardize patient health and wellbeing. This provision does not apply to any other provider category. If a facility must be terminated, it diminishes access to mental health services by diverting resources away from patient care, and any required termination could cause patients with mental illness to delay or forgo seeking appropriate care. This proposal gives CMS flexibility to allow a psychiatric hospital to continue receiving Medicare payments when deficiencies are not considered to immediately jeopardize the health and safety of its patients and where the facility is actively working to correct the deficiencies identified in an approved Plan of Correction. Without the flexibility to offer options beyond termination from participation in Medicare, the communities using these psychiatric services may suffer reduced access to care, which would worsen health outcomes and increase health disparities. [Budget Neutral]

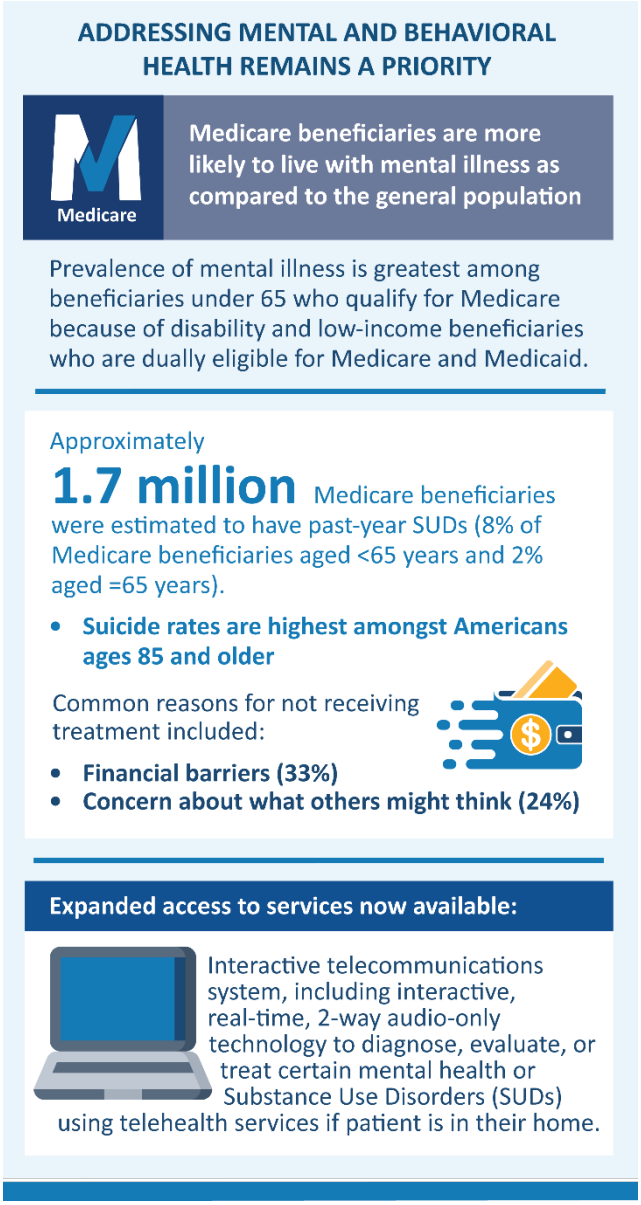
Modernize Medicare Mental Health Benefits

Currently, statutory limits on the list of practitioners and the scope of services that are eligible for Medicare payment restrict access to mental health services in Medicare. While the Consolidated Appropriations Act of 2023 added coverage for marriage and family therapists and mental health counselors, including

licensed professional counselors, there remain significant gaps in Medicare mental health benefits. This proposal allows Medicare to identify and designate additional professionals who could enroll in Medicare and be paid when furnishing behavioral health services within their applicable state licensure or scope of practice that would otherwise be covered when furnished by a physician. Additional providers would include peer support workers and certified addiction counselors. The proposal also establishes a Medicare benefit category for these professionals that authorizes direct billing and payment under Medicare for these practitioners; removes limits on the scope of services for which they can be paid by Medicare; allows these practitioners to bill Medicare directly for their mental health services for covered Part A qualifying Skilled Nursing Facility stays; establishes Medicare payment under Part B for services provided under an Assertive Community Treatment delivery system which provides treatment for the severe functional impairments associated with serious mental illness; allows payment to Rural Health Clinics and Federally Qualified Health Centers for these additional behavioral health professionals providing mental health services; and enables Medicare coverage of evidence-based digital applications and platforms that facilitate the delivery of mental health services. By adding professionals to the statute that are authorized to receive direct Medicare payment for their mental health services, this proposal expands access to mental health services in Medicare, especially in rural and underserved areas with fewer mental health professionals, or communities more likely to receive care from the referenced professionals. [Not Scorable]

Require Medicare to Cover Three Behavioral Health Visits without Cost-Sharing

Medicare Part B includes coverage of behavioral health visits to a doctor, therapist, or other clinician for services generally received outside of a hospital, but the annual Part B deductible and coinsurance apply, with limited exceptions. This proposal requires Medicare to cover up to three behavioral health visits per year without cost-sharing when furnished by participating providers, beginning in 2025. Eliminating cost-sharing for individuals removes potential financial barriers to treatment and gives more patients access to the care they need. This proposal has a positive impact on health equity by improving access and adherence to treatment, creating a pathway to better overall health outcomes. [$1.5 billion in costs over 10 years]



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Pandemic Preparedness

Authorize Coverage for Specific Products and Services, Including Drugs, Vaccines, and Devices Authorized for Emergency Use

The HHS Secretary has broad authority to temporarily waive or modify certain Medicare, Medicaid, or CHIP

requirements in certain public health emergencies, but this emergency waiver authority does not permit the Secretary to broaden coverage to drugs and devices that the Food and Drug Administration authorizes under an Emergency Use Authorization, or cover other necessary products and services. This proposal provides HHS limited and temporary coverage for medical products and services directly related to diagnosis, treatment, and/or prevention (such as immunization) of a specific disease or diseases that are pandemic-related as determined by the World Health Organization, especially unapproved drugs, vaccines, and devices that FDA authorizes for emergency use under an Emergency Use Authorization during a public health emergency that results from a pandemic. This proposal would modify Section 1135 emergency waiver authorities under the Social Security Act to ensure Medicare, Medicaid, CHIP beneficiaries, and the uninsured have access to these items and services. Under this proposal, the Secretary could authorize or require coverage of unapproved drugs, vaccines, or devices that are authorized by FDA for emergency use, or other items and services used to treat a pandemic disease during a public health emergency. Patient cost-sharing would be waived for vaccines authorized under an Emergency Use Authorization, and the administration of such vaccines. Reconciliation may be used to make Part D and Part C plan sponsors whole for drug, vaccine, device, and administration costs—including costs associated with vaccine counseling—that were not incorporated in their bids, if the cost is estimated to exceed 0.1 percent of the national average per capita costs. The Secretary will provide Congress certification and advance written notice before exercising this authority. [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 under current law has been central to CMS's emergency response activities during the pandemic; however, 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 application of specific requirements of the Act 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 Scorable]

Long-Term Care

Hold 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, and not the facility administrator. Yet under the current statute, it is the administrator that is at risk of being imposed a civil money penalty, and the owner has no accountability if they close the facility in a noncompliant manner. This proposal changes the individual subject to a civil money penalty from "administrator" to "owner, operator, or owners or operators" of a facility and adds a provision that grants the Secretary authority to impose enforcement on the owners of a facility after the facility has closed. The proposal allows for enforcement actions to be imposed against owners or operators of multiple facilities that provide persistent substandard and noncompliant care in their facilities. Further, 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 that CMS pay states a reasonable cost for conducting surveys, on behalf of CMS, of healthcare providers to certify their compliance with federal health and safety standards. The law prohibits CMS from imposing fees on providers or suppliers for the purpose of conducting these surveys. This proposal permits the Secretary to charge long-term facilities "re-survey fees" after a third visit is required to validate the correction of deficiencies that were identified during prior survey visits. The intent of these fees is to cover the associated costs necessary to perform these revisit surveys. CMS has discretion in developing and adjusting fee levels. This fee will be repurposed to 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 HHS Secretary is authorized to impose enforcement remedies, including civil money penalties, against long-term care facilities for failure to comply with federal participation requirements in Medicare. The current cap on a civil money penalty is $10,000, or ~$21,000 as adjusted for inflation. The proposal increases the level of civil money penalties and creates a penalty scale based on the severity of the deficiencies within a facility. The most egregious offenses of non-compliance would be assigned a civil money penalty of up to a maximum $1 million. The substantive threshold for determining the seriousness of violation that would constitute the "most egregious" cases subject to the maximum civil money penalty would be determined by CMS through rulemaking. For less egregious deficiencies, CMS has the flexibility to apply per instance penalties that exceed the current per instance upper level based on factors that will also be determined by the Secretary through promulgation of rulemaking. [Budget Neutral]

Improve the Accuracy and Reliability of Nursing Home Care Compare Data

Beginning in 2024, CMS would be required to validate data submitted by nursing facilities for the Nursing Home Care Compare website, in a manner and frequency determined by the Secretary. Care Compare allows consumers to find and compare Medicare- and Medicaid-certified nursing homes based on a location and compare their staffing and the quality of care they give. CMS would be able to take enforcement action against facilities that submit data that is found to be inaccurate by the validation process, which could include a two percent reduction in claims payments, similar to the existing payment reduction for facilities that do not submit complete skilled nursing facility quality reporting data. [Budget Neutral]

Adjust Survey Frequency for High-Performing and Low-Performing Facilities

CMS requires long-term care facilities to be recertified annually for participation in the Medicare program regardless of the overall quality of the facility. By contrast, CMS currently uses a risk-based approach for other facility types, such as ambulatory surgical centers and outpatient physical therapy centers, based on risk of poor care. A risk-based approach for long-term care facilities allows CMS to survey high-performing facilities less frequently and redirect resources to strengthen oversight, including facility inspections and quality improvement for low-performing facilities, where they are most needed. [Budget Neutral]

Cancer Moonshot

Expand Cancer Care Quality Measurement

President Biden prioritized the need to improve cancer data collection and research with the reignition of the Cancer Moonshot and ending cancer as we know it. Currently, CMS's quality program for addressing cancer care, the PPS-Exempt Cancer Center Hospital Quality Reporting (PCHQR) 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 data collection to identify and address potential inequities in care. [Not scorable]

Nutrition

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 health can optimize Americans' well-being and reduce healthcare costs. Currently, only a limited number 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. [$1.7 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 2024, this proposal establishes a three-year demonstration to test Medicare coverage of medically-tailored meals. Eligibility for this demonstration includes Medicare fee-for-service beneficiaries with a diet-impacted disease (such as kidney disease, congestive heart failure,

diabetes, chronic obstructive pulmonary disease) likely to trigger an inpatient hospital stay and who have at least one activity of daily living limitation. The demonstration will operate in at least 20 hospitals across ten different States. This demonstration design is similar to the introduced bill, the Medically Tailored Home-Delivered Meals Demonstration Pilot Act of 2021. The Secretary has the discretion to consider certain modifications as it relates to implementation and execution of this demonstration. [Not scorable]

Medicare Modernization and Benefit Enhancements

Create a Permanent Medicare Diabetes Prevention Program Benefit

The Medicare Diabetes Prevention Program is one of four CMS Innovation Center models that was certified for expansion and is currently extended through rulemaking. The expanded model includes an evidence-based set of services aimed to help prevent the onset of type 2 diabetes among Medicare beneficiaries with an indication of prediabetes. Beginning in 2025, this proposal expands the current Medicare Diabetes Prevention Program model to be a permanent Part B benefit under the Medicare program. The benefit design aligns with current Medicare Diabetes Prevention Program model parameters, including covered services, beneficiary eligibility criteria, payment structure, no cost-sharing for beneficiaries, and supplier enrollment requirements and compliance standards. The permanent benefit includes current model flexibilities that allow virtual beneficiary participation in diabetes prevention sessions if the Secretary determines that such services are equally effective as in-person sessions. [Not scorable]

Implement Value-Based Purchasing Programs for Inpatient Psychiatric Facilities, Outpatient Hospitals, and Ambulatory Surgical Centers

Medicare uses value-based purchasing programs for inpatient hospital services and certain other provider settings. Beginning in CY 2026, this proposal implements value-based purchasing programs for inpatient psychiatric facilities, hospital outpatient departments, and ambulatory surgical centers, offering incentives to improve quality and health outcomes. A percentage of payments link to performance on quality and outcome measures. Total rewards and payment adjustments for each new value-based purchasing program would be budget neutral. [Budget Neutral]

Create a Permanent Medicare Home Health Value-Based Purchasing Program

The Home Health Value-Based Purchasing Model, which the CMS Innovation Center launched in 2016 and expanded nationwide in 2022, successfully improved the quality of home healthcare at lower cost without evidence of adverse risks. This proposal converts the expanded model into a permanent Medicare program, similar to value-based purchasing programs already in place for other Medicare providers. [Budget Neutral]

Add Medicare Coverage of Services Furnished by Community Health Workers

Under current law, services provided by community health workers are not paid under Medicare. Effective CY 2025, this proposal provides coverage of select, evidence-based support services delivered by a community health worker under the direction of a patient's primary care provider for prevention and care navigation for chronic or behavioral health conditions, in addition to screening for social determinants of health and linkage to social supports. Preventive services delivered by Community Health Workers would be exempt from Medicare cost-sharing. Services must be furnished under the general supervision of—and billed by—a Medicare-enrolled provider or a new category of Medicare-enrolled Community Health Worker supplier under a formal care arrangement with the provider, in accordance with a comprehensive community needs assessment and/or an individual patient engagement plan. In addition to existing Medicare providers, the Secretary may enroll community-based organizations (e.g., non-profits, public health departments, etc.) as community health worker suppliers to broaden access to services, subject to program integrity and patient safety guardrails. This proposal has positive equity implications because it increases access to the healthcare system for underserved Medicare beneficiaries and allows communities to better target resources to address local public health challenges. [Not Scorable]

Good Governance and Quality Improvement

Create a Consolidated Medicare Hospital Quality Payment Program

Medicare requires inpatient hospitals to participate in five quality and value-based payment reporting programs:

- Inpatient Quality Reporting Program;
- Hospital Value-Based Purchasing Program;

- Hospital-Acquired Condition Reduction Program;
- Hospital Readmissions Reduction Program; and,
- Hospital Medicare Promoting Interoperability Program.

This proposal establishes a new consolidated hospital quality payment program that combines and streamlines these five existing programs. Starting in 2027, the Medicare payment withhold amount increases from the current level of two percent by one percentage point per year until it reaches six percent. Hospitals could earn back some percentage of that reduction based on performance. Unified requirements reduce provider burden, drive quality improvement, lower healthcare costs, and advance health equity. Critical Access Hospitals must participate in the reporting part of the program but would not be included in the value-based purchasing part of the program. [Budget Neutral]

Refine the Quality Payment Program: Measure Development Funding for the Quality Payment Program

The current inventory of Merit-based Incentive Payment System quality and cost measures in Medicare's physician payment system is insufficient to fully transition to Merit-based Incentive Payment System Value Pathways. Introduced for the 2023 performance year, Merit-based Incentive Payment System Value Pathways is a voluntary reporting structure intended to help clinicians participate in the Merit-based Incentive Payment System by easing the reporting burden and developing more meaningful measures grouped by specialty. Development of new measures is currently driven by third-party measure developers and stewards, except for CMS-funded development of a limited number of cost measures and quality outcome measures. This proposal renews the expired funding appropriation for quality measure development for FYs 2024 through 2028, generating new measures for use in the transition to Merit-based Incentive Payment System Value Pathways and expanding the types of measures that may be developed to include cost performance measures. Measure development aimed at improving the value of healthcare services, including specialty services, will allow CMS to address health priorities, improve clinical services, and reduce health inequities. [Budget Neutral]

Establish Meaningful Measures for the End-Stage Renal Disease Quality Incentive Program

Current law states exactly which quality measures are to be included in the End-Stage Renal Disease Quality Incentive Program and does not provide authority to the Secretary to alter the measures. This proposal provides the Secretary with broad authority to add to and remove measures from the End-Stage Renal Disease Quality Incentive Program through rulemaking to drive quality improvements in ESRD care. The measures would not be limited to specific types of measures or measure-related requirements. The Secretary may give preference to measures, such as patient outcomes, patient and family engagement, patient safety, hospital readmissions, cost, and efficiency. [Budget Neutral]

Strengthen Medicare Advantage by Establishing New Medical Loss Ratio Requirements for Supplemental Benefits

Currently, there is no minimum percentage of revenue that Medicare Advantage plans must spend on supplemental benefits, meaning that there is an incentive for Medicare Advantage plans to offer benefits that attract enrollment but are not widely used by beneficiaries. This proposal requires Medicare Advantage plans, excluding Employer Group Waiver Plans, to meet a minimum medical loss ratio of 85 percent specifically for supplemental benefits beyond basic Part A and B benefits, which aligns with the existing 85 percent medical loss ratio across all types of benefits. This new medical loss ratio for supplemental benefits creates incentives for Medicare Advantage plans to reduce administrative costs and ensures that taxpayers and beneficiaries receive value from Medicare health and drug plans. [Not Scorable]

Require Average Sales Price Reporting for Oral Methadone

Medicare beneficiaries represent a growing proportion of individuals diagnosed with Opioid Use Disorder. 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 separately payable as a drug or biological under Medicare Part B, and manufacturers are not subject to Average Sales Price

reporting requirements. Available data indicates that Average Sales Price information is voluntarily reported for only three 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 Scorable]

Other Technical Proposals

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 "other categories deemed necessary and appropriate by the Secretary." However, there is no express statutory requirement for data reporting on social determinants of health. This proposal adds a new category of standardized patient assessment data, social "drivers of health", for post-acute care providers. This data could include, for example, transportation, housing, social isolation, and food insecurity. New data would enable real-time information exchange between the healthcare system and those resources best equipped to address individual needs—activating 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 measure finalized through program regulation. The current data on race and ethnicity obtained through Medicare fee-for-service claims is incomplete which limits CMS's ability to assess health disparities. This proposal allows CMS programs to collect patient demographic data, as well as social determinants of health data, for use in measure stratification. This helps CMS and providers identify and address health disparities and improve outcomes for individuals with social risk factors. [Budget Neutral]

Increase Transparency by Disclosing Accreditation Surveys

Current law prohibits the Secretary from disclosing accreditation surveys conducted by Accrediting Organizations or any other national accreditation body, except surveys for home health agencies and hospice programs, and surveys related to enforcement action taken by CMS. This proposal removes this disclosure prohibition. Posting survey information about facilities currently out of compliance addresses an information gap for members of the public who would otherwise be unaware of an accredited provider's performance based solely on their continued accreditation status. [Budget Neutral]

Remove Restrictions on the Certification of New Entities as Organ Procurement Organizations and Increase Enforcement Flexibility

Current law prevents new entities from becoming certified as an organ procurement organization. This proposal allows CMS to certify new entities as organ procurement organizations and, under certain conditions, recertify organ procurement organizations that have recently taken control of a low-performing service area and have shown significant improvement during the re-certification 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]

Use Administrative Law Judge Written Decisions

Appellants have an option to bypass the Administrative Law Judge hearing at the third level of Medicare appeals by requesting expedited access to judicial review if specific conditions are met. This proposal allows the Office of Medicare Hearings and Appeals to issue decisions on the record without holding a hearing if there is no material fact in dispute. These cases include appeals, for example, in which Medicare does not cover the cost of a particular drug or the Administrative Law Judge cannot find in favor of an appellant due to binding limits on authority. The proposal expedites appeals for cases involving procedural issues and so called "technical denials," increasing the efficiency of the Medicare appeals

system. This proposal does not apply to beneficiary appeals. [Budget Neutral]

Change Medicare Appeal Council's Standard of Review

Currently, when a party files a request for review of an Administrative Law Judge decision, the Departmental Appeals Board's Medicare Appeal Council must review the decision de novo, from the beginning. This proposal changes the Council's standard of review from a de novo to an 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 further distinguishes the Council's role as an administrative appellate body and does not apply to beneficiary appeals. [Budget Neutral]

Medicare Interactions

National Hepatitis C Elimination Program in the United States

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 eligible for Medicare. Untreated, hepatitis C can cause advanced 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 of score: $1 billion in costs over 10 years]

Centers for Medicare & Medicaid Services: Medicare

FY 2024 Budget Proposals

The following tables are in millions of dollars.

Prescription Drug Reforms	2024	2024-2028	2024-2033
Expand Medicare Prescription Drug Price Negotiation	--	-35,000	-160,000
Limit Medicare Part D Cost-sharing on High Value Generic Drugs to $2	--	469	1,328
Total, Prescription Drug Reforms	**--**	-34,531	-158,672

Mental Health	2024	2024-2028	2024-2033
Apply the Mental Health Parity and Addiction Equity Act to Medicare	*	*	*
Eliminate the 190-day Lifetime Limit on Psychiatric Hospital Services	160	1,030	2,440
Revise Criteria for Psychiatric Hospital Terminations from Medicare	--	--	--
Modernize Medicare Mental Health Benefits	*	*	*
Require Medicare to Cover Three Behavioral Health Visits without Cost-Sharing	--	550	1,450
Total, Mental Health	**160**	**1,580**	**3,890**

Pandemic Preparedness	2024	2024-2028	2024-2033
Authorize Coverage for Specific Products and Services, including Drugs, Vaccines, and Devices Authorized for Emergency Use	*	*	*
Enable the Secretary to Temporarily Modify or Waive the Application of Specific Requirements of the Clinical Laboratory Improvement Amendments of 1988 Act	*	*	*
Total, Pandemic Preparedness	**--**	**--**	**--**

Long-Term Care	2024	2024-2028	2024-2033
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 the Accuracy and Reliability of Nursing Home Care Compare Data	--	--	--
Adjust Survey Frequency for High Performing and Low Performing Facilities	--	--	--
Total, Long-Term Care	**--**	**--**	**--**

Cancer Moonshot	2024	2024-2028	2024-2033
Expand Cancer Care Quality Measurement	*	*	*
Total, Cancer Moonshot	*	*	*

Nutrition	2024	2024-2028	2024-2033
Expand and Enhance Access to Medicare Coverage of Nutrition and Obesity Counseling	20	570	1,740
Conduct a Subnational Medicare Medically-Tailored Meal Demonstration	*	*	*
Total, Nutrition	**20**	**560**	**1,740**

Medicare Modernization and Benefit Enhancements	2024	2024-2028	2024-2033
Create a Permanent Medicare Diabetes Prevention Program Benefit	*	*	*
Implement Value-Based Purchasing Programs for Inpatient Psychiatric Facilities, Outpatient Hospitals, and Ambulatory Surgical Centers	--	--	--
Create a Permanent Medicare Home Health Value-Based Purchasing Program	--	--	--
Add Medicare Coverage of Services Furnished by Community Health Workers	*	*	*
Total, Medicare Modernization and Benefit Enhancements	**--**	**--**	**--**

Good Governance and Quality Improvement	2024	2024-2028	2024-2033
Create a Consolidated Medicare Hospital Quality Payment Program	--	--	--
Refine the Quality Payment Program: Measure Development Funding for the Quality Payment Program	--	--	--
Establish Meaningful Measures for the End-Stage Renal Disease Quality Incentive Program	--	--	--
Strengthen Medicare Advantage by Establishing New Medical Loss Ratio Requirements for Supplemental Benefits	*	*	*
Require Average Sales Price (ASP) Reporting for Oral Methadone	*	*	*
Total, Good Governance and Quality Improvement	**--**	**--**	**--**

Other Technical Proposals	2024	2024-2028	2024-2033
Standardize Data Collection to Improve Quality and Promote Equitable Care	--	--	--
Allow Collection of Demographic and Social Determinants of Health Data through CMS Quality Reporting 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	--	--	--
Use Administrative Law Judge Written Decisions	--	--	--
Change Medicare Appeal Council's Standard of Review	--	--	--
Total, Other Technical Proposals	**--**	**--**	**--**

TOTALS

Medicare Interactions	2024	2024-2028	2024-2033
Subtotal, Medicare Legislative Proposals	**180**	**-32,381**	**-153,042**
National Hepatitis C Elimination Program in the United States	183	1,177	984
Extension of Sequester	--	--	-36,774
Eliminate the 190-day Lifetime Limit on Psychiatric Hospital Services (Medicaid Impact - Non-Add)	*-40*	*-275*	*-655*
Total Outlays, Medicare Proposals	**363**	**-31,204**	**-188,832**

Medicare Proposed Policy	2024	2024-2028	2024-2033
Total Outlays, Medicare Legislative Proposals	**363**	**-31,204**	**-188,832**
Savings from Program Integrity investments	-1,502	-10,415	-27,153
Total Outlays, Medicare Proposed Policy	**-1,139**	**-41,619**	**-215,985**

-- Zero or budget neutral

* Not scoreable

Centers for Medicare & Medicaid Services: Medicaid

The following tables are in millions of dollars.

Current Law	2022	2023	2024	2024+/-2023
Benefits	568,077	583,804	531,537	-52,267
State Administration	23,872	23,878	24,622	+744
Total Net Outlays, Current Law	**591,949**	**607,682**	**556,159**	**-51,523**

Proposed Policy	2022	2023	2024	2024+/-2023
Legislative Proposals[94]	--	--	1,975	+1,975
Total Net Outlays, Proposed Policy	**591,949**	**607,682**	**558,134**	**-49,548**

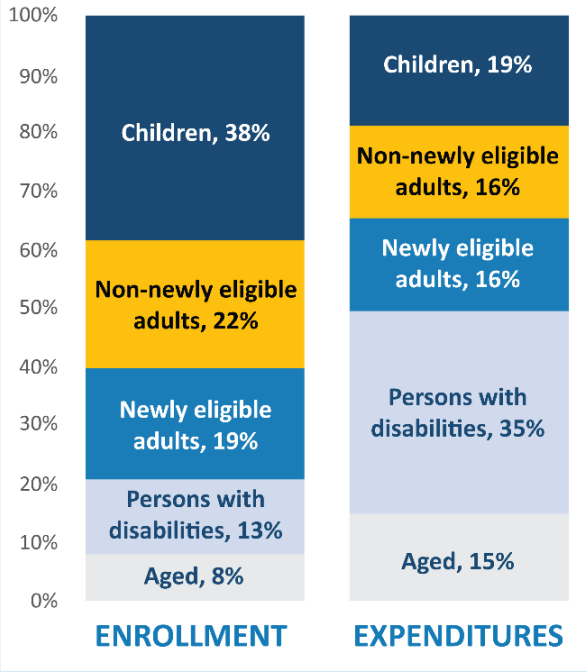
Medicaid provides critical health coverage to millions of Americans, including eligible low-income adults, children, pregnant people, elderly adults, and people with disabilities, with an estimated enrollment of 93.7 million people in FY 2023.

The Administration's vision is to protect and strengthen Medicaid and the Affordable Care Act by expanding access to coverage, improving health equity, and making our health care system less complex to navigate.

HOW MEDICAID WORKS

States design, implement, and administer their own Medicaid programs based on federal guidelines. The federal government matches state expenditures using a formula based on state per capita income compared to the national average; the matching rate can be no lower than 50 percent. In FY 2022, the federal share of Medicaid outlays was approximately $592 billion. Medicaid beneficiaries include eligible low-income adults, children, pregnant people, elderly adults, and people with disabilities. Individuals must meet certain minimum categorical and financial eligibility standards. States have flexibility to extend coverage to higher income groups, including medically needy individuals, through waivers and Medicaid state plans amendments. Medically needy individuals are those who do not meet the income standards of the categorical eligibility groups but incur large medical expenses and would otherwise qualify for Medicaid. States also have the option to expand Medicaid to eligible adults with modified adjusted gross income up to 138 percent of the poverty level.

IN FY 2021, CHILDREN COMPRISED 38% OF ENROLLMENT AND PERSONS WITH DISABILITIES COMPRISED 35% OF EXPENDITURES



Source: CMS Office of the Actuary fiscal year estimates.
Note: Totals and components exclude Disproportionate Share Hospital expenditures, territorial enrollees and expenditures, and financial adjustments.

Under Medicaid, states must cover certain services and have the flexibility to offer additional benefits. Medicaid is also the largest payer across the nation for long-term services and supports.

[94] The HHS total for legislative proposals does not include the -$26 million in non-legislative savings anticipated from the Social Security Administration allocation adjustment proposal. However, this number is accounted for in the CMS Program Integrity chapter. Non-PAYGO savings from the HHS HCFAC allocation adjustment are also displayed in the CMS Program Integrity chapter. Total net Medicaid policy outlays in FY 2024 are $558,108.

MEDICAID ENROLLMENT (PERSON YEARS IN MILLIONS)

Eligibility Group	2022	2023	2024	24 +/- 23
Aged 65 and Older	7.0	7.2	7.2	0.0
Persons with Disabilities	10.7	10.8	10.8	0.0
Newly Eligible Adults	17.9	18.8	15.6	-3.2
Non-newly Eligible Adults	20.3	21.0	17.0	-4.0
Children	33.8	34.3	31.2	-3.1
Territories	1.6	1.6	1.6	0.0
Total	**91.3**	**93.7**	**83.5**	**-10.2**

Source: CMS Office of the Actuary fiscal year estimates
Note: Totals may not sum due to rounding

RECENT PROGRAM DEVELOPMENTS

Transition Out of the COVID-19 Public Health Emergency

During the COVID-19 Public Health Emergency, Medicaid enrollment increased by approximately 20.5 million individuals, due in part to the continuous enrollment requirement tied to an increase in federal matching funds in the Families First Coronavirus Response Act. In the Consolidated Appropriations Act, 2023, Congress set a March 31, 2023, expiration date for the continuous enrollment requirement and a phase-down of the increased federal match. The expiration of this requirement and return to routine Medicaid eligibility and enrollment operations presents the single largest health coverage transition event since the first open enrollment period of the Affordable Care Act.

As we move into this transition period, CMS continues to provide 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 technical support to states returning to routine operations, such as plans to restart eligibility renewals, system readiness, and training for processing eligibility renewals. CMS also continues to clarify state requirements to receive the increased federal match and taper-down from April 1 through December 31, 2023, and the new monthly reporting requirements enacted in the Consolidated Appropriations Act, 2023.

CMS also continues to build on Congressional action to support beneficiaries by promoting continuity of coverage, mitigating churn, and facilitating transitions to alternate forms of coverage for those determined ineligible during the unwinding. Building on CMS's existing guidance, the Consolidated Appropriations Act, 2023, includes new, groundbreaking communication conditions for the federal match increase for states beginning to process renewals aimed at reducing loss of coverage due to returned mail. CMS is also working with states on transitioning beneficiaries between Medicaid coverage and other forms of coverage, such as separate Children's Health Insurance Program (CHIP) and Basic Health Program coverage, and announced a Marketplace special enrollment period with additional flexibilities for individuals losing Medicaid or CHIP coverage during the transition period.

Transforming Behavioral Health Care

The Administration and Congress prioritized increasing access to behavioral health services through two key pieces of 2022 legislation. The Bipartisan Safer Communities Act expands and extends several CMS initiatives to improve behavioral health care. In addition to directing the HHS Secretary to provide technical assistance and guidance to states on improving access to telehealth for Medicaid and CHIP services, this Act invests $110 million across three key provisions supporting Medicaid and CHIP beneficiaries. The Bipartisan Safer Communities Act appropriates:

- $40 million to expand the existing Certified Community Behavioral Health Clinics Demonstration through additional planning grants and technical assistance to states to prepare for Demonstration participation. Every two years, CMS may select up to 10 additional states to join the Demonstration for a four-year period. The legislation also extends the end date and enhanced federal match for the original eight Demonstration states and the two most recent states added to the Demonstration under the the Coronavirus Aid, Relief, and Economic Security Act;
- $50 million for state grants to implement, enhance, or expand school-based services

through Medicaid or CHIP, and $8 million for guidance and a center to offer technical assistance on health services in school settings; and,

- $12 million in FY 2023 and FY 2024 to conduct reviews of state implementation of the mandatory Medicaid Early and Periodic Screening, Diagnostic and Treatment benefit. CMS is reviewing state implementation and compliance, identifying gaps and deficiencies, and providing technical assistance to states on addressing identified gaps and deficiencies.

The Consolidated Appropriations Act, 2023 included $8 million for CMS and the Substance use And Mental Health Services Administration to develop guidance on the role of Medicaid and CHIP in a continuum of crisis response services that promote access to timely services in the least restrictive appropriate setting and establish a center providing technical assistance to help states implement crisis response services through Medicaid and CHIP.

Modernizing and Enhancing Program Benefits to Advance Health Equity

The Administration is committed to reducing inequities in Medicaid and ensuring every eligible person can access the coverage and care to which they are entitled, furthering the Administration's initiative to advance health equity and reduce health disparities.

The Consolidated Appropriations Act, 2023 included provisions to promote access to care and continuity of coverage for all Medicaid- and CHIP-eligible children. This Act provides 12 months of continuous eligibility for all children under the age of 19 enrolled in Medicaid or CHIP starting on January 1, 2024. The Act also requires health screenings, referrals, 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.

The Consolidated Appropriations Act, 2023 also advances the Administration's focus on maternal health by permanently extending the state option to provide 12 months postpartum coverage under Medicaid and CHIP enacted in the American Rescue Plan Act. At this time, 28 states and the District of Columbia have implemented 12-month postpartum coverage.

Additionally, Congress passed vital support for the U.S. Territories through the Consolidated Appropriations Act, 2023 by extending an enhanced federal match for territories and increasing Puerto Rico's allotment caps. The President continues to support eliminating Medicaid funding caps for the five U.S. territories while aligning their matching rate with that of the states.

The Inflation Reduction Act addresses longstanding gaps by requiring coverage of vaccinations for adults under Medicaid and CHIP. Starting October 1, 2023, most adults enrolled in Medicaid or CHIP will have coverage of vaccines recommended by the Advisory Committee on Immunization Practices at no cost to them. Increasing access to recommended vaccines is an effective strategy to improve the health of Medicaid adults and, more broadly, the health of communities. See Medicare chapter for additional changes made in the Inflation Reduction Act.

In February 2022, CMS released a Request for Information regarding access to care and coverage for people enrolled in Medicaid and CHIP. Feedback will help inform future policies, monitoring, and regulatory actions, helping ensure beneficiaries have equitable access to high-quality and appropriate care across all Medicaid and CHIP payment and delivery systems, including fee-for-service, managed care, and alternative payment models. The responses will also inform CMS's work to ensure timely access to critical services, such as behavioral health and home and community-based services.

Quality Measurement and Improvement

The Affordable Care Act appropriated a total of $300 million and required CMS to establish a core set of adult health quality measures for Medicaid, known as the Adult Core Set, to assess the overall national quality of care for adult Medicaid and CHIP beneficiaries, monitor performance at the state level, and improve health care quality for beneficiaries. CMS continues to work with states, the District of Columbia, and territories to improve reporting and quality of services in Medicaid and CHIP. For example, CMS identified the need to improve the postpartum period experience for Medicaid and CHIP beneficiaries and thus developed the Improving Postpartum Care Learning Collaborative. This Collaborative provides states with strategies to improve outcomes, such as ensuring continuity of coverage for beneficiaries and reforming provider payments. In FY 2022, all states, the District of Columbia, and Puerto Rico participated in at least one Quality Improvement Learning

Collaborative Webinar, and 30 states are currently participating in at least one Quality Improvement Learning Collaborative Affinity Group.

Due to CMS's work with states, CMS publicly reported state performance on 28 of the 33 Adult Core Set measures in FY 2020, and 50 states, including the District of Columbia and Puerto Rico voluntarily reported on at least one 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, in accordance with the SUPPORT for Patients and Communities Act. CMS continues to work with states to prepare for mandatory reporting. In August 2022, CMS released a proposed rule to states to establish the requirements for mandatory annual state reporting of the Child Core Set and the behavioral health measures on the Adult Core Set. CMS continues to work with states to prepare for mandatory reporting and released a proposed rule in August 2022 with additional guidance on mandatory state reporting on the Child Core Set and behavioral health measures from the Adult Core Set.

See the CHIP chapter for information on Child Health Quality.

2024 LEGISLATIVE PROPOSALS

Address Current and Future Pandemic and Public Health Threats

Eliminate Barriers to PrEP Under Medicaid

This proposal requires states to cover Pre-Exposure Prophylaxis (PrEP) and associated laboratory services with no cost sharing for Medicaid and CHIP beneficiaries, and places guardrails on utilization management practices, like prior authorization and step therapy, that can pose barriers to access and utilization of PrEP. PrEP for HIV/AIDS can reduce the risk of getting HIV by at least 74 percent, and this proposal aligns with other HHS work being done in this area, such as the Ending the HIV Epidemic in the United States initiative. [$10.2 billion in savings over 10 years]

Strengthen Long-Term Sustainability and Integrity of CMS Programs

Modify the Medicaid Drug Rebate Program in Territories

The budget proposes technical changes to provide territories the option to participate in the Medicaid Drug Rebate Program, rather than requiring a waiver for territories not ready to participate in the program. In addition to this flexibility, the proposal also excludes territory prescription drug sales from certain drug pricing calculations to ensure territories may continue accessing the best discounted drug prices available to them. These changes support territories by allowing access to savings based on a model that works for their unique Medicaid systems, and by continuing to provide medication access for vulnerable populations. [Budget Neutral]

Authorize HHS to Negotiate Medicaid Supplemental Rebates on Behalf of States

This proposal allows CMS to establish a program under which CMS and participating states work together to curb spending on high-cost drugs. Currently, states may negotiate supplemental rebates, but there is no federal program to negotiate supplemental rebates for high-cost drugs on behalf of state Medicaid programs. As a result, the federal government and states lose billions of dollars in supplemental rebates each year. The proposal establishes a process under which CMS and participating state Medicaid programs partner with a private sector contractor to negotiate supplemental rebates from drug manufacturers. [$5.3 billion in savings 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 managed care organizations, prepaid inpatient health plans, and prepaid ambulatory health plans. CMS's only recourse when it identifies compliance failures is to withhold all federal financial participation under the contract, an untenable compliance option given potential beneficiary harm and disruption to the state's Medicaid program. This proposal conditions federal match in Medicaid managed care plan contract capitation payment amounts on a service-by-service basis and provides CMS with additional enforcement options. The proposed revisions enhance CMS's ability to 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. [$1.5 billion in savings over 10 years]

Require Remittance of Medical Loss Ratios in Medicaid and CHIP Managed Care

Medicaid and CHIP remain the only federal health care programs without a statutory mandate for a minimum Medical Loss Ratio (MLR), 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 MLR of 85 percent, the industry standard for Medicare Advantage and 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 MLR. A minimum MLR and required remittance will encourage investments in health care services and quality improvement activities, and prevent excessive profit retention. [$20.0 billion in Medicaid savings and $1.7 billion in CHIP savings over 10 years]

Promote Equity and Address Social Determinants of Health

Require Medicaid Adult and Home and Community-Based Services Quality Reporting

This proposal provides CMS $15 million annually for the Adult Quality Measurement and Improvement Program and requires annual reporting on the Adult Core Set four 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 four years after enactment. Currently, it is voluntary for states to report on the Adult Core Set and reporting on home and community-based services measures varies. As such, this voluntary and inconsistent reporting has stifled the ability of CMS and states to assess and improve quality and outcomes within and across their Medicaid and home and community-based services programs. This funding and authority align reporting requirements with those of the Child Health and Behavioral Health Core Sets, and provide the funding needed for CMS to continue supporting health equity and value-based care models through this work. [$278 million in administrative costs over 10 years]

Align Medicare Savings Programs and Part D Low-income Subsidy Eligibility Methodologies

The budget simplifies the eligibility processes for the Medicare Savings Programs and Part D Low-Income Subsidy by removing elements of the income and asset determination process that apply to one program and not the other. Aligning the eligibility methodologies for these programs reduces administrative barriers to enrollment and eliminates the need for the federal government and states to perform nearly identical eligibility determinations for the same over-burdened individuals. [$5.8 billion in Medicaid costs over 10 years]

Align Qualified Medicare Beneficiary Renewal Period with Other Medicaid Groups

This proposal establishes a 12-month renewal period for Medicare Savings Programs in statute, which would allow CMS to establish a renewal period for Qualified Medicare Beneficiaries no more restrictive than the renewal period for people eligible for Medicaid based on Modified Adjusted Gross Income. By streamlining and simplifying the renewal process, this proposal reduces the risk of additional churn off Medicaid and improves maintenance of eligibility for these beneficiaries. [Budget Neutral]

Require 12 Months of Postpartum Coverage

Expanding access to postpartum Medicaid coverage can reduce maternal and infant morbidity and mortality. In order to improve maternal and infant health outcomes, and in alignment 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. [$2.4 billion in Medicaid costs over 10 years]

Modernize and Enhance Program Benefits

Improve Medicaid Home and Community-Based Services

The budget invests in Medicaid home and community-based services, enabling seniors and people with disabilities to remain in their homes and stay active in their communities. At the same time, the proposal promotes better quality jobs for home care workers and enhances supports for family caregivers, many of whom are too often forced out of the workforce due to the demands of caring for a loved one. [$150 billion in costs over 10 years]

Centers for Medicare & Medicaid Services: Medicaid

FY 2024 Medicaid Budget Proposals

The following tables are in millions of dollars.

Address Current and Future Pandemic and Public Health Threats	2024	2024-2028	2024-2033
Eliminate Barriers to PrEP under Medicaid	-710	-4,150	-10,230

Strengthen Long-Term Sustainability and Integrity of CMS Programs	2024	2024-2028	2024-2033
Modify the Medicaid Drug Rebate Program in Territories	--	--	--
Authorize HHS to Negotiate Medicaid Supplemental Rebates on Behalf of States	--	-1,400	-5,280
Enhance Medicaid Managed Care Enforcement	--	-500	-1,500
Require Remittance of Medical Loss Ratios in Medicaid and CHIP Managed Care	--	-7,700	-20,000

Promote Equity and Address Social Determinants of Health	2024	2024-2028	2024-2033
Require Medicaid Adult and Home and Community-Based Services Quality Reporting (non-add)	*25*	*131*	*278*
Align Medicare Savings Programs and Part D Low-Income Subsidy Eligibility Methodologies	100	2,060	5,840
Align Qualified Medicare Beneficiary Renewal Period with Other Medicaid Groups	--	--	--
Require 12-Months of Postpartum Coverage	200	1,060	2,360

Modernize and Enhance Program Benefits	2024	2024-2028	2024-2033
Improve Medicaid Home and Community-Based Services	3,000	28,700	150,000

Legislative Proposals in Other Chapters Impacting Medicaid	2024	2024-2028	2024-2033
Expand Vaccines for Children Program to all CHIP Children and Make Program Improvements	470	1,570	3,180
Convert Medicaid CCBHC Demonstration into a Permanent Program	--	2,895	20,056
Add 20,000 Special Immigrant Visas	35	290	550
National Hepatitis C Elimination Program	-1,130	-6,330	-7,180
Treat Certain Populations as Refugees for Public Benefit Purposes	50	285	363
Eliminate the 190-day Lifetime Limit on Psychiatric Hospital Services	-40	-275	-655
Social Security Administration Program Integrity (non-add)	*-26*	*-624*	*-2,155*

Medicaid Legislative Proposals Totals	2024	2024-2028	2024-2033
Subtotal Net Outlays, Medicaid Legislative Proposals[95]	**1,975**	**16,505**	**137,504**

[95] The HHS total for legislative proposals does not include the -$26 million in non-legislative savings anticipated from the Social Security Administration allocation adjustment proposal as this number is accounted for in the CMS Program Integrity chapter. Non-PAYGO savings from the HHS HCFAC allocation adjustment are also displayed in the CMS Program Integrity chapter.

Centers for Medicare & Medicaid Services: Children's Health Insurance Program

The following tables are in millions of dollars.

Current Law	2022	2023	2024	2024+/-2023
Children's Health Insurance Program	16,670	17,702	18,323	621
Total Outlays, Current Law	**16,670**	**17,702**	**18,323**	**621**

Proposed Law	2022	2023	2024	2024+/-2023
Legislative Proposals	0	0	-460	-460
Total Net Outlays, Proposed Law	**16,670**	**17,702**	**17,863**	**-460**

BACKGROUND

Established by the Balanced Budget Act of 1997, the Children's Health Insurance Program (CHIP) provides health insurance coverage for children in households with incomes too high to qualify for Medicaid but too low to afford private health insurance. States also have the option to cover targeted low-income, uninsured pregnant people under CHIP. In FY 2022, the CMS Office of the Actuary estimated that total CHIP enrollment was approximately 7.2 million individuals.[96]

Since its initiation, CHIP has contributed greatly to the decline in uninsured rates among low-income children and research indicates the program works as intended to provide a safety net for low-income children, particularly during times of economic hardship. Additionally, children enrolled in CHIP experience better access to care, fewer unmet needs, and families experienced much lower financial burden and stress in meeting the child's healthcare needs when compared to children who are uninsured.

The Bipartisan Budget Act of 2018 extended federal funding for CHIP and authorized the Child Enrollment Contingency Fund through FY 2027, and the Consolidated Appropriations Act, 2023 further extended funding through FY 2029.

HOW CHIP WORKS

CHIP is a joint partnership between the federal government and states, the District of Columbia and the five U.S. Territories to help provide children under age 19 from low- and middle-income households with health insurance coverage and access to healthcare. Congress grants states, District of Columbia, and the five territories flexibility in designing their CHIP programs. They may implement a "Medicaid expansion" CHIP by using CHIP funds to provide Medicaid coverage to CHIP-eligible children, create a separate CHIP, or use a combination of these options. All states, the District of Columbia, and the five territories use CHIP funding to provide coverage to children. Of these, 16 have a Medicaid expansion CHIP, two have a separate CHIP, and 38 use a combination of these programs for their CHIP. States use a Modified Adjusted Gross Income standard to determine CHIP eligibility.

CMS estimates that funding for state allotments will amount to $19.6 billion in FY 2024. CMS allocates funds to states and territories with approved CHIP plans according to a statutory formula. Prior to FY 2024, Congress appropriated funding for an annual capped amount for CHIP that exceeded the need according to this statutory formula. Starting in FY 2024, Congress appropriated for CHIP "such sums as are necessary to fund allotments to States" in the Bipartisan Budget Act of 2018, which will align the annual appropriation with the payments to states under the statutory formula. This eliminates excess funding for state allotments in the program and has no programmatic impacts on states and territories.

CHIP has several financing mechanisms to address potential state funding shortfalls. The Child Enrollment Contingency Fund supports states that predict a funding shortfall and have higher-than-expected enrollment. Since its establishment in FY 2009, only four states have qualified for Contingency Fund payments. In addition, CMS recovers unused state allotment funding after states no longer have access to these funds and redistributes them to states facing a funding shortfall. Since 2012, CMS has redistributed

[96] Decreases in total annual child enrollment between FY 2021 and FY 2022 are likely due to children moving from CHIP to Medicaid during the Public Health Emergency.

approximately $1.9 billion in unused allotments to 32 states and territories.

RECENT PROGRAM DEVELOPMENTS

Transition Out of the COVID-19 Public Health Emergency

The expiration of the Medicaid continuous enrollment requirement on March 31, 2023, presents the single largest health coverage transition event since the first open enrollment period of the Affordable Care Act. This includes transitions between Medicaid, CHIP, and the Marketplace. CMS continues to work with states to ensure continuity of coverage and smooth transitions between forms of coverage as states resume normal eligibility and enrollment operations in Medicaid and CHIP.

During the COVID-19 Public Health Emergency declaration period, CMS supported states and approved 38 CHIP state plan amendments to provide states operational flexibility for the public health emergency period, including extending continuous coverage to CHIP. CMS continues to provide guidance to states as they phase out these flexibilities and return to routine operations.

Supporting Children and Advancing Health Equity

The Administration is committed to reducing inequities in CHIP and ensuring every eligible person can access the coverage and care for which they are eligible, furthering the Administration's initiative to advance health equity and reduce health disparities.

The Consolidated Appropriations 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, referrals, 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, 28 states and the District of Columbia have extended postpartum coverage to 12 months under separate CHIP and Medicaid expansion CHIP. The Consolidated Appropriations Act, 2023 permanently extended this state option. The Inflation Reduction Act also addressed longstanding gaps by requiring coverage of vaccinations for adults under Medicaid and CHIP, including pregnant people covered under CHIP. Refer to the Medicaid chapter for more information on recent legislative action on these and behavioral healthcare policies in Medicaid and CHIP.

Quality Measurement and Improvement

CHIP also includes programs to improve child health quality in Medicaid and CHIP and strengthen the quality of access to children's healthcare for eligible children not enrolled in Medicaid and CHIP. The Bipartisan Budget Act of 2018 made state reporting on the Child Core Set of quality measures mandatory starting in FY 2024. This Child Core Set is a select set of data measures and includes several measures focused on behavioral health. The Child Core Set serves as a foundational tool to assess the quality of healthcare and improve understanding of health disparities experienced by children enrolled in Medicaid and CHIP. CMS continues to work with states to prepare for mandatory reporting, and released a proposed rule in August 2022 with additional guidance. The Bipartisan Budget Act of 2018 provides $60 million in FY 2024 to continue this work. The Consolidated Appropriations Act, 2023, provides an additional $15 million per year for FYs 2028 and 2029.

All states, District of Columbia, and Puerto Rico voluntarily reported on at least one measure in the Child Core Set and 48 states reported on at least half of the measures in the Child Core Set in FY 2020. CMS was also able to publicly report on live births weighing less than 2,500 grams for all 50 states, using existing data sources for the first time in FY 2020. CMS provides state Medicaid and CHIP agencies and their quality improvement partners with information, tools, and expert support they need to improve care and health outcomes, as demonstrated by performance on the Child Core Set. Some of these quality improvement initiatives focus on the pediatric population, including Quality Improvement Learning Collaboratives for infant well-child care, timely care for children in foster care, and oral health.

Connecting Kids to Coverage Outreach and Enrollment Grants

The Consolidated Appropriations Act, 2023 extended funding for CHIP Outreach and Enrollment grants, providing $40 million for the cycle of FY 2028-2029. These activities fund outreach and enrollment strategies aimed at educating families about availability of Medicaid or CHIP with the goal of reducing the number of children who are eligible for Medicaid and CHIP but not enrolled. The funding is used to directly assist families with the application and renewal process, a crucial activity as states look toward returning to routine operations.

On January 27, 2022, CMS announced $49 million in available funding through the Connecting Kids to Coverage HEALTHY KIDS 2022 Outreach and Enrollment Cooperative Agreements program and released a Notice of Funding Opportunity for an additional $6 million for American Indian and Alaska Native populations. Since grant funding initiatives began in 2009, CMS has issued approximately $265 million in total grant funding to over 330 eligible entities.

2024 LEGISLATIVE PROPOSALS

Prescription Drug Savings

Apply Medicaid Drug Rebates to Separate CHIP

This proposal allows states to extend Medicaid drug rebates under the Medicaid Drug Rebate Program to separate CHIP programs starting in FY 2024. States with separate CHIP programs do not currently have authority to collect Medicaid drug rebates on drugs dispensed to CHIP beneficiaries. This authority would allow states to align drug rebates policies for separate CHIPs with those in Medicaid and Medicaid expansion CHIPs. [$2.3 billion in savings over 10 years]

Modernize and Enhance Program Benefits

Expand Vaccines for Children to all CHIP Children and Make Program Improvements

This proposal expands the Vaccines for Children (VFC) program to children under the age of 19 enrolled in separate CHIP and removes copayments for vaccines administered to CHIP children through the VFC program. The VFC is a Medicaid-funded program administered by the Center for Disease Control and Prevention (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. Children enrolled in separate CHIP do not qualify to receive vaccines through the VFC program, which creates administrative burdens for providers, states, and the CDC. Including all CHIP children in the VFC would relieve some of this additional administrative burden when administering these vaccines to the approximately 3 million children enrolled in separate CHIP. [$2.9 billion in savings over 10 years]

Centers for Medicare & Medicaid Services: Children's Health Insurance Program

FY 2023 Budget Proposals

LEGISLATIVE PROPOSALS

The following tables are in millions of dollars.

CHIP Legislative Proposals	2024	2024-2028	2024-2033
Prescription Drug Savings			
Apply Medicaid Drug Rebates to Separate CHIP	-220	-1,220	**-2,340**
Expand the Vaccines for Children to all CHIP Children and Make Program Improvements	-240	-1,300	**-2,870**
Legislative Proposals in Other Chapters Impacting CHIP			
Require 12 Months Postpartum Coverage in Medicaid and CHIP	--	--	**--**
Require Remittance of Medical Loss Ratios for Medicaid and CHIP Managed Care Contracts	--	-800	**-1,700**
Total, Children's Health Insurance Program Proposed Policy	**-460**	**-3,320**	**-6,910**

Centers for Medicare & Medicaid Services: State Grants and Demonstrations

The following tables are in millions of dollars.

Current Law Budget Authority[97]	2022	2023	2024	2024+/-2023
Demonstration Programs to Improve Mental Health Services	--	40	--	-40
Grants to Improve Outreach and Enrollment	--	--	45	45
Medicaid Integrity Program[98]	88	95	100	5
Money Follows the Person Demonstration	423	423	424	1
Money Follows the Person Demonstration Evaluation	1	1	--	-1
Money Follows the Person Demonstration Quality Assurance	--	5	--	-5
Total, Current Law Budget Authority[99]	**512**	**564**	**569**	**5**

Current Law Outlays[97]	2022	2023	2024	2024+/-2023
Demonstration Project to Increase Substance Use Provider Capacity	15	8	1	-7
Demonstration Programs to Improve Mental Health Services	--	38	1	-37
Grants to Improve Outreach and Enrollment	18	13	13	--
Medicaid Integrity Program	100	91	97	6
Money Follows the Person Demonstration	213	247	213	-34
Money Follows the Person Demonstration Evaluation	1	1	1	--
Money Follows the Person Demonstration Quality Assurance	1	--	1	1
State Option to Provide Qualifying Community-Based Mobile Crisis Intervention Services	4	4	6	2
Administrative – Postage Penalty Mail[100]	--	60	--	-60
Total, Current Law Outlays	**352**	**462**	**333**	**-129**

The Centers for Medicare & Medicaid Services (CMS) State Grants and Demonstrations account funds diverse activities including:

- Investments in behavioral healthcare;
- Funding outreach activities to enroll children into Medicaid and the Children's Health Insurance Program (CHIP);
- Strengthening Medicaid program integrity; and
- Transitioning beneficiaries from institutional settings to home and community-based settings.

BEHAVIORAL HEALTHCARE AND SUBSTANCE USE DISORDER TREATMENTS

Demonstration Programs to Improve Mental Health Services

The Bipartisan Safer Communities Act expands and extends the existing Certified Community Behavioral Health Clinics demonstration. From the $110 million in total funds appropriated for Medicaid and CHIP services, $40 million is specifically for awarding new planning grants and providing technical assistance to states seeking to set up demonstrations. The demonstration program provides participating clinics with an enhanced federal match to support states in improving the availability and quality of community-based, comprehensive treatment and recovery support services to Medicaid beneficiaries living with mental illness and substance use disorders. Participating clinics across each state also use a prospective

[97] Programs/laws with less than $1 million in budget authority or outlays are excluded from each respective table.
[98] Budget authority is adjusted annually by Consumer Price Index for All Urban Consumers and sequester. See the Program Integrity chapter for additional information about this program.
[99] Totals may not add due to rounding.
[100] Administrative Postage Penalty Mail represents outlays for mailed materials including printing, postage, and distribution. Budget Authority from P.L. 108-173, Sec. 1011 and P.L. 111-148, Sec. 4108

payment system designed to cover the expected costs of providing these services.

Clinics participating in the demonstration program are certified by states to provide community based mental and substance use disorder services, advance integration of behavioral health with physical healthcare, assimilate and apply evidence-based practices consistently, and promote improved access to high-quality care. Under the demonstration program, certified clinics may receive Medicaid payment through a prospective payment system rate that reimburses the expected cost of demonstration services. Results from the most recent report to Congress indicated that clinics implemented a range of activities to improve access to care; increased the number of clients they served; expanded services to include various evidence-based practices; hired and trained staff; and changed many of their care processes. On average, payment rates covered the costs of services in all but one state, and the average rates came into greater alignment with the average costs in the second year of the demonstration.

Congress first authorized the demonstration in 2014. In 2015, HHS awarded $22.9 million in 1-year planning grants to support 24 states in their efforts to plan to participate in this demonstration program. In 2016, HHS selected eight states (of the original 24) to participate in the demonstration program. The program has received multiple extensions and increases in funding. The Coronavirus Aid, Relief, and Economic Security Act required HHS to add two additional states from the original pool of planning grantees to the demonstration program. Most recently, the Bipartisan Safer Communities Act extended existing demonstrations and expanded opportunities for new states to implement demonstrations. The legislation:

- Extended the end date and duration of enhanced federal match for existing demonstrations through FY 2025;
- Extended the length and duration of enhanced federal match for the two additional states from 2 to 6 years;
- Allowed HHS to fund additional planning grants for 10 additional grantee states; and
- Expands the demonstration to all states on a rolling basis beginning in 2024.

Demonstration Project to Increase Substance Use Disorder Provider Capacity Under the Medicaid Program

The Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT 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 2019, CMS selected 15 states including DC 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 five state Medicaid agencies to participate in the 36-month post-planning period: Connecticut, Delaware, Illinois, Nevada, and West Virginia. The goals of this demonstration include:

- Supporting recruitment and training and providing technical assistance for providers offering substance use disorder treatment or recovery services;
- Improving reimbursement for and expanding the number or treatment capacity of participating providers authorized to dispense Food and Drug Administration-approved drugs for individuals with substance use disorders; and
- Improving reimbursement and expanding participating providers' treatment capacity to address the treatment needs of certain populations enrolled under the Medicaid state plan or waiver of such plan.

State Option to Provide Qualifying Community-based Mobile Crisis Intervention Services

The American Rescue Plan Act of 2021 provides a state plan option to provide 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 invested $15 million to implement the provision of and administer planning grants to states to develop

state plan amendments or waivers to provide these services; CMS awarded grants to 20 states in 2021.

2024 LEGISLATIVE PROPOSALS

Convert the Medicaid Certified Community Behavioral Health Clinics Demonstration into a Permanent Program

Our country faces an unprecedented mental health crisis among people of all ages, and the lack of access to mental health treatment services exacerbates this crisis. The budget would convert the existing and any new demonstration programs to a permanent Medicaid state plan option. This proposal ensures more Medicaid beneficiaries have access to all the behavioral health services these clinics provide. [$20 billion in costs over 10 years to Medicaid for matching funds to programs.]

MEDICAID AND CHIP OUTREACH AND ENROLLMENT GRANTS

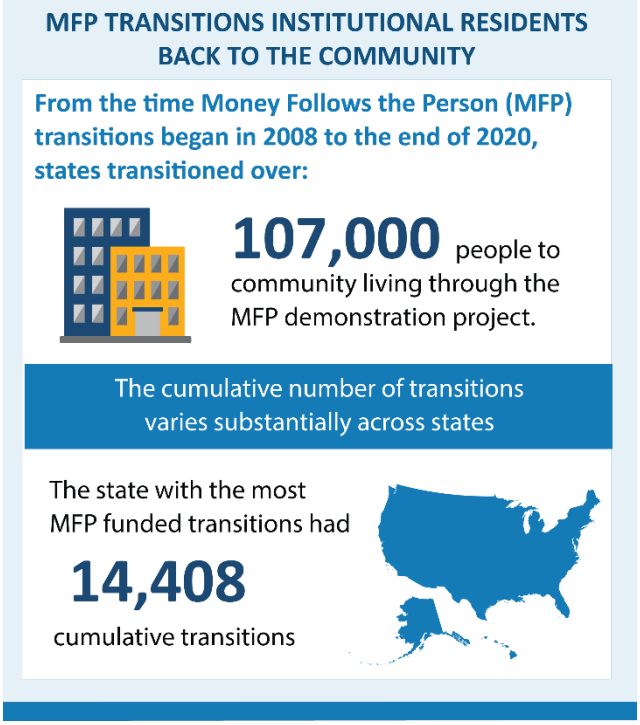
The Outreach and Enrollment Program provides grants to a variety of entities including community-based organizations, nonprofit organizations, and healthcare providers, and a national campaign to improve outreach to, and enrollment of, children eligible for Medicaid and CHIP, with funding set aside specifically for serving American Indian/Alaska Native children. These grants aim to reduce the number of children eligible for, but not enrolled in, Medicaid and CHIP by educating families about the availability of affordable health coverage under Medicaid and CHIP, identifying children likely to be eligible for these programs, and assisting families with the application and renewal process. The Bipartisan Budget Act of 2018 appropriated $40 million for this work in FY 2024, and the Consolidated Appropriations Act, 2023, appropriated $48 million in FY 2028. Of these amounts, 10 percent is set aside for evaluation and technical assistance to grantees. Refer to the CHIP chapter for additional information.

MEDICAID INTEGRITY PROGRAM

The Deficit Reduction Act of 2005 established the Medicaid Integrity Program. In FY 2024, the Medicaid Integrity Program will receive $100 million in mandatory appropriations. While states have the primary responsibility for combating Medicaid fraud, waste, and abuse, the Medicaid Integrity Program plays an important role supporting state efforts. CMS uses these funds to provide technical support to states and contracts with eligible entities to execute activities, such as agency reviews, audits, identification of overpayments, and education activities. The Medicaid Integrity Program works in coordination with Medicaid program integrity activities funded by the Health Care Fraud and Abuse Control Program. Refer to the Program Integrity chapter for additional information.

MONEY FOLLOWS THE PERSON DEMONSTRATION

Over the lifetime of the Money Follows the Person demonstration, 45 states, two territories and the District of Columbia, have been awarded competitive grants and received an enhanced federal matching rate to help eligible individuals transition from qualified institutional settings to qualified home or community-based settings. States have demonstrated positive outcomes, including helping individuals in institutions return to the community, improving participant quality of life, and lowering the cost of care.



Most recently, the Consolidated Appropriations Act, 2023, extended the program through FY 2027 and appropriated $450 million each year for FY 2024 through FY2027 to continue providing home and community-based long-term services and support to individuals transitioning from institutions to community-based settings.

Centers for Medicare & Medicaid Services: State Grants and Demonstrations

FY 2024 Budget Proposals

The following tables are in millions of dollars.

State Grants & Demonstrations Legislative Proposals	2024	2024-2028	2024-2033
Convert Medicaid CCBHC Demonstration into a Permanent Program (Impacts to Medicaid)	--	2,895	20,056

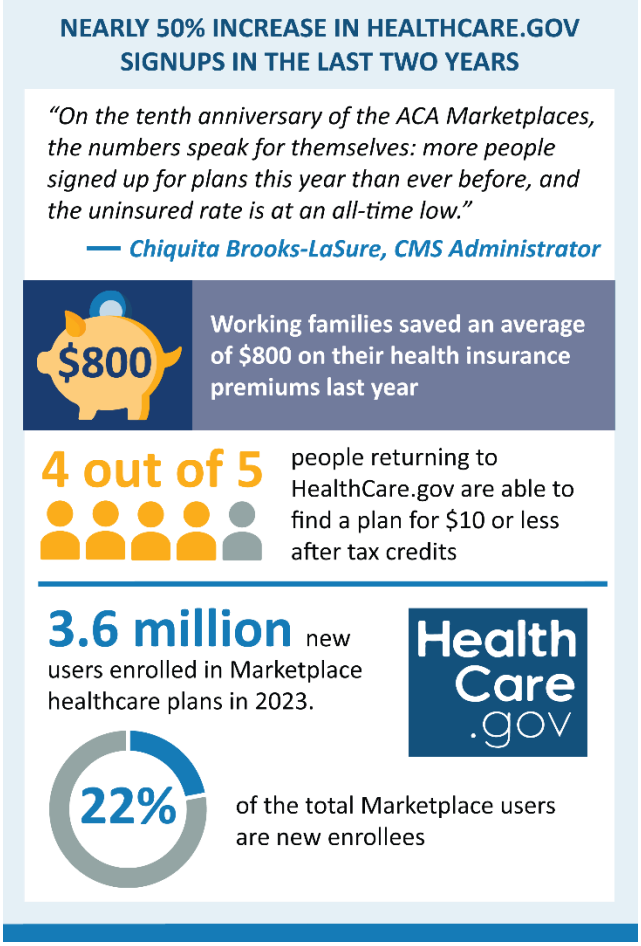
Centers for Medicare & Medicaid Services: Private Insurance

The FY 2024 President's Budget reflects the Administration's commitment to strengthening the Affordable Care Act and keeping high-quality healthcare coverage accessible, affordable, and permanent for all Americans. Since its passage 13 years ago, the Affordable Care Act has reduced the number of uninsured Americans to an all-time low, extended critical consumer protections to over 100 million people, and strengthened and improved the nation's healthcare system. Enhanced subsidies have made Marketplace coverage even more affordable and accessible for millions of Americans.

Despite historic gains, millions of Americans remain uninsured, including low-income individuals in states that have not expanded Medicaid, a crisis this budget addresses. The Administration has taken measures to ensure more Americans have access to affordable healthcare coverage permanently, as well as implementing surprise billing protections from the No Surprises Act. Outlined below are a robust set of proposals to increase access to affordable coverage, improve access to prescription drugs and help consumers access high-quality and comprehensive mental healthcare.

EXPANDING COVERAGE AND ACCESS TO AFFORDABLE CARE THROUGH THE MARKETPLACES

Building on the subsidy expansions under the American Rescue Plan Act of 2021, the Inflation Reduction Act became law in August 2022, extending provisions that improved health insurance affordability and access through 2025. The provisions extended by the Inflation Reduction Act reduced the amount of income individuals are required to contribute to their health insurance premiums and eliminated the income cap of 400 percent of the federal poverty level for premium assistance eligibility, also known as the "subsidy cliff." Under these provisions, millions of Americans have been able to access health insurance plans with low- or zero-cost monthly premiums. Additionally, households over 400 percent of the federal poverty level were able to maintain eligibility for Marketplace subsidies.



In part due to the expansion of these subsidies, the 2023 annual Open Enrollment Period was a record-breaking success. From November 1, 2022, to January 15, 2023, more than 16.3 million Americans signed up for health insurance, including 3.6 million who signed up for new coverage. Four out of five people returning to HealthCare.gov were able to find plans for $10 or less a month after accounting for premium assistance.

In 2022, the Administration finalized regulations that fixed the "family glitch," closing a loophole to ensure access to affordable family coverage. This was a critical step to help over one million Americans either gain coverage or see their coverage become more affordable.

The nation also experienced an all-time low uninsured rate in 2022, and CMS is committed to building on this success to ensure all Americans have access to high-quality, affordable health insurance.

NO SURPRISES ACT

The Administration is working to strengthen the affordability of healthcare and protect Americans from surprise medical bills through the continued implementation of the No Surprises Act. New protections that started in 2022 prohibit the most common types of surprise medical bills, preventing an estimated 1 million surprise bills per month. Consumers covered by group and individual health insurance plans are protected from receiving surprise medical bills for out-of-network emergency services, out-of-network air ambulance services, and certain out-of-network services at in-network facilities. If payment for these services are not settled independently by the health plans, issuers, providers, and facilities, they may be resolved through a Federal Independent Dispute Resolution Process. In addition, under the No Surprises Act, uninsured and self-pay consumers may dispute charges that are significantly higher than the estimates they received through a Patient-Provider Dispute Resolution Process.

HHS, the U.S. Department of Labor, and the U.S. Department of the Treasury have taken steps to increase awareness of and compliance with the consumer protections established under the No Surprises Act. CMS has provided training and outreach support to stakeholders to ensure they receive the information necessary to comply with new rules. CMS launched the No Surprises Help Desk as a resource for individuals who may have questions about these new consumer protections. The No Surprises Help Desk also provides a mechanism for consumers, providers, and payers to submit complaints about potential violations of the law.

The Departments also continue to deliver ongoing system enhancements, guidance, and technical assistance to improve the Federal Independent Dispute Resolution Process. CMS also set up an online portal for disputing parties and certified entities to resolve disputes and make payment final determinations.

2024 LEGISLATIVE PROPOSALS

The proposals included in the FY 2024 President's Budget strengthen healthcare coverage and affordability and build on existing consumer protections to provide Americans with access to comprehensive mental health and substance use disorder benefits. Many of the proposals below expand upon the protections of the landmark Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008. This law generally prevents group health plans and health insurance issuers that provide mental health or substance use disorder benefits from imposing less favorable limitations on those benefits than on medical 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 2024 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 access of covered mental health and substance use disorder services plans and issuers, the budget also supports a standardized definition of mental health and substance use disorders, as well as a permanent expansion of telehealth and other remote care services.

Permanently Extend Enhanced Premium Tax Credits

The enhanced premium tax credits, originally established under the American Rescue Plan Act and extended under the Inflation Reduction Act through 2025, have played a vital role in expanding coverage for millions of Americans. Building upon these successes, this proposal would permanently expand premium tax credit eligibility by eliminating the required contribution for individuals and families making 100 percent to 150 percent of the poverty level and limiting the maximum income contributions towards benchmark plans to 8.5 percent of income. Additionally, this proposal removes the 400 percent of the poverty level ($120,000 for a family of four) 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. [$18.4 billion in costs over 10 years]

Permanently Extend Coverage to Low-income Individuals in States that have not Expanded Medicaid

The Affordable Care Act allowed states to expand Medicaid coverage for individuals making up to 138 percent of the poverty level. However, in states that have not expanded Medicaid coverage, over two million individuals who make less than 100 percent of the poverty level but too much to qualify for Medicaid in their state fall into a coverage gap without an affordable healthcare option.

This budget provides Medicaid-like coverage to individuals in States that have not expanded Medicaid under the Affordable Care Act, paired with financial incentives to ensure States maintain their existing expansions. [$200 billion in Government-wide costs over 10 years]

Improve Access to Behavioral Healthcare in the Private Insurance Market

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. In addition, it 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 putting medical necessity at the forefront of care decisions instead of profit. It also authorizes the Secretaries of HHS, Labor, and Treasury to regulate behavioral health network adequacy, and to issue regulations on a standard for parity in reimbursement rates based on the results of comparative analyses submitted by plans and issuers. [$760 million in costs over 10 years]

Require Coverage of Three Behavioral Health Visits and Three Primary Care Visits without Cost-Sharing

Access to primary care and behavioral health services improves long-term health outcomes by promoting prevention and early detection of potentially serious conditions. However, 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 put off 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. [$310 million in costs over 10 years]

Provide Mandatory Funding for State Enforcement of Mental Health Parity Requirements

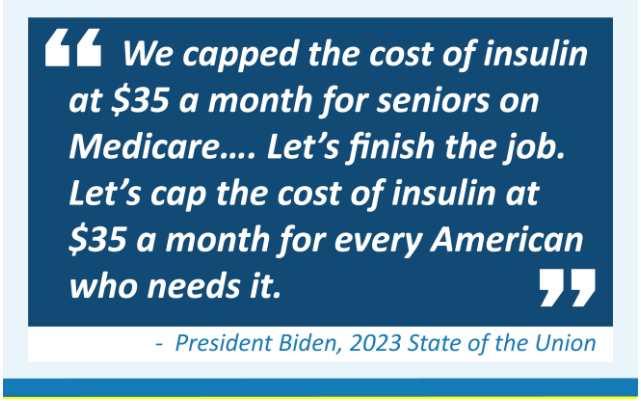
Adequate enforcement is necessary to ensure that consumers actually benefit from the protections enshrined in law. This proposal provides $125 million in mandatory funding over five years for grants to states to enforce mental health and substance use disorder parity requirements. Any funds not expended by states at the end of five fiscal years would remain available to the HHS Secretary to make additional mental health parity grants. [$125 million in costs over 10 years]

Replenish and Extend No Surprises Act Implementation Fund

The No Surprises Act and Title II Transparency provisions created crucial new consumer protections from surprise medical bills and entrusted the Departments of HHS, Labor, and 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 rulemaking, technical builds, enforcement, and staffing. A one-time lump-sum appropriation of $500 million was provided to the Departments for implementation of the No Surprises Act and Title II Transparency provisions. While the appropriation expires at the end of 2024, most of the statutory requirements added by the No Surprises Act and Title II Transparency provisions are permanent and the Departments will have ongoing responsibilities such as enforcement of plan, issuer, and provider compliance; complaints collection and investigation; as well as auditing comparative analyses of non-quantitative treatment limits for mental health and substance-use disorder plan benefits. This proposal provides $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]

Extend Surprise Billing Protections to Ground Ambulance

Under the No Surprises Act, Americans are protected from most forms of surprise medical bills. Ground ambulance services, however, are excluded from these important protections. Beginning in 2025, this proposal extends surprise billing protections to ground ambulance bills across the commercial market. As a result, people who take an out-of-network ground ambulance ride during an emergency would only be subject to their in-network cost-sharing amount. Unresolved disagreements between the plan or issuer and ground ambulance provider over payment for these services would be settled through the Federal Independent Dispute Resolution Process, as established by the No Surprises Act. [$948 million in Treasury savings over 10 years]



Expand Drug Inflation Rebates to Commercial Market

The Inflation Reduction Act requires manufacturers to pay rebates to Medicare when drug prices for certain rebatable Medicare Part B or Part D drugs rise at a rate that is faster than the rate of inflation. The budget includes an allowance to revise the formula to calculate these rebates beyond Medicare utilization to include drug units used by commercial plans. Doing so would provide additional savings while discouraging manufacturers from raising drug prices for commercial coverage including employer-sponsored plans, Marketplace plans, and other individual and group market plans.

Limit Cost-sharing for Insulin at $35 a Month

The Inflation Reduction Act limits Medicare beneficiary cost-sharing to $35 per insulin product for a month's supply. 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. [$20 million in costs over 10 years]

Centers for Medicare & Medicaid Services: Private Insurance

FY 2024 Budget Proposals

LEGISLATIVE PROPOSALS

The following tables are in millions of dollars.

Promote Equity and Address Social Determinants of Health	2024	2024-2028	2024-2033
Permanently Extend Enhanced Premium Tax Credits (non-add)	*0*	*62,027*	*183,011*
Premium Tax Credits (non-add)	*0*	*33,139*	*98,571*
Cost-Sharing Reductions (HHS Impact)	0	5,930	18,380
Other Government-Wide Impacts (non-add)[101]	*0*	*22,958*	*66,060*
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***	***151,027***	***383,011***
Subtotal Outlays, Private Insurance Proposals	**0**	**5,930**	**18,380**

Transform Behavioral Health	2024	2024-2028	2024-2033
Improve Access to Behavioral Healthcare in the Private Insurance Market (non-add)	*0*	*9,302*	*29,137*
Premium Tax Credits (non-add)	*0*	*2,249*	*6,700*
Cost-Sharing Reductions (HHS Impact)	0	210	760
Other Government-Wide Impacts (non-add)[101]	*0*	*6,843*	*21,677*
Require Coverage of Three Behavioral Health Visits and Three Primary Care Visits without Cost-Sharing (non-add)	*0*	*11,239*	*17,624*
Premium Tax Credits (non-add)	*0*	*2,251*	*3,194*
Cost-Sharing Reductions (HHS Impact)	0	230	310
Other Government-Wide Impacts (non-add)[101]	*0*	*8,758*	*14,120*
Provide Mandatory Funding for State Enforcement of Mental Health Parity Requirements	10	125	125
Subtotal, Government-wide Impact (non-add)	*10*	***20,666***	***46,886***
Subtotal Outlays, Private Insurance Proposals	**10**	**565**	**1,195**

Strengthen Long-Term Sustainability and Integrity of HHS Programs	2024	2024-2028	2024-2033
Replenish and Extend No Surprises Act Implementation Fund	0	500	500
Extend Surprise Billing Protections to Ground Ambulance (non-add)	*0*	*-364*	*-948*
Premium Tax Credits (non-add)	*0*	*-84*	*-204*
Other Government-Wide Impacts (non-add)[101]	*0*	*-280*	*-744*
Subtotal, Government-wide Impact (non-add)	***0***	***136***	***-448***
Subtotal Outlays, Private Insurance Proposals	**0**	**500**	**500**

Prescription Drug Reforms	2024	2024-2028	2024-2033
Expand Drug Inflation Rebates to the Commercial Market	*0*	*-10,000*	*-40,000*
Limit Cost-sharing for Insulin at $35 a Month (non-add)	*572*	*1,241*	*1,363*
Premium Tax Credits (non-add)	*148*	*297*	*297*
Cost-Sharing Reductions (HHS Impact)	10	20	20
Other Government-Wide Impacts (non-add)[101]	*414*	*924*	*1,046*
Subtotal, Government-wide Impact (non-add)	***572***	***-8,759***	***-38,637***
Subtotal Outlays, Private Insurance Proposals	**10**	**20**	**20**

[101] Other Government-Wide Impacts include costs to programs overseen by the U.S. Department of the Treasury, the U.S. Postal Service, and the Office of Personnel Management.

TOTALS

Private Insurance Interactions	2024	2024-2028	2024-2033
Total, Government-wide Impact (non-add)	9,082	163,070	390,812
Total Outlays, Private Insurance Proposals	**20**	**7,015**	**20,095**

Centers for Medicare & Medicaid Services: Program Integrity

The following tables are in millions of dollars.

Program Integrity	2022	2023	2024	2024+/-2023
Discretionary[102]	873	893	937	+44
Mandatory[103]	1,439	1,523	1,812	+289
Subtotal, Health Care Fraud and Abuse Control Program	**2,312**	**2,416**	**2,749**	**+333**
Medicaid Integrity Program[100]Error! Bookmark not defined.,[104]	88	95	100	+5
Total, Budget Authority	**2,400**	**2,511**	**2,849**	**+338**

The FY 2024 President's Budget strengthens the integrity and sustainability of Medicare and Medicaid by investing in the prevention of fraud, waste, and abuse, protecting beneficiaries from unnecessary payments or harm, and eliminating wasteful spending. Two programs—the Health Care Fraud and Abuse Control (HCFAC) Program and the Medicaid Integrity Program—comprise most of the federal investment in health care program integrity. The budget provides $2.8 billion in total mandatory and discretionary investments for the HCFAC and Medicaid Integrity Programs in FY 2024.

HEALTH CARE FRAUD AND ABUSE CONTROL PROGRAM

The HCFAC Program, established in 1996, serves as the primary federal investment that addresses health care fraud and abuse through a coordinated effort between HHS and the U.S. Department of Justice. It provides both mandatory and discretionary funding to address the full spectrum of health care fraud and abuse 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 to safeguard Federal Health programs, but more could be done to ensure the government is keeping pace with the size, scope, and complexity of the healthcare industry and federal programs. Without additional resources, HHS may have to forgo investigating serious instances of fraud, waste, and abuse. As the American population ages, opportunities for fraud will also increase. Top priorities for HCFAC partners include:

- Increased Medicare fee-for-service medical review to identify improper payments;
- Oversight of care provided in nursing home or home-based settings;
- Law enforcement and prosecution activities to combat existing and emerging fraud schemes;
- Investigations and forensic audits to identify fraud and abuse;
- Increased specialized staffing for enforcement and oversight; and,
- Cutting-edge data analytics to detect trends and outliers.

The budget includes significant new investment in both the mandatory and discretionary HCFAC accounts totaling $5.2 billion over ten years. As explained further below, the investment will more than pay for itself based on years of documented recoveries to the Medicare Trust Funds and federal Treasury.

Mandatory Health Care Fraud and Abuse Control

Under current law, the Medicare Part A Trust Fund provides over $1 billion in mandatory HCFAC resources for FY 2024 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 health care fraud, waste, and abuse.

The budget raises the level of the mandatory HCFAC funding streams by 20 percent to ensure the long-term

[102] The FY 2022 and FY 2023 column reflects enacted levels.
[103] The FY 2022, FY 2023, and FY 2024 mandatory base includes sequester reductions. FY 2022 includes impacts of the partial sequester suspension (October 1, 2021 to March 31, 2022) under the Medicare sequester moratorium included in P.L. 117-7 and the Protecting Medicare and American Farmers from Sequester Cuts Act.
[104] Additional information on the Medicaid Integrity Program is included in the States Grants and Demonstrations chapter.

effectiveness and stability of the program and return more money to the Trust Funds and Treasury. See details of the mandatory HCFAC proposal in the legislative section below.

Discretionary Health Care Fraud and Abuse Control

The budget requests $937 million in discretionary HCFAC funding, $44 million above the FY 2023 level. Discretionary HCFAC funding supplements and can be used for the same purposes as the mandatory HCFAC funding. The budget assumes discretionary HCFAC spending will grow over the 10-year budget window and includes an allocation adjustment to be used pursuant to the Congressional Budget Act in the Congressional Budget Resolution. This additional investment is projected to total $1.4 billion over the 10-year budget window above FY 2023 enacted levels, and the entire allocation adjustment policy will yield $14.3 billion in Medicare and Medicaid savings, that is incorporated into the adjusted baseline. Of the $937 million, the Centers for Medicare & Medicaid Services (CMS) will receive $667 million, the Administration for Community Living's Senior Medicare Patrol program will receive $35 million, the U.S. Department of Justice will receive $122 million, and the HHS Office of Inspector General will receive $112.4 million.

Return on Investment

Program integrity spending is a proven cost-effective investment. Medicare program integrity efforts yield a robust rate of return to the Trust Funds of over $8 for every $1 spent based on a 3-year rolling average and consistently generate savings of over $10 billion annually.

The 3-year rolling average return on investment for HCFAC law enforcement activities is $4 recovered for every $1 spent. In FY 2021 alone, these activities returned nearly $1.9 billion to the federal government or private individuals, including $1.2 billion to the Medicare Trust Funds and $99 million in federal Medicaid recoveries and audit disallowances to the U.S. Department of the Treasury.

In 2021, Health Care Fraud Strike Force Teams harnessed the combined resources of federal, state, and local law enforcement entities to prosecute complex health care fraud cases involving the illegal prescription, distribution, and diversion of opioids. Strike Force accomplishments included investigating 444 defendants who allegedly billed healthcare programs and private insurers approximately $1.7 billion; obtaining 288 guilty pleas; and securing imprisonment for 175 sentenced defendants.

MEDICAID INTEGRITY PROGRAM

Using HCFAC as a model, the Deficit Reduction Act of 2005 established the Medicaid Integrity Program as the nation's first program integrity effort focused on Medicaid. The mandatory appropriation for the Medicaid Integrity Program adjusts annually for inflation and will total $100 million in FY 2024.

States are the first response for combating fraud, waste, and abuse in the Medicaid program, and the Medicaid Integrity Program plays an important role supporting these efforts. Funded activities include reviews, audits, education activities, and technical 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 in Medicaid program integrity ensures CMS can continue to enhance transparency and fund critical updates to Medicaid information systems, such as the Transformed Medicaid Statistical Information System, the nation's first accessible repository of Medicaid claims and encounter data.

2024 LEGISLATIVE PROPOSALS

The FY 2024 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 $30.5 billion in net savings over 10 years.

Restructure Mandatory HCFAC

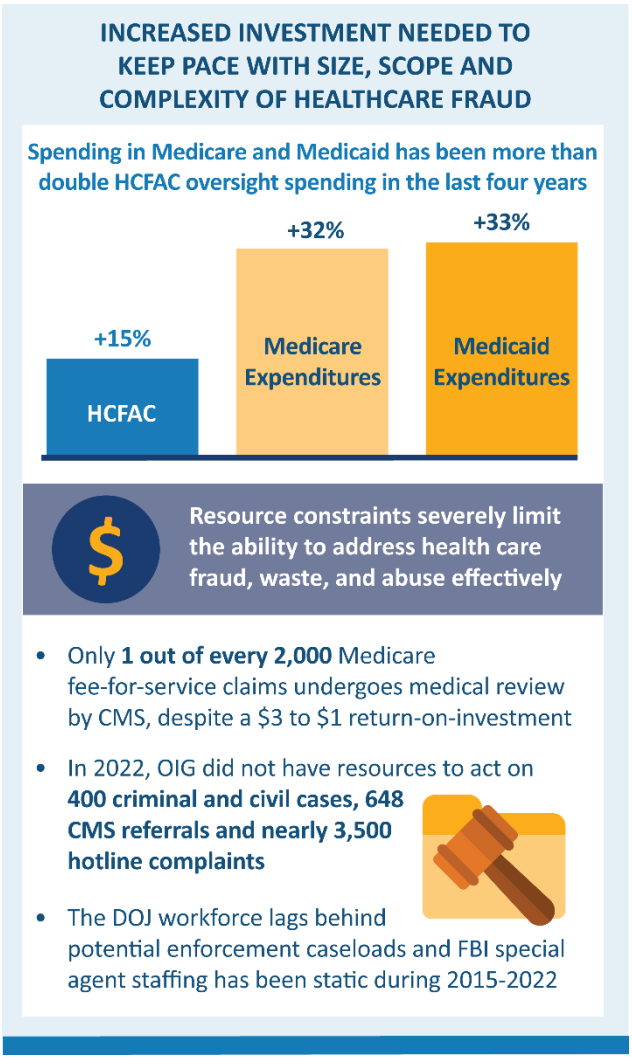
Increase Investment in Mandatory HCFAC and Other Mandatory HCFAC Modifications

The Health Insurance Portability and Accountability Act of 1996 established mandatory HCFAC funding streams for: the Medicare Integrity Program; the Medicare-Medicaid (Medi-Medi) data match program; HHS Office of Inspector General; the Federal Bureau of Investigations; and an account allocated between HHS and the U.S. Department of Justice, called the "Wedge." Starting in FY 2010, the Affordable Care Act increased these mandatory funding streams by providing temporary, incremental funding amounts that expired at the end of FY 2021; and a permanent, annual inflationary increase. The funding levels for the mandatory HCFAC streams have not increased in over a decade, creating an increasing chasm 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 one mandatory 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 to detect trends; and outliers; and fraud and abuse law enforcement and prosecution activities. This additional investment is projected to total $3.8 billion over the 10-year budget window and yield $5.4 billion in net savings over 10 years.

The mandatory HCFAC proposal also makes modifications to HCFAC statutory purposes, definitions, and reporting requirements that have not been changed since 1996, including:

- Expanding the HHS Office of Inspector General investigations of CMS programs to include Marketplaces and related activities, such as premium tax credits, as their current authority is limited to Medicare and Medicaid activities;
- Clarifying that HCFAC allowable purposes apply to both public and private plans given there is some confusion among healthcare prosecutors that these authorities only apply to Medicare and Medicaid; and,



- Including the Children's Health Insurance Program in the Medi-Medi data match program so that CMS can audit and investigate the $20 billion that providers bill to this program.

Long-Term Care

Require Additional Disclosures from Private Equity or Real Estate Investment Trust Ownership to Improve Quality of Care in Skilled Nursing Facilities

Current law does not require skilled nursing facilities with private equity or real estate investment trust ownership to disclose profit/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, whether direct or indirect, to provide additional financial disclosures above and beyond other provider types. Additionally, for all Medicare providers/suppliers, the proposal expands the requirement that owners with a 5 percent or greater direct or indirect ownership must be reported on the provider/supplier's enrollment application, to require owners with any percentage-level of interest be reported. [Budget neutral]

Good Governance

Implement Targeted Risk-Adjustment Pre-Payment Review in Medicare Advantage

In FY 2022, Medicare Advantage had an improper payment rate of 5.42 percent and overpayments exceeded $12 billion. Beginning in CY 2024, this proposal confirms diagnoses submitted by Medicare Advantage 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 Tools to Identify and Investigate Fraud in the Medicare Advantage Program

This proposal requires Medicare Advantage plans to collect valid ordering, referring, or prescribing provider identifiers for healthcare services and report this information as part of encounter data submissions to CMS. By requiring Medicare Advantage plans to collect key provider data to assist with investigations, this proposal provides CMS and the HHS Office of Inspector General with improved capabilities to hold wrongdoers accountable and improves capabilities to prevent program losses and beneficiary harm. This proposal does not require additional funding. [Not Scorable]

Ensure Providers that Violate Medicare Safety Requirements and Have Harmed Patients Cannot Quickly Reenter the Program

Under current statute, Medicare-certified providers/suppliers whose agreements have been involuntarily terminated due to a failure to meet Medicare participation requirements cannot enter into a new agreement until the reasons for the termination have been removed. This conflicts with a regulation that requires a minimum one-year reenrollment bar after a Medicare revocation. Thus, a provider/supplier's statutory right to be able to reenter the program after the Secretary determines there is reasonable assurance that the core issues will not recur supersedes the regulatory minimum of a one-year reenrollment bar. This proposal provides the Secretary with authority to enforce an exception to Medicare's reasonable assurance period for Medicare-certified providers/suppliers in cases of patient harm or neglect. The Secretary would be able to review the totality of the facts at hand to determine whether a bar would be appropriate. The bar would only be used in egregious cases, thus allowing the Secretary to further focus on significant patient harm issues. [Budget neutral]

Prohibit Unsolicited Medicare Beneficiary Contacts

Amplified by the COVID-19 pandemic, Medicare scams have proliferated that utilize unsolicited contacts with Medicare beneficiaries for the purpose of ordering or rendering high-cost items and services, such as medically unnecessary laboratory testing and COVID-19 personal protective equipment, as well as collecting beneficiaries' personal information. This proposal would disallow certain ordering or referring providers, home health agencies, laboratories, other providers and suppliers as identified by the Secretary, and other individuals or entities acting on behalf of such providers and suppliers from making certain unsolicited

contacts with Medicare beneficiaries. Prohibited contacts would include phone calls, text messages, direct messaging applications, and e-mail. The proposal would also grant the Secretary authority to announce rulemaking to modify the parameters restricting unsolicited provider contacts with beneficiaries to address emerging fraud threats that CMS identifies in the future. [Not Scorable]

OTHER FY 2024 BUDGET PROPOSALS

The FY 2024 budget includes an allocation adjustment for the Social Security Administration to conduct continuing disability reviews and Supplemental Security Income redeterminations to confirm that participants remain eligible to receive benefits. These increased workloads are projected to yield savings to Medicare and Medicaid totaling $10.8 billion over ten years and incorporated into the adjusted baseline.

FY 2024 Program Integrity Budget Proposals

LEGISLATIVE AND ADMINISTRATIVE PROPOSALS

The following tables are in millions of dollars.

Long-Term Care	2024	2024-2028	2024-2033
Require Additional Disclosures from Private Equity or Real Estate Investment Trust Ownership to Improve Quality of Care in Skilled Nursing Facilities	--	--	--
Subtotal Outlays, Long Term Care Proposed Policy	**--**	**--**	**--**
Subtotal, Medicare Impact (non-add)	--	--	--
Subtotal, Medicaid Impact (non-add)	*N/A*	*N/A*	*N/A*

Good Governance	2024	2024-2028	2024-2033
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	**	**	**
Subtotal Outlays, Good Governance in Proposed Policy	**--**	**--**	**--**
Subtotal, Medicare Impact (non-add)	--	--	--
Subtotal, Medicaid Impact (non-add)	*N/A*	*N/A*	*N/A*

Program Integrity Legislative Proposals	2024	2024-2028	2024-2033
Subtotal Outlays, Program Integrity Legislative Proposals	**--**	**--**	**--**
Subtotal, Medicare Impact (non-add)	--	--	--
Subtotal, Medicaid Impact (non-add)	*N/A*	*N/A*	*N/A*

Non-PAYGO Savings[105]	2024	2024-2028	2024-2033
Capture Savings to Medicare and Medicaid from HCFAC Allocation Adjustment	-$1,178	-$6,542	-$14,336
Capture Savings to Medicare and Medicaid from Social Security Administration Allocation Adjustment	-$60	-$2,577	-$10,784
Medicare Impact (non-add)	*-$34*	*-$1,953*	*-$8,629*
Medicaid Impact (non-add)	*-$26*	*-$624*	*-$2,155*
Increase Investment in Mandatory HCFAC and Other Mandatory HCFAC Modifications			
Gross Investment from 20% Rebasing of Funding Streams (non-add)	*$205*	*$1,665*	*$3,806*
Gross Savings from Return-on-Investment (non-add)	*-$525*	*-$4,035*	*-$9,176*
Net Savings: Increase Investment in Mandatory HCFAC and Other Mandatory HCFAC Modifications	***-$320***	***-$2,370***	***-$5,370***
Subtotal, Medicare and Medicaid Savings from Program Integrity Investment	**-$1,558**	**-$11,489**	**-$30,490**

[105] Includes non-PAYGO savings from continuing allocation adjustments in HCFAC and the Social Security Administration program integrity activities.

Centers for Medicare & Medicaid Services: Center for Medicare & Medicaid Innovation

The following tables are in millions of dollars.

Current Law	2022	2023	2024	2024 +/- 2023
Innovation Center Obligations[106]	608	680	636	**-44**

Vision: A healthcare system that achieves equitable outcomes through high quality, affordable, person-centered care.

The Center for Medicare & Medicaid Innovation (Innovation Center) tests innovative payment and service delivery models with the potential to improve the quality of care and reduce federal healthcare spending. The Innovation Center is integral to bipartisan efforts to accelerate the move from a healthcare system that pays for volume to one that pays for value and encourages innovation. Congress appropriated $10 billion in FY 2011, $10 billion in FY 2020, and an additional $10 billion in appropriations in every ten-year period thereafter (beginning in FY 2030) to support Innovation Center activities.

INNOVATION CENTER OVERVIEW

Paying for health and improved outcomes instead of high volume and low value care is the central premise of the Innovation Center's work. The emphasis is on the quality of care rather than volume of care. To date, the Innovation Center has launched more than 50 models, including Accountable Care Organization (ACO) models; episode-based payment models; disease specific payment models; primary care transformation models; models focused on Medicaid, Children's Health Insurance Program (CHIP), and dually eligible populations; 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.

Model Evaluations and Results

The Innovation Center uses independent evaluators to routinely and rigorously assess the impact of each model on quality and expenditures. The 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 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 Innovation Center uses ongoing assessments to improve model testing, making evaluation results public as they become available.

Expanded Models

The Innovation Center prioritizes impacts on health equity, person-centered care, and health system transformation – efforts that align with CMS-wide goals. Beyond certification, accountable care models have contributed to the design of the Medicare Shared Savings Program, such as scaling of features of the ACO 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 CMMI models, CMS programs, and other healthcare entities have also adopted the health-related social need screening tool tested as part of the Accountable Health Communities model.

To date, the Chief Actuary at the Centers for Medicare & Medicaid Services (CMS) certified four Innovation Center models for expansion.

1. The Pioneer ACO Model supported the coordination of care for patients across care settings, improving continuity and reducing duplicative care and testing. CMS incorporated several successful elements of the model into the Medicare Shared Savings Program through rulemaking.
2. The Medicare Diabetes Prevention Program intends to help prevent the onset of Type 2 diabetes among pre-diabetic Medicare beneficiaries. Through the expanded model, suppliers deliver clinical interventions that seek to achieve at least five percent weight loss by participants. Refer to the Medicare chapter for a legislative proposal that establishes a permanent program.

[106] FY 2022 numbers are actuals. FY 2023 and FY 2024 are estimates.

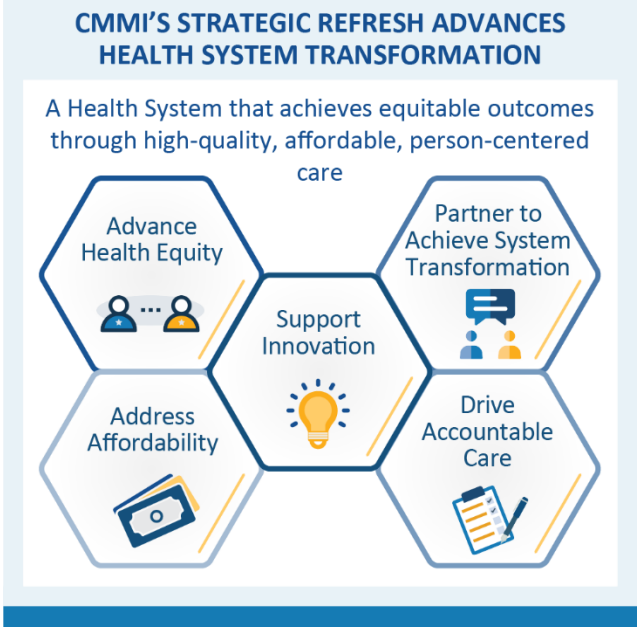
3. The Medicare Prior Authorization Model for Repetitive, Scheduled Non-Emergent Ambulance Transport was certified for national expansion under the authority of the Medicare Access and CHIP Reauthorization Act of 2015. As of August 1, 2022, CMS completed a phased national expansion of the model to all 50 states. The model ensures that ambulance suppliers comply with applicable Medicare coverage, coding, and payment rules before rendering services and submitting claims, thus improving the Medicare improper payment rate. The model contributed to a decrease in Medicare spending of about $1 billion over the first 5 years of the model while preserving quality of, and access to, care.
4. CMS expanded the Home Health Value-Based Purchasing Model to all Medicare participating home health agencies in all 50 states, effective January 1, 2022 based on the success of the model in reducing costs while preserving the same quality. The model tests higher payment incentives in nine states to improve quality of care and shift home health agencies from volume- to value-based purchasing. Refer to the Medicare chapter for a related legislative proposal establishing a permanent Medicare Home Health Value-Based Purchasing program.

STRATEGIC VISION AND PRIORITIES

The Innovation Center, with its federal partners and external stakeholders, has started building the foundation toward a health system that achieves equitable outcomes through high-quality, affordable, person-centered care. To make this lasting change, it incorporates patient and caregiver perspectives across the lifecycle of its models, implementing more patient-reported outcome measures to measure what matters to beneficiaries, and evaluating patient and caregiver experience in models.

The CMS Innovation Center's strategy for the future organizes around five objectives. These objectives guide models and priorities, and CMS measures progress toward achieving goals for each objective to assess impact.

1. **Drive Accountable Care**. Increase the number of Medicare and Medicaid beneficiaries in a care relationship with a provider that is accountable for quality and total cost of care.
2. **Advance Health Equity**. Embed health equity in every aspect of CMS Innovation Center models and increase the focus on underserved populations.
3. **Support Innovation**. Leverage a range of supports that enable integrated, person-centered care such as actionable, practice-specific data, technology, dissemination of best practices, peer-to-peer learning collaboratives, and payment flexibilities.
4. **Address Affordability**. Pursue strategies to address healthcare prices, affordability, and reduce unnecessary or duplicative care.
5. **Partner to Achieve System Transformation.** Align priorities and policies across CMS and aggressively engage payers, purchasers, providers, states, and beneficiaries to improve quality, achieve equitable outcomes, and reduce healthcare costs.



DRIVING ACCOUNTABLE CARE

ACO Realizing Equity, Access, and Community Health Model

The ACO Realizing Equity, Access, and Community Health (REACH) Model aims to improve the quality of care and care coordination for beneficiaries in Medicare fee-for-service. The model tests new ways for providers to join together to assume responsibility for the quality and total cost of care of their patients, provide beneficiaries with access to enhanced benefits, and increase the availability of high quality, coordinated care. The redesigned model, announced February 24, 2022, promotes health equity through

innovative testing of increasing payment benchmarks for ACOs 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.

This model also protects beneficiaries in the model with more vetting and monitoring of participating organizations, by fostering beneficiary participation in governance boards, and enhancing transparency by making ownership data available. The model builds on lessons learned from initiatives involving Medicare ACOs, such as the Medicare Shared Savings Program and the Next Generation ACO Model. The model has 132 participants as of January 2023 and runs through 2026.

Enhancing Oncology Model

The Enhancing Oncology Model (EOM) aims to drive transformation 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 in this voluntary model will take on financial and performance accountability for episodes of care surrounding systemic chemotherapy administration to patients with common cancer types. EOM tests how to improve healthcare providers' ability to deliver care centered around patients, consider patients' unique needs, and deliver cancer care in a way that will generate the best possible patient outcomes. EOM supports the President's Unity Agenda and Cancer Moonshot initiative to improve the experience of people and their families living with and surviving cancer. The model begins July 1, 2023, through June 2028.

Medicare Shared Savings Program Updates

CMS finalized a proposal in the final CY 2023 Medicare Physician Fee Schedule Rule to incorporate key features of the ACO Investment Model in the Medicare Shared Savings Program. Certain ACOs receive an advance investment payment to reduce upfront costs that may otherwise prevent providers and suppliers from forming ACOs, caring for beneficiaries in underserved communities, and achieving long term success.

ADVANCING HEALTH EQUITY

Research shows that certain underserved communities experience worse health outcomes and lower quality of care than the general population. To improve the quality of care and outcomes for all Medicare beneficiaries, the Innovation Center refines existing models to systematically address health equity across the Center's entire portfolio.

For example, during the last year, CMS developed an approach to implementing sociodemographic data collection and reporting requirements in the EOM and ACO REACH models to monitor and evaluate impacts across populations. CMS also requires health equity plans from model participants in EOM, the Hospice Benefit Component of the Medicare Advantage Value-based Insurance Design Model, and ACO REACH to identify and address disparities in access and care. Further, CMS developed and incorporated innovative payment incentives and supports for healthcare providers caring for underserved populations as well as for screening and referrals for social needs.

Moving forward, CMS continues to embed health equity in model design, implementation, evaluation, and through targeted technical assistance, tools, and other resources for model teams and participants.

SUPPORTING CARE INNOVATIONS

Medicare Advantage Value-Based Insurance Design

The Value-Based Insurance Design Model, which provides Medicare Advantage plans with additional flexibilities to alter their benefit packages, tests whether offering these flexibilities (including a hospice benefit component as well as rewards and incentives programs) increases the uptake of high value services, reduces costs, and improves quality outcomes. The model continues to evolve with an expanded focus on health equity that leverages the model's benefit flexibilities. The model launched in 2017 and runs through 2024.

CMS is increasing use of patient-reported outcome measures to measure what matters to patients and requires collection of self-reported demographic data in new and redesigned models to inform innovations that support comprehensive, person-centered care.

ADDRESSING AFFORDABILITY

Part D Senior Savings Model

The Inflation Reduction Act caps cost-sharing for each insulin product covered under a Medicare prescription drug plan at $35 for a month's supply, beginning January 1, 2023. Under the new law, Part D deductibles will not apply to these covered insulin

products. Because these new benefits, which closely align with offerings through the Part D Senior Savings Model, will now be available to all people with Medicare prescription drug coverage, CMS will terminate the model at the end of CY 2023.

The Secretary's Selected Drug Affordability & Accessibility Models

To build on the Inflation Reduction Act, on October 14, 2022, President Biden issued Executive Order 14087, "Lowering Prescription Drug Costs for Americans," to further address prescription drug affordability through the work of the Innovation Center. The HHS Secretary selected three models for testing to help lower the high cost of drugs and promote accessibility to life-changing drug therapies while maintaining and improving quality of care and beneficiary experience.

1. $2 Drug List

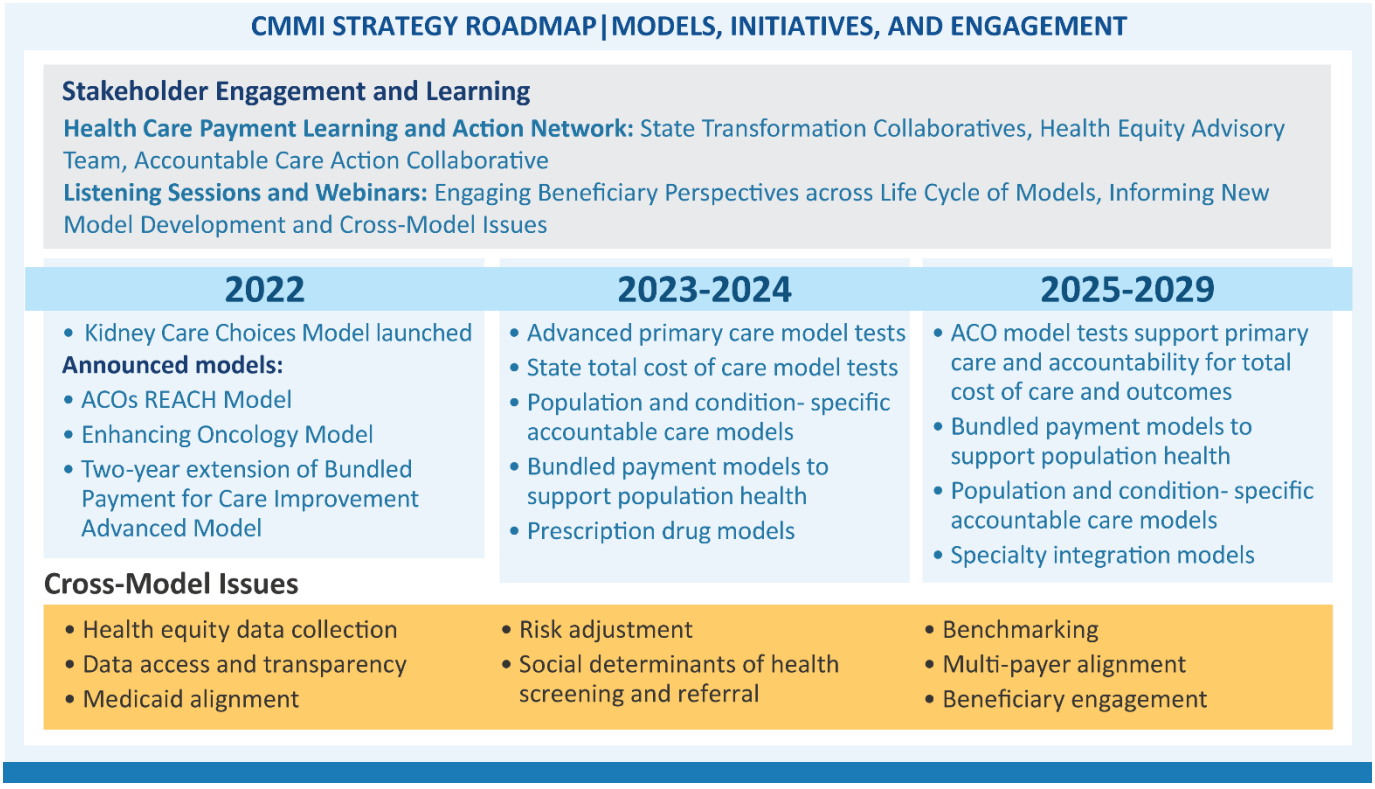
Medicare Part D plans are encouraged to offer a low, fixed co-payment, no more than $2, across all cost-sharing phases of the Part D drug benefit for a standardized Medicare list of generic drugs. The model would test the impact of standardizing the Part D benefit for high-value generic drugs on beneficiary affordability, access, health outcomes, and Medicare spending.

2. Cell & Gene Therapy Access

State Medicaid agencies assign CMS to coordinate and administer multi-state outcomes-based agreements with manufacturers for certain cell and gene therapies, such as treatments for sickle cell disease and cancer. The model would test whether a CMS-led approach improves beneficiary access and equity and reduces healthcare costs.

3. Accelerating Clinical Evidence

CMS would develop payment methods for drugs approved under accelerated approval, in consultation with Food and Drug Administration, to encourage timely confirmatory trial completion and improve access to post-market safety and efficacy data. The model would test efficacy of targeted adjustments in Part B fee-for-service payments to improve timely trial completion and reduce Medicare spending, while maintaining or improving quality of care.



PARTNERING TO ACHIEVE HEALTH SYSTEM TRANSFORMATION

The CMS Innovation Center's vision for broad health system transformation is ambitious and requires collaboration with and actions by a wide range of stakeholders. In particular, the Center asks state Medicaid agencies, private payers, and purchasers to increase the number of providers participating in value-based payment models and make their participation 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 Learning and Action Network's state based strategic initiatives during the development of new models.[107]

Since October 2021, CMS released data for ten of the Innovation Center's models which allows external researchers and organizations to generate insights on the impact of models on patients, the care delivery system, and costs. CMS also released roughly fifteen publications and webinars to share new strategic direction and learnings and solicit input and feedback. A multitude of information on each model is available on the Innovation Center's website.[108]

[107] https://lansummit.org/

[108] https://innovation.cms.gov/

Centers for Medicare & Medicaid Services: Program Management

The following tables are in millions of dollars.

Discretionary Administration	2022[109]	2023[110]	2024	2024+/-2023
Program Operations	2,835	2,915	3,130	+215
Federal Administration	773	783	854	+71
Survey and Certification	397	407	566	+159
Research[111]	20	20	--	-20
Subtotal, Discretionary Budget Authority	**4,025**	**4,125**	**4,550**	**+425**

Mandatory Administration[112]	2022[109]	2023[110]	2024	2024+/-2023
Medicare Improvements for Patients and Providers Act (2008)	3	3	3	--
Protecting Access to Medicare Act (2014)	5	5	2	-3
Improving Medicare Post-Acute Care Transformation (2014)	5	5	5	--
Bipartisan Budget Act (2018)	5	5	5	--
Consolidated Appropriations Act (2021)	46	49	16	-33
Postal Service Reform Act (2022)	8	--	--	--
Bipartisan Safer Communities Act (2022)	8	5	5	--
Inflation Reduction Act (2022)[113]	3,047	90	44	-46
Consolidated Appropriations Act (2023)	--	36	--	-36
Subtotal, Mandatory Administration	**3,126**	**198**	**80**	**-118**

Reimbursable Administration	2022[109]	2023[110]	2024	2024+/-2023
Medicare and Medicaid Reimbursable Administration	1,052	565	597	+33
Marketplace Reimbursable Administration[114]	1,851	2,047	2,134	+87
Subtotal, Reimbursable Administration	**2,903**	**2,611**	**2,731**	**+120**

Proposed Law	2022[109]	2023[110]	2024	2024+/-2023
Program Management Implementation Funds	--	--	300	+300
Program Management Other Proposed Law			50	+50
Subtotal, Proposed Law	**--**	**--**	**350**	**+350**

Budget Total	2022[109]	2023[110]	2024	2024+/-2023
Total Program Management Program Level, Current Law	**10,053**	**6,933**	**7,361**	**+427**
Total Program Management Program Level, Proposed Law	**10,053**	**6,933**	**7,711**	**+777**

The FY 2024 discretionary budget request for CMS Program Management is $4.6 billion, an increase of $425 million, or 10 percent, above the FY 2023 enacted level. Including mandatory appropriations and user fees, total Program Management spending from all sources in FY 2024 is $7.7 billion. Program Management provides resources to offer high quality customer service, sustain core operations, and oversee

[109] The FY 2022 column reflects final levels, including required and permissive transfers and recissions, and excludes supplemental resources.

[110] The FY 2023 column reflects enacted levels, including tentative CMS allocations from General Provision 227 funding for Medicare program activities

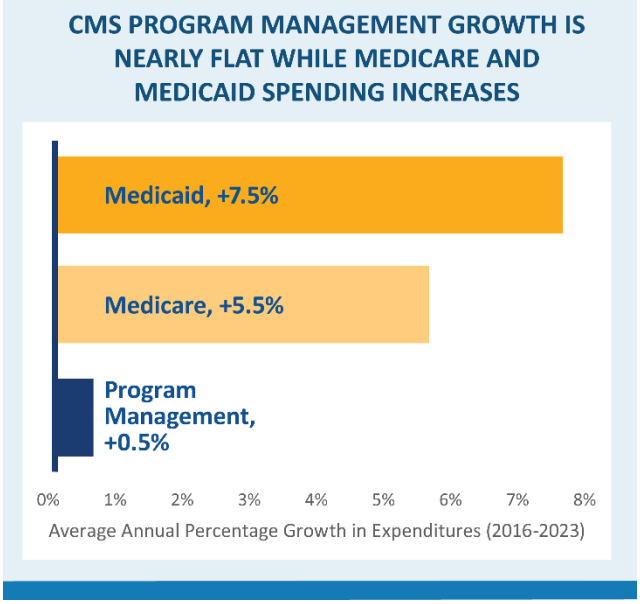
[111] Research funding is requested as part of the Program Operations funding in FY 2024. Within Program Operations, the funding amount is level with 2023 Enacted.

[112] The FY 2022, FY 2023, and FY 2024 mandatory resources includes sequester reductions, where applicable.

[113] The Inflation Reduction Act appropriated $3.0 billion of mandatory implementation funding in FY 2022, primarily for the Medicare drug price negotiation provisions, but this funding will be spent over approximately the next decade to implement that initiative.

[114] Includes collections of user fees charged to issuers in federally facilitated Marketplaces, State-based Marketplaces on the federal platform, and Risk Adjustment.

programs serving more than 160 million Americans. Program Management's enacted funding has not kept pace with the growth in enrollments, responsibilities and complexity within Medicare and Medicaid, putting both beneficiaries and taxpayers at risk. A substantial funding increase is needed to meet fundamental responsibilities, strengthen nursing home oversight, reduce prescription drug prices, advance health equity, enhance cybersecurity protections, improve quality, and conduct eligibility determinations as the public health emergency winds down.



BUDGET ACCOUNT SUMMARIES

Program Operations

The budget requests $3.1 billion for Program Operations, which is $215 million, or 7 percent, above the FY 2023 enacted level, to fund essential payment, information technology, and public outreach activities for Medicare, Medicaid, CHIP, and private insurance programs. Priority activities for FY 2024 include:

Medicare Contractor Operations

Medicare's claims processing systems have enabled Medicare to become one of the fastest, most reliable, and efficient health insurance payers in the world. Approximately 32 percent, or $1.0 billion, of the FY 2024 Program Operations request supports ongoing Medicare contractor operations, including claims processing ($862 million), shared systems ($87 million), and essential support functions ($52 million). This funding enables processing nearly 1.3 billion Medicare Part A and B claims, enrolling providers and suppliers in the Medicare program, paying providers and suppliers, processing 2.5 million first level appeals, responding to 11.5 million inquiries from providers, and educating over one million providers about the program.

Medicare Appeals

The budget includes $61 million to process approximately 300,000 second level fee-for-service appeals in a timely manner. CMS actively supports the Department's efforts to improve the Medicare appeals process at all levels of appeal. Past efforts helped reduce the backlog of pending third-level appeals and resulted in lower administrative costs for HHS and taxpayers.

Information Technology Systems and Support

The budget includes $681 million for information technology systems to sustain CMS cybersecurity capabilities and continue a multi-year effort to comply with system upgrade requirements across the entire information technology landscape. CMS remains committed to modernizing Medicare payment systems that allow flexible and improved data and system functionality for operations by CMS staff and Medicare Administrative Contractors. The budget supports the agency's mission to protect the consumer health data of millions of Americans from outside threats, and continued improvements in efficiency and reliability for CMS, health providers, and beneficiaries.

Medicaid and CHIP Operations

The budget requests $353 million for administrative activities to improve the Medicaid and CHIP programs, and assist other State support functions that enhance Medicaid operations. This funding includes additional investment in the Federal Data Services Hub to aid states in conducting millions of accurate and timely Medicaid and CHIP eligibility determinations and renewals during the transition out of the public health emergency.

CMS's request includes funds for the 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.

Additionally, this budget funds capacity improvements for monitoring and evaluation of Section 1115 waiver demonstrations. Section 1115 of the Social Security Act provides the HHS Secretary authority to approve state experimental, pilot, or demonstration projects

that promote the objectives of the Medicaid and CHIP programs.

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 $25 million to give grants to States and tribes aimed at addressing

disparities, developing innovative approaches for integrating equity into CMS's programs and policies, building analytic systems to integrate data on underserved populations, and developing dashboards and other products to support interventions to address health disparities.

Inflation Reduction Act Implementation

The budget includes $10 million to support full, successful, and timely implementation of the Inflation Reduction Act and deliver 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, such as data analytics to identify Medicaid and CHIP enrollees in need of the expanded vaccine benefits. It also supports CMS enterprise-wide activities necessary to implement the law, such as new information technology infrastructure and upgrades and targeted outreach and education efforts to low-income subsidy Medicare beneficiaries.

Federal Administration

The FY 2024 budget requests $854 million for CMS Federal Administrative costs, which is $71 million or 9 percent above FY 2023 enacted.

CMS's budget request, inclusive of the total program level, will support a direct, full-time staff level of 4,330, an increase of 100 full time equivalent employees above the FY 2023 enacted level. In addition to meeting rising payroll and benefits costs, the FY 2024 impact from the budget's pay increase is $50 million alone. 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 2018 CMS provided just over 140 million Americans with high-quality health coverage; this number has grown to a projected 160 million Americans in FY 2024. With each new beneficiary added to the number of beneficiaries served, the Agency's workload grows. The request also includes $5 million for the CMS U.S. Digital Service team to support CMS's IT portfolio.

Survey and Certification

The budget requests $566 million for Survey and Certification, an increase of $159 million or 39 percent above FY 2023 enacted. This investment will strengthen health, quality, and safety oversight for approximately 67,000 participating Medicare or Medicaid provider facilities.

Despite the tens of billions of federal taxpayer dollars flowing to nursing homes each year, too many facilities continue to provide poor, substandard care that leads to avoidable resident harm. For example, from 2013 to 2017, 82 percent of all inspected nursing homes had infection prevention and control deficiencies, including a lack of regular handwashing, which were identified through inspection surveys. Further, CMS has seen an increase in the overall number of nursing home complaints since 2015, requiring additional survey resources during a time when enacted funding has generally been held constant. Specifically, compared to 2015, in recent years State Survey Agencies conducted over 10,000 additional complaint surveys (a 19 percent increase), and resulting, in part, in a 43

percent increase in the number of immediate jeopardy citations issued in that same time period. A strong Survey and Certification program promotes patient safety and quality and may limit more severe enforcement action over time by detecting and correcting issues earlier.

Approximately 90 percent of Medicare Survey and Certification is for direct surveys performed by State Survey Agencies. CMS will maintain statutory survey frequency rates for nursing homes, home health agencies, and hospices, while also making efforts to address the backlog of complaints. For other facilities, CMS's discretionary request focuses greater survey frequencies at targeted high-risk facilities, specifically hospitals and end-stage renal disease facilities. In total, states will complete over 27,000 initial surveys and recertifications in FY 2024.

The COVID-19 pandemic has underscored the Survey and Certification program's critical oversight role for holding nursing homes and other facilities accountable for meeting infection control standards and protecting the health of beneficiaries. CMS's discretionary request sustains efforts initiated as a response to the COVID-19 pandemic as well as to prepare these facilities for future public health emergencies. Twenty million of this request supports specific CMS actions outlined in the White House 2022 fact sheet aimed at improving safety and quality of care in the nation's nursing homes. This includes addressing the backlog of complaints, revising the special focus facility program, and expanding financial penalties for poor-performing facilities.

The budget requests two-year budget authority for the Medicare Survey and Certification program, which accommodates States with different fiscal years than the federal government, assists states with long-range staffing plans, and increases CMS administrative flexibility.

CMS HOLDS NURSING HOMES ACCOUNTABLE TO CARE STANDARDS

The Budget supports the Administration's Action Plan to Improve Safety and Quality of Care in the Nation's Nursing Homes through:

1. Discretionary **investments in Survey and Certification**, as well as **proposals to penalize poor performing nursing homes** through financial penalties and enforcement actions;
2. New oversight authorities for CMS to ensure **owners of nursing homes that provide substandard care are held accountable** even after a facility closes; and,
3. Quality and transparency initiatives to **enhance Care Compare for nursing homes**.

CROSSCUTTING SUMMARIES

National Medicare Education Program

The budget funds the National Medicare Education Program (NMEP) at $528 million, including $359 million in discretionary budget authority. The NMEP 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 materials and tools needed to find accurate and up-to-date information on coverage options and available benefits. As a Federal High Impact Service Provider, this program drives customer experience improvements for Medicare beneficiaries by engaging in iterative consumer research, customer feedback surveys, and the application of human-centered design best practices.

The budget provides $294 million, including $185 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 will support an estimated 24 million calls with an average speed-to-answer of approximately 5 minutes or less. Beneficiaries can also use 1-800-

MEDICARE to report instances of possible fraud or abuse.

The budget includes $143 million which is $15 million above FY 2023 enacted, for beneficiary materials, including $84 million in budget authority. The majority of these funds support the printing and distribution of 53 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. The budget request reflects increases in recent years in the costs of publication and shipping of paper handbooks.

Marketplaces

The budget requests $2.3 billion to operate the Federally Facilitated Marketplace, of which $2.1 billion is funded by Marketplace and Risk Adjustment user fees and $247 million is funded by other sources in CMS Program Management.

Building on the record-breaking open enrollment season for plan year 2023 that saw 16.3 million individuals sign up for health coverage, this budget request is focused on increasing access to consumer assistance, ensuring robust outreach and education efforts through fully funded Navigators programs, and year-round outreach targeted to underserved and underinsured populations.

The budget also maintains sufficient funding for the other core functions of the Marketplaces, including plan and issuer oversight; payment and financial management; IT infrastructure; and quality improvement efforts. These components are critical to keeping to the Marketplaces competitive and user friendly.

For plan year 2024, HHS is responsible for operating the Marketplaces in 30 states that elected not to establish one on their own. HHS is also partnering with 2 states to leverage certain federal platforms for activities such as eligibility and enrollment.

2024 LEGISLATIVE PROPOSAL

The Department proposes legislative changes to modernize and improve the efficiency of the administration of Medicare, Medicaid, and CHIP. Please see the Medicare chapter for a description of a package of proposals to strengthen nursing home oversight and quality.

Provide CMS Mandatory Funding to Implement Legislative Proposals

This request includes $300 million in proposed mandatory funding to cover the costs associated with implementing the Department's proposed legislative changes to Medicare, Medicaid, and CHIP.

Administration for Children and Families: Overview

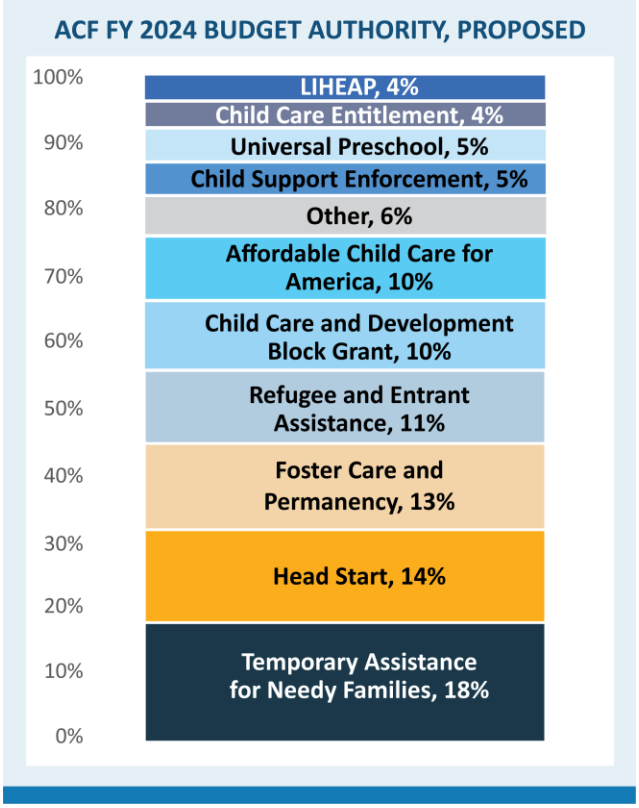
The following table is in millions of dollars.

ACF Budget Authority	2022	2023	2024	2024 +/- 2023
Discretionary	32,412	32,755	39,392	6,637
Mandatory	37,193	38,715	54,982	16,267
Total Administration for Children and Families Budget Authority	**69,605**	**71,470**	**94,374**	**22,904**

Note: For treatment of COVID supplemental amounts, see the ACF Mandatory and Discretionary tables.
Note: Totals may not add due to rounding.

The mission of the Administration for Children and Families is to foster health and well-being by providing federal leadership, partnership, and resources for the compassionate and effective delivery of human services.

The Administration for Children and Families (ACF) works in partnership with states, tribes, and communities to provide critical assistance to help ensure foster children, youth, families, and communities are resilient, safe, healthy, and economically secure. The FY 2024 President's Budget requests $94.4 billion for ACF.



The President's Budget requests a historic $600 billion over 10 years to expand access to affordable, high-quality early care and education, enabling states to increase child care options for more than 16 million young children and provide preschool to approximately four million 4-year-old children.

The budget further supports low-income and working families and promotes upward economic mobility through programs such as Head Start, the Child Care and Development Block Grant, Child Care Entitlement, Child Support Enforcement, and Temporary Assistance for Needy Families. These programs promote economic independence, productivity, and well-being by helping parents enter the workforce, care for their children, and form strong social networks and family bonds. ACF's child welfare programs promote safety, well-being, and permanency through services to stabilize families and prevent child maltreatment, foster care services when necessary, and reunification, adoption, and support for youth transitioning to adulthood. The budget adds support for older youth, strengthens prevention-focused outcomes, and promotes equity in the child welfare system.

The budget supports America's promise to refugees and reflects a commitment to caring for unaccompanied children safely and humanely in alignment with child welfare best practice. Finally, ACF's family violence prevention programs support survivors of intimate partner violence through emergency shelters and supportive services.

Administration for Children and Families: Discretionary

The following tables are in millions of dollars.

Early Childhood Programs	2022[115]	2023[116]	2024	2024+/-2023
Head Start	11,037	11,997	13,112	+1,115
Child Care and Development Block Grant (discretionary)	6,165	8,021	9,000	+979
Preschool Development Grants	290	315	360	+45
Subtotal, Early Childhood Programs	**17,492**	**20,333**	**22,472**	**+2,138**
Programs for Children and Families	**2022**	**2023**	**2024**	**2024+/-2023**
Runaway and Homeless Youth	140	146	159	+13
Child Abuse Programs	197	214	257	+43
Child Welfare Programs	336	339	431	+92
Adoption Incentives	75	75	75	--
Chafee Education and Training Vouchers	43	44	48	+4
Native Americans	59	61	87	+27
Family Violence Prevention Services Programs	216	261	519	+259
Promoting Safe and Stable Families (discretionary)	83	87	106	+19
Subtotal, Programs for Vulnerable Populations	**1,148**	**1,226**	**1,683**	**+457**
Refugee Programs	**2022**	**2023**	**2024**	**2024+/-2023**
Unaccompanied Children	5,506	5,506	5,506	--
Transitional and Medical Services	564	564	1,000	+436
Refugee Support Services	307	307	686	+379
Division M Emergency Supplemental	--	2,400	--	-2,400
CR Emergency Supplemental	2,500	1,775	--	-1,775
Contingency Fund[117]	--	326	2,776	+2,450
Survivors of Torture	18	19	27	+8
Victims of Trafficking	30	31	39	+9
Subtotal, Refugee Programs	**8,925**	**10,928**	**10,035**	**-893**
Research and Evaluation	**2022**	**2023**	**2024**	**2024+/-2023**
Disaster Human Services Case Management	2	2	8	+6
Federal Administration	213	219	240	+21
Social Services Research and Demonstration	45	143	38	-105
Subtotal, Research and Evaluation	**259**	**363**	**286**	**-78**
Other ACF Programs	**2022**	**2023**	**2024**	**2024+/-2023**
Low Income Home Energy Assistance Program (LIHEAP)	3,800	4,000	4,111	+111
LIHEAP, Labor/HHS Appropriation (non-add)	*3,800*	*1,500*	*4,111*	*+2,611*
LIHEAP, Supplemental (non-add)[118]	--	*2,500*	--	*-2,500*
Community Services Block Grant	755	770	770	--
Other Community Services Program	32	34	36	+2
Subtotal, Other Programs	**4,588**	**4,804**	**4,917**	**+113**
ACF Discretionary Totals	**2022**	**2023**	**2024**	**2024 +/- 2-23**
Total Discretionary Budget Authority	**32,412**	**32,755**	**39,392**	**+6,637**

[115] FY 2022 Final: Excludes $100 million in the Infrastructure Investment and Jobs Act (P.L. 117-58), $3.0 billion in the Afghanistan Supplemental Appropriations Act, 2022 (P.L. 117-43, Division C) and the Additional Afghanistan Supplemental Appropriations Act, 2022 (P.L. 117-70, Division B), and $900 million in the Ukraine Supplemental Appropriations Act, 2022 (P.L. 117-103, Division N).

[116] FY 2023 Enacted: Excludes $100 million from (P.L. 117-58), $1 billion in LIHEAP CR funding, and $1.5 billion in the Disaster Relief Supplemental Appropriations Act (P.L. 117-328 Division N). $2.5 billion in Division N LIHEAP funding and $2.4 billion from the Additional Ukraine Supplemental Appropriations Act (P.L. 117-328 Division M) are shown but excluded from total budget authority.

[117] Funding amounts are based on probabilistic scores. FY 2024 funds are emergency designated.

[118] Funds shown because Appropriation language provides they shall be combined with the $1.5 billion from the Labor\HHS Appropriation for purposes of determining allocation to the states. Funds are not include in budget authority totals because they were provided by a Supplemental.

Early Childhood Programs	2022[115]	2023[116]	2024	2024+/-2023
LIHEAP Supplemental Funding	--	2,500	--	-2,500
Division M Emergency Supplemental	--	2,400	--	-2,400
Total Program Level	**32,412**	**37,655**	**39,391**	**+1,737**

The mission of the Administration for Children and Families within the U.S. Department of Health and Human Services is to foster health and well-being by providing federal leadership, partnership, and resources for the compassionate and effective delivery of human services.

The Administration for Children and Families (ACF) administers programs carried out by state, territorial, county, city, and tribal governments; as well as private, non-profit, and community and faith-based organizations designed to meet the needs of diverse cross-sections of society.

The FY 2024 President's Budget requests $39.4 billion, an increase of $6.6 billion over the enacted level in the FY 2023 HHS appropriation, and an increase of $1.7 billion when key FY 2023 supplemental appropriations for the Low Income Home Energy Assistance Program and Refugee assistance are included. The budget invests in children by providing high-quality early learning opportunities and support for vulnerable individuals and families including refugees and unaccompanied children.

INVESTING IN EARLY CHILDHOOD AND LEARNING

Research shows that young children need good physical health, strong families and communities, and positive early learning to lay a strong foundation for later in life. The Administration prioritizes continual investments in programs for families across the country that provide enriching and comprehensive educational experiences for young children to support healthy development. These programs provide necessary access to quality early child care and learning opportunities that are critical to leading happy and successful lives.

Head Start

The budget requests $13.1 billion, an increase of $1.1 billion above FY 2023 enacted, to provide comprehensive early learning and development services to infants, toddlers, and preschool-aged children from economically disadvantaged families. This funding includes $440 million for a cost-of-living adjustment for Head Start wages to keep pace with inflation. The budget also directs $575 million to improve compensation for Head Start workers. This investment reflects the Administration's priority of building and retaining a strong early childhood education workforce. The Administration continues to invest $100 million in Early Head Start-Child Care Partnerships. The partnership's funding provides comprehensive and continuous Early Head Start and child care services to low-income families with infants and toddlers. These investments will serve an estimated 813,573 children and families through nearly 1,600 local agencies in states, territories, and tribes across the United States.

The budget also includes a legislative proposal to revise the eligibility requirements for American Indian and Alaska Native and Migrant and Seasonal Head Start to include more children. In the 2020-2021 school year, the American Indian and Alaska Native Head Start program served over 21,000 students in 150 American Indian and Alaska Native Head Start programs and 58 American Indian and Alaska Native Early Head Start in 26 states. Many more tribal students would be eligible for these critical services and benefit from the educational opportunities. The revised eligibility for Migrant and Seasonal Head Start would alter income requirements to provide more flexibility and parity with the current statute for American Indian and Alaska Native Head Start regarding allowable enrollment thresholds for families that exceed the income requirements. In 2022, Migrant and Seasonal Head Start served over 19,000 students in 59 programs. This legislative proposal supports the Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.

Child Care and Development Block Grant

The budget provides $9 billion, an increase of nearly $1 billion above FY 2023 enacted, in discretionary funds for the Child Care and Development Block Grant.

The Child Care and Development Block Grant helps low-income working families pay for child care and improves the quality of child care for all children. This block grant served over 1.5 million children from 900,300 families in FY 2020, per the most recent data available. This budget will serve an estimated 2.0 million children.

The request includes a one percent federal administration set-aside to ensure successful program implementation as the program grows and its mission grows. The federal administration funds will be used to hire and retain federal staff, expand and maintain information technology and data systems, improve support to grantees and other stakeholders, and ensure effective implementation of child care programs. The budget also reduces bureaucratic burden on tribes and states by giving tribes authority to submit fingerprint background checks directly to the FBI. In addition, the budget waives the family work eligibility requirement for children in foster care and experiencing homelessness, allowing these children to remain in a stable child care environment during these transitions.

Preschool Development Grants

The budget includes $360 million, which is $45 million above FY 2023 enacted, to coordinate the delivery models and funding streams that exist in each state's mixed delivery system that serves children from birth to age five. The Preschool Development Grants support child care and family child care providers, Head Start, state prekindergarten, and home visiting programs that provide comprehensive early childhood services. These funds support a needs assessment, strategic planning, family engagement, quality improvement, workforce compensation, and direct services for young children.

The budget includes a legislative proposal to allow states to apply for another three-year grant to continuously improve the delivery of their mixed delivery systems. This proposal also provides discretion to the HHS Secretary to waive the required match when states or territories are experiencing economic and crises due to natural disasters, pandemics, or other events.

ACF SUPPORTS 900,300 FAMILIES THROUGH CHILD CARE AND DEVELOPMENT FUND SUBSIDIES

88% of families receiving child care subsidies cited employment or education and training as the reason for receiving care.

PROGRAMS FOR CHILDREN AND FAMILIES

ACF oversees programs that support social services which promotes positive 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 assistance to states, community-based organizations, and academic institutions to provide services, carry out research and demonstration activities, and manage training, technical assistance, and information dissemination.

Runaway and Homeless Youth

One in thirty adolescents between the ages of 13-17, and one in ten adults between the ages of 18-25 experience homelessness over the course of the year[119]. This is approximately 4.2 million youth and young adults. The budget includes $159 million for Runaway and Homeless Youth programs, which is $13 million above FY 2023 enacted. The budget will serve 688 programs across the country to provide comprehensive services to an estimated 39,876 homeless youth who are at heightened risk for exploitation, victimization, and other long-lasting, negative outcomes.

A new demonstration project, Whole Family Community-Based Prevention, represents $12 million of the increase. This human centric project will support up to 20 grants to support organizations working with minors experiencing homelessness or housing instability by implementing a whole-family, community-based prevention approach with the goal of supporting youth to maintain safe and stable housing. Grants will allow communities to create partnerships with schools, child welfare, youth justice systems, behavior health systems, housing and other youth systems to prevent youth homelessness. The demonstration project will also seek alternative stability options to include connections to kindship support, caring adults, or other safe and stable housing. The budget also supports reauthorization and amending the Runaway and Homeless Youth Act.

Promoting Child Welfare and Preventing Child Abuse

HHS is committed to reducing child abuse and providing families with the support they need to remain safely together. The budget includes a total of

[119] Morton, M.H., Dworsky, A., & Samuels, G.M. (2017). Missed opportunities: Youth homelessness in America. National estimates. Chicago, IL: Chapin Hall at the University of Chicago.

$688 million for these activities, an increase of $135 million over FY 2023 enacted. Child abuse prevention grants are provided to state and local government agencies, universities, and non-profit organizations. The grants are used to strengthen states' abilities to investigate child abuse and neglect cases and develop continuums of preventive services focusing on positive family development.

Within this total, ACF is investing funds to improve services for at-risk families and to enable children to remain safely with their families or to reunify with their families in a safe and timely manner. ACF will provide $50 million in new competitive grants to address racial inequities in child welfare, reduce overrepresentation of racial/ethnic minority children and families, and reorient systems toward a prevention-first model. The grants would require child welfare agencies to partner with other government and community stakeholders across the education, health, human services, and early childhood sectors to advance comprehensive policy and practice reforms.

ACF will also provide $30 million in new competitive grants to improve recruitment and retention in the child welfare workforce. A diverse, stable, and well-trained workforce is essential to provide culturally and linguistically competent services to children and families who come from a wide variety of demographic, geographic, and ideological profiles. The request will address recruitment, training, retention, and data analytics designed to address the serious shortage of qualified child welfare workers. Funding would support research on best practices and would provide technical assistance to jurisdictions implementing projects focused on innovative recruitment and retention efforts.

Administration for Native Americans

The budget requests $87 million, which is $27 million above FY 2023 enacted, to promote social development, cultural preservation, and economic self-sufficiency in Native American communities. These investments reflect the Administration's commitment to respecting tribal sovereignty and investing in critical needs across Indian Country.

This budget includes an additional $5 million for Native American Language Programs, $7 million for the Tribal Integrated Early Education Services, and $15 million for Strengthening Trauma Resilience of Native Grant Demonstration project. The Native American Language Programs meet the urgent need to support and preserve Native languages. This funding will support up to 20 new grant awards. The Tribal Integrated Early Education Services facilitates the development of comprehensive, tribally driven early childhood systems. These demonstration projects respond to recommendation by American Indian and Alaska Native tribal leaders to integrate their education, child development, and physical and mental health services. The budget provides funding for the new Strengthening Trauma Resilience of Native Grant Demonstration projects, which embeds trauma-informed practices across all services that engage Native American children. The projects will establish collaborations that include local schools, behavioral health services, health care services, social services, youth development non-profit organizations, and other providers and resources to create and sustain culturally supportive environments.

Family Violence Prevention Services

The Family Violence Prevention Services program is the primary federal funding stream supporting emergency shelter and related services to survivors of domestic violence and their children. In 2021, grantees served over one million clients through 1,600 organizations. This budget requests $519 million, double the FY 2023 enacted amount. It includes $27 million for the Domestic Violence Hotline, which has experienced a historic rise in contact volume since FY 2021. The request also provides $225 million for direct cash assistance to survivors of domestic violence. Domestic violence is a leading cause of homelessness and direct cash assistance allows survivors to have stable housing. The budget also requests $27 million for a demonstration project to support families affected by domestic violence at the intersection of substance-use coercion, housing instability, and child welfare involvement.

UNACCOMPANIED CHILDREN AND REFUGEES

ACF provides care for unaccompanied migrant children and services to refugees, other new arrivals such as Cuban and Haitian entrants, and those granted asylum. Budgeting for these programs is challenging because the number of people they serve fluctuates. To handle this uncertainty, the budget includes a new contingency fund that provides additional resources if the number of arrivals are higher than anticipated.

Caring for Unaccompanied Children

ACF provides shelter, care, and support for unaccompanied children referred to the Office of Refugee Resettlement (ORR) by the U.S. Department of Homeland Security or other law enforcement authorities. These children have different reasons for undertaking the long and dangerous journey to the United States. ACF provides care for these children and identifies suitable sponsors, usually parents or other relatives, to care for them while their immigration cases proceed. While in ACF's care, children receive case management, legal services, physical and mental healthcare, education, and recreation services.

Currently, more than 95 percent of children are housed in standard shelters, which are operated by grantees or contractors, under the close supervision of ACF staff. The number of arriving children can increase rapidly. To accept children from the U.S. Department of Homeland Security border facilities as quickly as possible, ACF also maintains influx care shelters with quickly adjustable capacity.

The budget requests $5.5 billion in base funding for the unaccompanied children program. The request supports ACF's efforts to bring standard capacity to a target level of 16,000 beds in CY 2024. Influx bed capacity will also be available if the number of children in care exceeds standard bed capacity (the budget also includes a contingency fund, as described below). Funds are also included to expand post-release services and legal representation for unaccompanied children, as well as programmatic reforms that reduce the time children spend in congregate care shelters so that they can be unified with their families as quickly and safely as possible.

Supporting Refugees and New Arrivals

Working through state and local governments, and a network of nonprofits, ACF assists refugees and other eligible new arrivals to become self-supporting, independent, and to integrate into life in the United States. Assistance includes initial financial support and medical services, English as a second language, education and job training, case management, and counseling.

The budget assumes 241,000 eligible new arrivals in FY 2024, including 125,000 refugees and 116,000 other new arrivals eligible for refugee benefits, such as asylees, Cuban/Haitian entrants, and some Special Immigrant Visa holders. The budget includes $1 billion for Transitional and Medical Services, sufficient to maintain benefits for the estimated number of new arrivals and to continue benefits for eligible FY 2023 arrivals. The budget also includes $686 million for Refugee Support Services, an increase of $379 million over FY 2023 enacted. This program focuses on assistance with early employment, for example:

- English as a second language;
- Job training and employment;
- Interpretation and translation;
- Child care and healthcare navigation;
- Citizenship and naturalization services; and,
- Support to school age children, and assistance to elderly refugees and those with chronic health problems.

ACF SUPPORTS REFUGEES' TRANSITION TO LIFE IN THE U.S. AND ABILITY TO ATTAIN SELF-SUFFICIENCY

Addressing Budgetary Uncertainty

To address the inherent uncertainties in budgeting for unaccompanied children and humanitarian assistance, the budget includes a discretionary emergency contingency fund which would provide additional resources if either population exceeds certain levels. For unaccompanied children, the fund expands on what Congress enacted in FY 2023, providing additional funding if the number of arriving children exceeds 10,000 in a month. Funds would expand shelter capacity to ensure ACF can continue to quickly take children from the U.S. Department of Homeland Security border facilities. For new arrivals, additional funds would be provided if the combined number of people granted asylum and Cuban/Haitian entrants exceeded 150,000 in FY 2023 or 75,000 in FY 2024. The number of Cuban/Haitian Entrants has been especially

volatile with over 250,000 arrivals in FY 2022 compared to 28,000 in FY 2019. This fund is estimated to provide $2.8 billion in FY 2024.

COMMUNITY SERVICES PROGRAMS

Low Income Energy Assistance Program

The Low Income Home Energy Assistance Program (LIHEAP) provides heating and cooling assistance to low-income households through formula grants to states, tribes, and territories. This assistance protects vulnerable families' health in response to extreme weather and climate change. States typically make payments to home energy vendors, such as public utilities, on behalf of eligible households. Preliminary FY 2021 data shows an estimated 4.9 million households received heating assistance and nearly 60,000 households received weatherization assistance funded by federal LIHEAP dollars. Common weatherization measures including sealing air leaks, adding insulation to walls and attics, and repairing heating and cooling systems.

Since the Low Income Household Water Assistance Program (LIHWAP) expires at the end of FY 2023, the budget proposes to expand LIHEAP to advance the goals of both LIHEAP and LIHWAP. Specifically, the budget increases LIHEAP funding and gives states the option to use a portion of their LIHEAP funds to provide water bill assistance to low-income households. The budget additionally increases the federal administrative set aside in order to strengthen grants management, data collection, program evaluation, information systems, and outreach. The budget requests $4.1 billion, an increase of $111 million over FY 2023 enacted.

Community Services Block Grant

The budget requests $770 million, which is flat with FY 2023 enacted, to provide services to address employment, education, housing assistance, nutrition, energy, emergency services, health, substance abuse, and poverty reduction. This funding will enhance the quality and capacity of federal, state, and local agencies by bolstering continuous quality improvement, strengthening the federal and state administration of the Community Services Block Grant, and supporting the equitable inclusion of tribal communities. The Community Services Block Grant services 99 percent of the country through 1,007 eligible entities.

The requests support the Community Services Block Grant reauthorization. The modifications will strengthen the nation's social safety net, enhance the focus on equity, and demonstrate a renewed community-level investment in at-risk communities nationwide. A modification to increase Community Services Block Grant resources for tribal grantees by including a set-aside of two percent, with a minimum of $10,000 reflects the direct feedback from tribes regarding the importance of direct tribal funding within larger grant programs.

Community Services Discretionary Programs

The Office of Community Services also supports the Community Economic Development, the Rural Community Development, and the Neighborhood Innovation Program. The budget requests $36 million, which is $2 million above FY 2023 enacted. The budget also requests a set-aside of five percent to support ongoing evaluations and continuous quality improvement efforts in addition to training and technical assistance needs for grantees. The budget also supports the update of the Community Services Block Grant Act Discretionary Programs to focus on equity and access to economic opportunities.

EVALUATION AND INNOVATION

Research and Demonstration

Program evaluation and use of data are critical for improving service delivery and increasing program effectiveness. The budget includes $15 million for state demonstration grants and technical assistance to test a whole-family approach to service delivery, with a focus on improving coordination across benefits programs. Of this total, $5 million is included in Federal Administration for staff to support states navigating multi-program benefits delivery models and to help with new funding models and service delivery models requiring waivers.

Disaster Human Services Case Management

The budget requests $8 million, which is $6 million above FY 2023 enacted. This investment represents the Administration's commitment to provide comprehensive support during times of emergencies. Many of ACF's programs have suffered in the wake of natural disasters. This investment will allow ACF to continue focusing on coordination and collaboration with HHS human and social services programs. This level of funding would provide programmatic,

administrative, technical support, and oversight for the program.

Federal Administration

The budget requests $240 million for federal administration, which is $22 million above FY 2023 enacted. The budget also supports a $1 million demonstration for the Program Evaluation Fellowship pilot program.

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.

Administration for Children and Families: Mandatory

The following tables are in millions of dollars.

	2022	2023	2024	2024+/-2023
Current Law Budget Authority				
Affordable Child Care for America	-	-	-	-
Universal Preschool				
Child Care Entitlement to States	3,550	3,550	3,550	-
Child Support Enforcement and Family Support	4,194	4,182	4,608	426
Children's Research and Technical Assistance	35	35	35	-
Foster Care and Permanency	9,998	11,528	11,796	268
Promoting Safe and Stable Families (mandatory only)	467	471	325	(146)
Social Services Block Grant	1,603	1,603	1,603	-
Temporary Assistance for Needy Families	16,738	16,738	16,738	-
Temporary Assistance for Needy Families Contingency Fund	608	608	608	-
Total, Current Law Budget Authority	**37,193**	**38,715**	**39,263**	**548**
Proposed Law Budget Authority				
Affordable Child Care for America	-	-	9,900	9,900
Universal Preschool	-	-	5,000	5,000
Child Support Enforcement and Family Support	-	-	-	-
Children's Research and Technical Assistance	-	-	-	-
Foster Care and Permanency	-	-	444	444
Promoting Safe and Stable Families (mandatory only)	-	-	375	375
Social Services Block Grant	-	-	-	-
Temporary Assistance for Needy Families	-	-	5	5
Temporary Assistance for Needy Families Contingency Fund	-	-	(5)	(5)
Total, Proposed Law Budget Authority	**-**	**-**	**15,719**	**15,719**

Note: This table includes supplemental funding from the Families First Coronavirus Response Act of 2020 (P.L. 116-127), the Supporting Youth and Families Through the Pandemic Act (P.L. 116-260), and the Health Extenders, and Improving Access to Medicare, Medicaid, and CHIP, and Strengthening Public Health Act of 2022 (P.L. 117-328).

The Administration for Children and Families (ACF) promotes the economic and social well-being of families, children, individuals, and communities through mandatory programs, including:

- Child Care Entitlement to States;
- Child Support Enforcement;
- Foster Care and Permanency;
- Promoting Safe and Stable Families;
- Social Services Block Grant; and
- Temporary Assistance for Needy Families (TANF).

The President's FY 2024 Budget requests $55.0 billion in budget authority for ACF mandatory programs, with an estimated $53.8 billion in outlays. The budget advances the President's goal of ensuring that all families can access affordable, high-quality child care and free, high-quality preschool, helping children learn, giving families breathing room, and growing the economy. ACF's proposals also strengthen and improve the child welfare system with enhanced support for prevention services that keep children with their families, support for children to live with kin when they are in foster care, and help for youth who experienced foster care to successfully transition to adulthood.

EARLY CARE AND EDUCATION

The budget advances the Administration's goal of ensuring that all families can access affordable, high-quality child care and free high-quality preschool.

Legislative Proposal

Expand Access to Affordable, Quality Child Care for Low- and Middle-Income Families

Through the Affordable Child Care for America program, the budget enables states to increase child care options and lower costs so that parents can afford to send their young child to the high-quality child care program of their choice, allowing them to go to work or pursue training. The budget builds on the existing Child Care and Development Block Grant by addressing its current limitations and ensuring more families can benefit, parents have more high-quality options, and providers are paid higher wages. See the ACF Discretionary chapter for more information on the existing Child Care and Development Block Grant. The Administration's agenda invests in the supply of child care, including by providing subsidy levels that are sufficient to boost the pay of early childhood educators and cover the cost of quality care. It provides funding for states to serve children ages birth to five for families earning up to $200,000. It provides higher federal matching funds for child care providers serving low- and middle-income families and allows those families to pay the lowest co-pays – with a goal of ensuring that the lowest income families pay nothing and that most families pay no more than $10 a day per child, meaning that a median-income family with young children saves about $400 per month while accessing higher quality care.

The Administration's proposal enables states to expand access to affordable, high-quality child care to more than 16 million children. This reflects an expectation that all states will choose to take up the program but, if some states do not, the Administration is committed to serving low-income children through a federal alternative. [$400 billion in costs over 10 years]

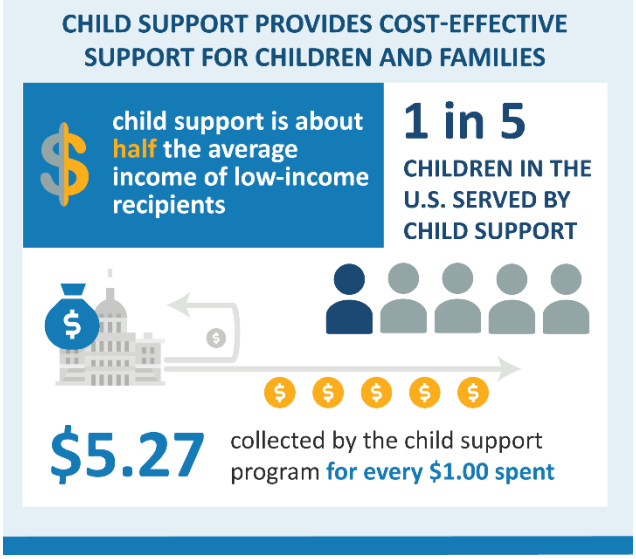
Expand Access to Free, Universal Preschool

The budget funds a federal-state partnership providing high-quality, universal, free preschool offered in the setting of a parent's choice – from public schools to child care providers to Head Start – to support healthy child development and ensure children enter kindergarten ready to succeed. The proposal provides states with funding to expand high-quality preschool education to all 4-year-old children, with the flexibility for states to expand preschool to 3-year-olds once high-quality preschool is fully available to 4-year-old children. The proposal also includes funding to provide access to preschool to children in underserved communities in states that do not choose to participate in the new preschool program, so that families in every state have access to high-quality preschool. The President's proposal enables states to expand access to and increase the quality of preschool. This effort allows all of the approximately four million 4-year-old children in the nation to have access to high-quality preschool, while also charting a path to expand free preschool to 3-year-olds. The HHS Secretary administers the program in collaboration with the Secretary of Education. [$200 billion over 10 years]

CHILD SUPPORT ENFORCEMENT AND FAMILY SUPPORT PROGRAM

The Child Support Enforcement Program is a joint federal, state, tribal, and local partnership, operating under title IV-D of the Social Security Act. The budget includes $4.609 billion in budget authority for the Office of Child Support Enforcement to operate the program. The program invests in ensuring children have the financial, emotional, and medical support needed to be healthy and successful. The program functions in 54 states and territories, and 60 tribes. The Child Support Enforcement Program ensures economic and emotional support for children from both parents by locating noncustodial parents, establishing paternity, supporting access and visitation, and establishing and enforcing child support orders. The child support program collects more than $5 dollars in child support for every $1 dollar spent by the program, giving it a high value return on state and federal investment. In FY 2021, the Child Support Program served 13.2 million children. The budget authority for Child Support Enforcement also provides funding for the Office of Human Services Emergency Preparedness and Response to continue to operate the Repatriation Program.

The Repatriation Program provides temporary assistance to United States citizens and their dependents who return to the United States from a foreign country because of destitution or illness, because of war, threat of war, invasion, or similar crisis. Recent repatriation efforts include, but are not limited to, evacuating U.S. citizens and their dependents from the Caribbean in FY 2017 and FY 2018, China in FY 2021, and Afghanistan in FY 2022. ACF works with the U.S. Department of State to identify and aid these individuals.



CHILDREN'S RESEARCH AND TECHNICAL ASSISTANCE

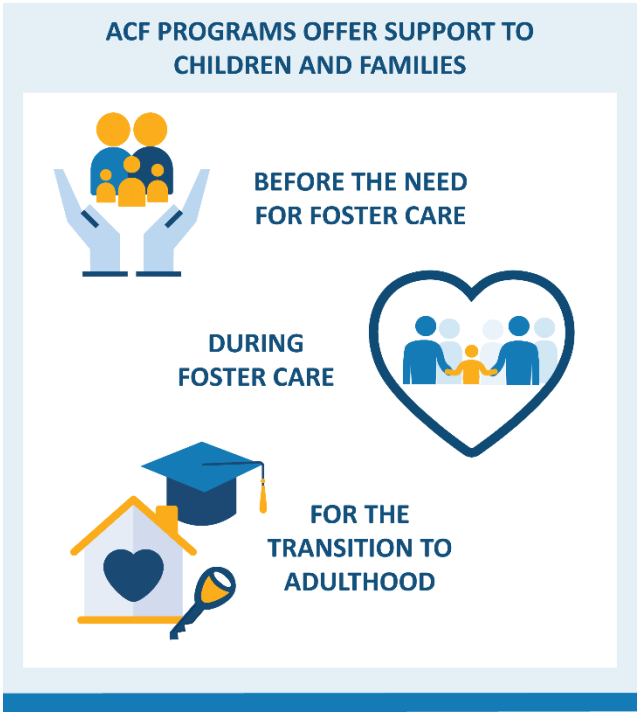
Children's Research and Technical Assistance supports training and technical assistance to states on child support enforcement activities and the operation of the Federal Parent Locator System, which assists state child support agencies in locating noncustodial parents. The Federal Parent Locator System includes the National Directory of New Hires, a national database of wage and employment information. The budget includes $37 million in budget authority which, together with states' user fees for the Federal Parent Locator System, funds operations, including program support contracts and interagency agreements, salaries and benefits of federal staff, and associated overhead costs of the Federal Parent Locator System.

CHILD CARE ENTITLEMENT TO STATES

The budget includes $3.6 billion in budget authority for the Child Care Entitlement in FY 2024, the same level as in FY 2023. The program provides states and tribes with funding to subsidize child care costs for child birth to age 12 in low-income families. States must spend at least 70 percent of funding on families receiving TANF, transitioning from TANF, or at risk of becoming eligible for TANF. In FY 2024, states are required to spend a minimum of nine percent of CCDF funds on activities that are designed to improve the quality of child care services and increase parental options for, and access to, high-quality child care. The CCDBG Act additionally requires states and territories to spend a minimum of three percent of CCDF funds on activities to improve the quality and supply of child care for infants and toddlers.

FOSTER CARE AND PERMANENCY

Authorized under title IV-E of the Social Security Act, the Foster Care, Adoption Assistance, Guardianship Assistance, Prevention Services, and John H. Chafee Program for Successful Transition to Adulthood programs provide safety and permanency for children separated from their families, support services to prevent child maltreatment and the need for foster care, and supports to prepare older youth in foster care for adulthood. Funding primarily supports partial reimbursement to states for board and care and related administrative costs for eligible children in foster care ($5.2 billion in FY 2022) and partial reimbursement to states subsidies to support adoption and guardianship ($4.0 billion in FY 2022). The program also includes the Chafee Program for Successful Transition to Adulthood, which assists youth in or formerly in foster care up to age 21 or 23, depending on the state in obtaining education, employment, and life skills for independence and self-sufficiency and successful transition to adulthood (typically $143 million per year) and additional services to prevent unnecessary foster care entries provided under the Family First Prevention Services Act of 2018 (Family First Act) ($29 million in FY 2022).

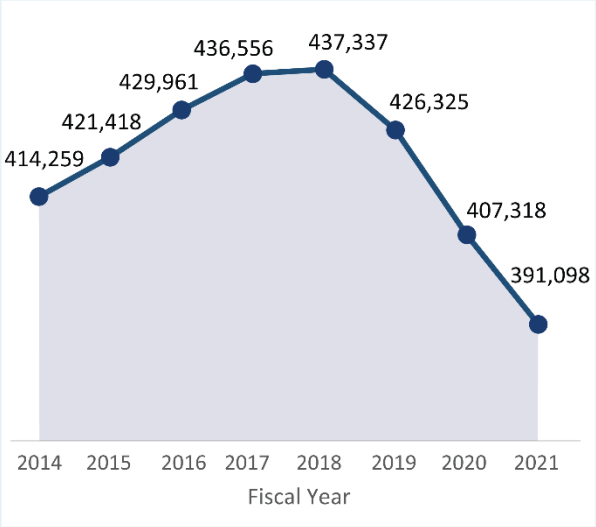


ACF's child welfare vision focuses on equity, prevention of child maltreatment, program improvement, and improved outcomes for youth who experienced foster care. Research has shown that Black and American

Indian/Alaska Native children are disproportionately involved at all stages in the child welfare system relative to their representation in the U.S. population.

Although the total number of children in foster care is still high, preliminary data show that the number decreased to 391,098 children in FY 2021, a decrease of 4 percent from FY 2020 and the third consecutive annual decrease. The number of children entering foster care in FY 2021 decreased to 206,812, a 4.6 percent decrease from FY 2020. The number of children adopted with U.S. public child welfare agency involvement was 54,240 in FY 2021. Increasing permanency for children through adoption, legal guardianship, kinship placement, or reunification is a high priority for ACF.

NUMBER OF CHILDREN IN FOSTER CARE CONTINUES TO DECLINE



Data from the Adoption and Foster Care Reporting System (AFCARS) FY 2022

At the end of FY 2021, 113,589 children were waiting to be adopted, a 3.3 percent decrease from the FY 2020 figure of 117,446. Also in FY 2021, 17,759 youth exited foster care without adoption or permanent guardianship, a decrease of 11.2 percent relative to FY 2020. ACF supports national recruitment and public awareness campaigns and partnerships with states and private, public, and faith-based groups to help find permanent homes for children waiting to be adopted, especially older youth, sibling groups, and children and youth with disabilities. This work at ACF is complemented by a mandatory funding proposal in the U.S. Department of Housing and Urban Development (HUD) budget to support youth aging out of foster care. The HUD budget provides $9 billion to establish a housing voucher program for all of the estimated 20,000 youth aging out of foster care annually.

TAX BENEFITS FOR ADOPTION & GUARDIANSHIP

The budget proposes to make the adoption tax credit fully refundable so that more families can benefit and to expand the credit to include qualifying legal guardianships.

For more information, please see the Fiscal Year 2024 Treasury Green Book.

Family First Prevention Services Act

The Family First Act provides partial federal reimbursement to states that opt to provide prevention services for children who are at risk of entering foster care, their parents or kin caregivers, and pregnant or parenting foster youth. Federal funding is available to all children who are defined by states as at risk of foster care entry, without regard to title IV-E income eligibility standards. The funds can support evidence-based in-home parent skill-based programs, mental health and substance use treatment services, including services to address opioid misuse. Preventive services can substantially improve outcomes for children and families by providing funding to keep children safely with their families, and present an opportunity to shift the mindset of the child welfare system to prioritize keeping families safely together in their communities. Forty-four states, the District of Columbia, and Puerto Rico, as well as four tribes, have opted in to the Family First Act's funding and requirements.

ACF's Title IV-E Prevention Services Clearinghouse must review and evaluate the evidence base for each program consistent with statutory requirements. To date, ACF has determined that 78 programs reviewed are eligible for federal funding, and ACF is continuing to review additional programs. ACF estimates that 6,200 children were served by title IV-E prevention services programs in FY 2022, and, as more and more prevention programs are implemented, 672,500 children will be served annually by FY 2033.

The Family First Act restricted federal funding for congregate foster care (often called group homes and institutions). As of October 1, 2021, Title IV-E agencies may not claim federal reimbursement for new congregate care placements lasting longer than 14 days, except in limited circumstances in which the child needs therapeutic residential services, justified through

ongoing documentation and judicial review. In FY 2020, the number of children placed in group homes totaled 15,975, and in institutions, 22,824. In FY 2021, the number of children placed in group homes totaled 15,432, and in institutions, 19,929.

Legislative Proposals

Expand and Encourage Participation in Title IV-E Prevention Services and Kinship Navigator Programs

To prevent child maltreatment and the need for foster care, the budget provides 90 percent reimbursement to states for Prevention Services and Kinship Navigator programs for FYs 2024-2027 (rather than 50 percent as under current law). Thereafter, the budget provides for the greater of 75 percent or the state's federal match rate plus 10 percentage points, rather than the rate under current law. The budget makes permanent the current policy requiring states to spend at least 50 percent for services with a Title IV-E Prevention Services Clearinghouse rating of "supported or "well-supported" (rather than applying that spending requirement to programs meeting the "well-supported" practice criteria only). In addition, the proposal allows up to 15 percent of a state's Prevention Services funding to be spent on emerging or developing services that do not currently meet the ratings criteria, but states must evaluate the services and either modify or cease using title IV-E funding if the evaluation shows the service to be ineffective. The budget also increases funding for the Prevention Services Clearinghouse and related evaluation and technical assistance to $10 million per year and allows for increased tribal and cultural adaptations of approved prevention services programs. [$4.9 billion in costs over 10 years]

Increase Support for Kinship Foster Care Placements and Guardianships

To promote placements of children in foster care with relatives and kin and to improve outcomes for children when foster care is necessary, the budget adjusts title IV-E reimbursement rates to promote kinship foster care and guardianships by reimbursing states at 10 percentage points above each state's federal match rate. Title IV-E-eligible placements in unrelated family foster homes continue to be reimbursed at each state's rate. [$1.3 billion in costs over 10 years]

Create New Flexibilities and Support in the Chafee Program for Youth Who Experienced Foster Care

Support for youth who experienced foster care is critical, especially due to their economic and social vulnerability and historically higher risk of mental and behavioral health issues that stem from their childhood trauma. The budget proposes increasing funding for the John H. Chafee Foster Care Program for Successful Transition to Adulthood by $100 million per year, for a total of $243 million per year. The budget includes several program improvements to provide greater flexibility, effective services, reduced agency burden, and support for youth who transition out of foster care, and homelessness prevention. The budget allows states to serve youth up to age 27, and youth who exited foster care to adoption or guardianship after age 14 rather than age 16. The budget further adds youth who receive a Foster Youth Initiative or Family Unification Project housing voucher as an eligible population. It also removes the restriction on the percentage of assistance that may be used for room and board and adds driving and transportation assistance as an allowable cost with no cap. [$1 billion in costs over 10 years]

Prevent and Combat Religious, Sexual Orientation, Gender Identity, Gender Expression, or Sex Discrimination in the Child Welfare System

The budget amends title IV-E to prohibit title IV-E agencies and their contractors from discriminating against current or prospective foster or adoptive parents, or a child in foster care or being considered for adoption, on the basis of their religious beliefs, sexual orientation, gender identity, gender expression, or sex. The proposal includes financial penalties and mandatory corrective action for any state or contractor that delays, denies, or otherwise discourages individuals from being considered or serving as foster or adoptive parents based on the above categories. [Budget Neutral]

"HHS is committed to protecting young Americans who are targeted because of their sexual orientation or gender identity and supporting their parents, caretakers, and families."

- HHS Secretary Xavier Becerra

Appropriate care for LGBTQI+ individuals is a priority for HHS, including gender affirming care and patient privacy.

In the child welfare system, children and youth who are LGBTQI+ are especially vulnerable and often underserved, at risk of exploitation and family rejection, and unable to access necessary and affirming medical care.

ACF has issued guidance emphasizing that all entities receiving title IV-B and title IV-E funds must:

- Comply with state plan requirements and all applicable federal laws
- Consider and address the individual needs of children and youth, including placements that support the whole of each child and youth's well-being
- Address needs related to sexual orientation, gender identity, and gender expression

Youth aged 14 or older must be consulted on various aspects of their case plans and provided with age-appropriate services, including support for LGBTQI+ issues.

Source: HHS Notice and Guidance on Gender Affirming Care, Civil Rights, and Patient Privacy, 3/2/22. ACYF-CB-IM-22-01, 3/2/22.

Reduce Reimbursement Rates for Foster Care Congregate Care Placements

The budget reduces reimbursement rates for placements in Child Care Institutions and Qualified Residential Treatment Programs to five percentage points below each state's federal match rate. This proposal is estimated to reduce costs to title IV-E by $180 million over 10 years, although some costs may be shifted to Medicaid. Combined with the proposal to increase reimbursement rates for children placed with kin caregivers, the budget aligns federal financing with child welfare research and best practices. Across more than 20 studies published over two decades, researchers found that youth in family foster care consistently fared better than youth in residential care 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. Studies comparing kinship care and non-kin family foster care similarly find better outcomes across a range of behavioral and developmental well-being measures among those in kinship care. [$180 million in savings over 10 years]

PROMOTING SAFE AND 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 support 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 to transition to compliance with the Family First Act. 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 helps to address 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 P.L. 116-260.

Legislative Proposals

Reauthorize, Increase Funding for, and Amend Promoting Safe and Stable Families Program

The budget increases Promoting Safe and Stable Families program funding by $300 million per year, nearly doubling the program funding. 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

dollars per year funds a new grant program for civil legal representation for issues such as housing, domestic violence, or employment matters for families involved in the child welfare system. The remaining $180 million per year increases funding for the base formula grant from $295 million to $475 million per year. The budget also adds kinship support services as an allowable PSSF spending category and requires that states report to HHS on their use of kinship placements that are not formally foster care as a less supportive alternative to foster care ("hidden foster care"), including the number of children in those settings and the support offered to children and caregivers. [$3 billion in costs over 10 years]

Reauthorize Personal Responsibility Education Program

The budget includes a one-year reauthorization of the Personal Responsibility Education Program. [$75 million in costs for FY 2024]

SOCIAL SERVICES BLOCK GRANT

The Social Services Block Grant program provides flexible formula grants, based on each state's population relative to all other states, for the provision of social services. Services include adult protective services, special services to persons with disabilities, adoption services, case management, health-related services, transportation support, foster care, substance abuse services, home-delivered meals, independent and transitional living, and employment-related services. The Social Services Block Grant is permanently authorized at $1.7 billion per year.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

TANF was designed to provide states with flexibility while requiring them to engage recipients in work activities. TANF provides states, territories, and eligible tribes the opportunity to design programs funding a wide range of services that support children and families in alignment with the program's purposes, which include providing assistance so that children may be cared for in their own homes or with relatives, promoting job preparation, work, and the formation and maintenance of two-parent families. States may transfer a portion of their TANF grant to the Child Care Development Block Grant program and the Social Services Block Grant program, increasing the program's flexibility. Funds designated for welfare research, evaluation, and technical assistance build on the existing work in welfare research and employment and training program evaluation. ACF has completed long-term impact evaluations on new employment strategies' effectiveness, including employment coaching and career pathways programs. ACF-sponsored technical assistance has led to measurable improvements in state and local TANF agencies' use of administrative data to inform program improvement. Additionally, ACF projects have promoted equity in research and practice, by developing methods for engaging individuals with lived experience in the research process and by analyzing data to identify racial and ethnic disparities in access to and outcomes of human services. The TANF Contingency Fund provides additional assistance to states that meet certain economic criteria such as high unemployment. Spending is capped at $608 million per year, but actual outlay varies based on economic conditions. The budget funds TANF and the TANF Contingency Fund at its FY 2023 level of $17.3 billion for FY 2024.

Legislative Proposals

Authorize Program Integrity Data Collection

The budget includes new statutory authority to collect more comprehensive TANF data to improve monitoring on TANF expenditures, activities, and beneficiaries, including, 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]

CROSS-CUTTING PROPOSALS

Provide Evaluation Funding Flexibility

The budget proposes a general provision allowing HHS to move any FY 2024 funds appropriated to ACF and ASPE for research, evaluation, or statistical purposes into a single account and extend their availability for five years. This is intended to facilitate utilization of funds.

Administration for Children and Families: Mandatory

FY 2024 ACF Mandatory Outlays

The following tables are in millions of dollars.

	2022	2023	2024	2024+/-2023
Current Law Outlays				
Affordable Child Care for America				
Universal Preschool	-	-	-	-
Child Care Entitlement to States	3,206	3,490	3,590	100
Child Support Enforcement and Family Support	4,245	4,403	4,539	136
Children's Research and Technical Assistance	30	27	29	2
Foster Care and Permanency	9,173	11,935	11,563	(372)
Promoting Safe and Stable Families (mandatory only)	574	729	575	(154)
Social Services Block Grant	1,492	1,473	1,587	114
Temporary Assistance for Needy Families	15,289	15,599	15,893	294
Temporary Assistance for Needy Families Contingency Fund	611	605	608	3
Total, Current Law Outlays	**34,620**	**38,261**	**38,384**	**123**
Proposed Law Outlays				
Affordable Child Care for America			9,900	9,900
Universal Preschool	-	-	5,000	5,000
Child Care Entitlement to States	-	-	-	-
Child Support Enforcement and Family Support	-	-	-	-
Children's Research and Technical Assistance	-	-	-	-
Foster Care and Permanency	-	-	444	444
Promoting Safe and Stable Families (mandatory only)	-	-	84	84
Social Services Block Grant	-	-	-	-
Temporary Assistance for Needy Families	-	-	5	5
Temporary Assistance for Needy Families Contingency Fund	-	-	(5)	(5)
Total, Proposed Law Outlays	**-**	**-**	**15,428**	**15,428**

Note: This table includes supplemental funding from the Families First Coronavirus Response Act of 2020 (P.L. 116-127), the Supporting Youth and Families Through the Pandemic Act (P.L. 116-260), the American Rescue Plan (P.L. 117-2), and the Health Extenders, and Improving Access to Medicare, Medicaid, and CHIP, and Strengthening Public Health Act of 2022 (P.L. 117-328).

FY 2024 ACF Mandatory Budget Proposals, Outlays

Early Care and Education	2024	2024-2028	2024-2033
Affordable Child Care for America	9,900	149,900	424,300
Expand Access to Free, Universal Preschool	5,000	55,000	200,000
Account for Child Care and Preschool Interaction	-	(5,700)	(24,300)
Subtotal, Early Care and Education (non-add)	***14,900***	***199,200***	***600,000***
Foster Care and Permanency			
Expand and Encourage Participation in the Title IV-E Prevention Services and Kinship Navigator Programs	280	1,808	4,900
Increase Support for Foster Care Placements and Guardianship with Kin Caregivers	91	541	1,308
Create New Flexibilities and Support in the Chafee Program for Youth Who Experienced Foster Care	100	500	1,000
Reduce Reimbursement Rates for Foster Care Congregate Care Placements	(27)	(107)	(180)
Prevent and Combat Religious, Sexual Orientation, Sexual Identity, Gender Identity, Gender Expression, or Sex Discrimination in the Child Welfare System	-	-	-
Subtotal, Foster Care and Permanency (non-add)	***444***	***2,742***	***7,028***
Promoting Safe and Stable Families (PSSF)			
Reauthorize, Increase Funding For, and Amend the Promoting Safe and Stable Families (PSSF) Program	78	1,215	2,715
Reauthorize Personal Responsibility Education Program	6	74	75
Subtotal, PSSF (non-add)	***84***	***1,289***	***2,790***
Temporary Assistance for Needy Families (TANF)			
Authorize Program Integrity Data Collection	5	25	50
Subtotal, TANF (non-add)	***5***	***25***	***50***
Temporary Assistance for Needy Families Contingency Fund			
Impact of Authorize Program Integrity Data Collection	(5)	(25)	(50)
Subtotal, TANF Contingency Fund (non-add)	***(5)***	***(25)***	***(50)***
Total Outlays, ACF Mandatory Legislative Proposals	***15,428***	***203,231***	***609,818***

Administration for Community Living

The following tables are in millions of dollars.

Health and Independence for Older Adults	2022	2023	2024	2024 +/- 2023
Home and Community-Based Supportive Services	399	410	500	+90
Nutrition Programs	967	1,067	1,284	+218
Native American Nutrition and Supportive Services	36	38	70	+32
Preventive Health Services, Chronic Disease Self-Management Education and Falls Prevention	38	42	44	+3
Aging Network Support Activities	18	30	40	+10
Subtotal, Health and Independence	**1,458**	**1,587**	**1,939**	**+352**
Caregiver and Family Support Services	**2022**	**2023**	**2024**	**2024 +/- 2023**
Family Caregiver Support Services	194	205	250	+45
Native American Caregiver Support Services	11	12	16	+4
Alzheimer's Disease Program	30	32	32	--
Lifespan Respite Care	8	10	14	+4
Subtotal, Caregiver Services	**243**	**259**	**311**	**+53**
Protection of Vulnerable Older Adults	**2022**	**2023**	**2024**	**2024 +/- 2023**
Long-Term Care Ombudsman Program	20	22	27	+5
Prevention of Elder Abuse and Neglect	5	5	5	--
Health Care Fraud and Abuse Control Program (Senior Medicare Patrol Program)	30	35	35	--
Elder Rights Support Activities and Elder Justice Adult Protective Services	19	34	77	44
Subtotal, Protection of Vulnerable Older Adults	**76**	**96**	**144**	**+49**
Disability Programs, Research, and Services	**2022**	**2023**	**2024**	**2024 +/- 2023**
Developmental Disability Programs	177	181	204	+22
Independent Living Programs	118	128	161	+33
National Institute on Disability, Indep. Living, and Rehab Research	116	119	119	--
Traumatic Brain Injury Program	12	13	13	--
Limb Loss Resource Center	4	4	4	--
Paralysis Resource Center	10	11	11	--
Subtotal, Disability Programs, Research, and Services	**437**	**457**	**512**	**+56**
Consumer Information, Access, and Outreach	**2022**	**2023**	**2024**	**2024 +/- 2023**
Assistive Technology	39	40	44	+4
Aging and Disability Resource Centers	8	9	10	+1
Voting Access for People with Disabilities	8	10	10	--
National Technical Assistance Center on Kinship & Grandfamilies	2	2	2	--
State Health Insurance Assistance Program/MIPPA	102	102	105	+3
Subtotal, Consumer Information, Access, and Outreach	**159**	**163**	**171**	**+8**
Other Programs, Total and Less Funds From Other Sources	**2022**	**2023**	**2024**	**2024 +/- 2023**
ACL Program Administration	42	47	64	+17
Congressionally Directed Community Projects	14	42	--	-42
Total, Program Level	**2,428**	**2,650**	**3,142**	**+493**
Less Funds from Other Sources	-110	-112	-115	-3
Total, Budget Authority[120]	**2,318**	**2,538**	**3,028**	**+490**
Full-Time Equivalents	**184**	**204**	**246**	**+42**

[120] Totals may not add due to rounding.

The Administration for Community Living (ACL) was created around the fundamental principle that all people, regardless of age or disability, should be able to live independently, participate fully in their communities, and control decisions about their lives.

ACL's programs help make this principle a reality for millions of Americans. They work together to encourage and support health, independence, resilience, and self-sufficiency, which play a critical role in reducing costs of healthcare, especially for people with complex needs. ACL works closely with states, tribes, the aging and disability networks, and—most important—directly with older adults and people with disabilities, to ensure that its programs are tailored to the unique needs of the people they serve.

With the appropriate services and supports, older adults and people with disabilities can live in their own homes or in other community settings. Community living is overwhelmingly preferred, more cost-effective and leads to better health outcomes than living in institutions, and communities are stronger when everyone is included, valued, and able to contribute. ACL remains committed to making community living an option for every American, and this budget aligns with that commitment.

In FY 2024, the President's Budget provides $3.1 billion for ACL, an increase of $493 million above the FY 2023 enacted level, with investments to address the following four overarching priorities.

Expanding Access to Direct Services

The demand for the services provided through ACL's programs has risen sharply in recent years and continues to grow. The rapidly aging population and an increasing number of people with disabilities fueled many years of steadily increasing needs. When the pandemic caused a spike in demand, many were cut off from the assistance provided by families and shortages in the workforce that provides paid services reached crisis levels. Needs have decreased from the peak, but they have stabilized at a much higher level than before the pandemic, as effects of prolonged isolation have left many people more dependent on services than they had been before. Recent innovations and adaptations have increased capacity and efficiency, and many programs received additional funding to begin to meet increased needs in FY 2023. However, additional investment is needed to further bolster capacity and maintain current service levels.

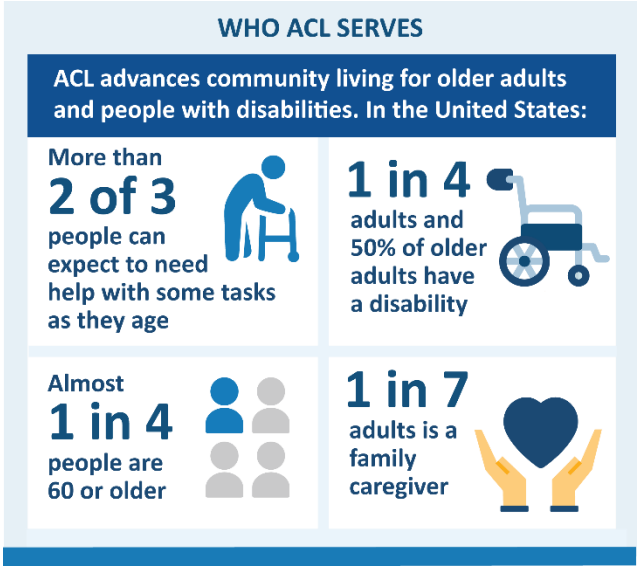
Strengthening the Caregiving Infrastructure

There are an estimated 81 million people who are 60 or older and at least 61 million people with disabilities living in the United States today, and both populations are growing.[121,122] A significant number will need assistance with things like transportation, personal care, and managing finances. A strong, well-supported caregiving workforce – which includes both families and other informal caregivers and paid professionals – makes it possible for older adults and people with disabilities to live in the community. The budget includes funding to begin to implement the 2022

[121] U.S. Census Bureau, Annual Estimates of the Resident Population for Selected Age Groups by Sex, for the United States: April 1, 2020 to July 1, 2021. Released June 2022. https://www.census.gov/programs-surveys/popest/data/tables.html. Accessed 9 July 2022.

[122] CDC, Disability Impacts Us All https://www.cdc.gov/ncbddd/disabilityandhealth/infographic-disability-impacts-all.html

National Strategy to Support Family Caregivers and for an initiative to expand and stabilize the direct care workforce.



Protecting Rights and Preventing Abuse

Abuse and neglect rob people of their fundamental human rights and erode their opportunity to participate as members of the community; equity and inclusion cannot be achieved in the face of abuse. ACL's request includes additional funding for several programs that prevent and address abuse and neglect of disabled people and older adults, support recovery by those who experience either, and assist people with disabilities and older adults in exercising their right to participate fully in the community.

Establishing Adequate Infrastructure

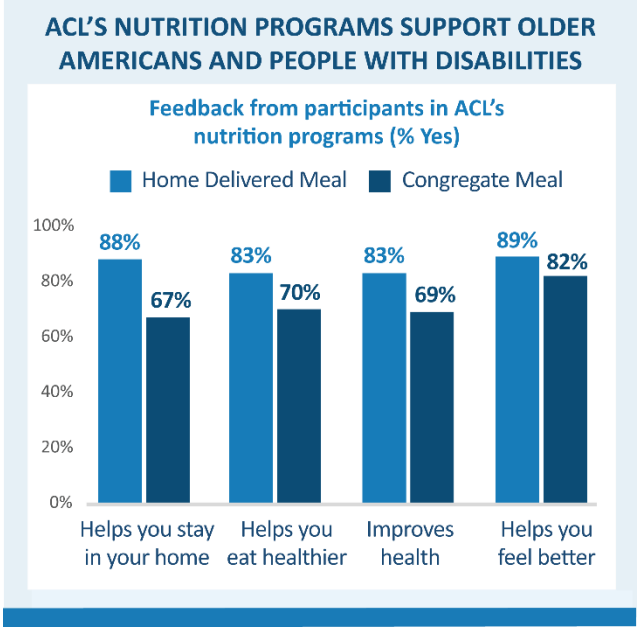
Ensuring the adequacy of the infrastructure that makes it possible for ACL and its networks to carry out program responsibilities remains a top priority for ACL. The significant increases in responsibilities that ACL has seen in recent years, combined with the increasing complexity and criticality of IT security requirements and increasing focus on ensuring information is accessible to diverse populations, have created needs that exceed staff capacity and current resources. The budget requests additional funding to sustain investments made in FY 2023 and to continue to address long-standing gaps in infrastructure.

Investments to advance these four priorities are found across ACL's programs, as follows.

HEALTH AND INDEPENDENCE FOR OLDER ADULTS

Nutrition Services for Older Adults

The Senior Nutrition Services programs provide healthy home-delivered meals and meals served in group settings, such as senior centers. The programs also provide nutrition screenings, assessments, education, and counseling. In addition to reducing hunger, food insecurity, and malnutrition, the programs help older adults stay engaged and connect them to other supportive in-home and community-based supports. These programs work together to delay complications of chronic disease and slow the decline that often leads to placement nursing homes and other facilities. The budget requests $1.3 billion, an increase of $218 million, to offset increased costs of service delivery and modestly expand services.



Home and Community-Based Supportive Service

The budget requests $500 million for Home and Community-Based Supportive Services, an increase of $90 million. These programs fund information and referral, case management, adult day care, transportation services, personal care, home assistance and chore services that allow older adults to remain in their homes for as long as possible.

Nationwide, a quarter of individuals over 60 years old live alone and in FY 2021, 45 percent of consumers

were individuals who lived alone.[123] According to the FY 2021 Performance Report, one in six seniors[124] benefit from these programs. Home and Community-Based Support Services provide a critical service that enables older adults to live in their homes safely and independently.

Native American Nutrition and Supportive Services

The request includes $70 million for Native American Nutrition and Supportive Services, an increase of $32 million, to begin to address unmet needs for services in tribal communities. In addition to the higher levels of need faced by tribes due to the factors common to all of ACL's programs, including higher numbers of elders who are now dependent on services and overall population growth, the request recognizes the need for specific investment in programs that advance health equity for underserved populations.

Preventive Health, Chronic Disease Management, and Falls Prevention

The incidence of chronic diseases such as arthritis, cancer, and diabetes in older adults is increasing as Americans live longer. Approximately, 25 percent of older adults report falling each year, with 3 million falls resulting in emergency room visits.[125] For FY 2024, the budget maintains funding at $26 million for Preventive Health Services and $8 million to manage Chronic Disease and provides $10 million, an increase of $2.5 million over FY 2023 enacted, to expand falls prevention efforts.

Protection of Vulnerable Older Adults

Elder abuse and neglect rob older adults of their fundamental human rights and often their health and independence. Abuse victims have 300 percent higher morbidity and mortality rates than older people who have not experienced abuse.[126] Prior to the COVID-19 pandemic about 1 in 10 older adults were estimated to experience abuse each year,[127] and research suggests that the prevalence of elder maltreatment increased by an astounding 84 percent during the pandemic.[128] ACL's Elder Justice programs work to prevent these outcomes for older adults and adults with disabilities to uphold their basic human right to live free from abuse.

The budget requests $144 million, which is $49 million above FY 2023 enacted. It includes a total of $73 million, an increase of $43 million, to fund the state Adult Protective Services formula grants at a very basic level. The budget maintains support for elder justice and adult protective services infrastructure to address opioid misuse and to advance guardianship reform. Additional investments include $4 million for Elder Rights Support Activities, $5 million for Prevention of Elder Abuse and Neglect, and $27 million, an increase of $5 million for the Long Term Care Ombudsman Program. Finally, it requests $35 million for the Senior Medicare Patrol program, a key fraud prevention program, from the Health Care Fraud and Abuse Control fund.

CAREGIVER AND FAMILY SUPPORT SERVICES

Each year, around 53 million people provide a broad range of assistance to support the health, quality of life, and independence of a person close to them who needs assistance as they age or due to a disability or chronic health condition.[129] Replacing this support with paid services would cost an estimated $470 billion each

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[123] Administration for Community Living, https://agid.acl.gov/DataGlance/. Data-at-a-Glance: American Community Survey (ACS) Public Use Microdata Sample (PUMS) 1-Year Files (2020).

[124] ACL'S Older Americans Act State Performance Report, FY 2021.

[125] Kingston, A., L. Robinson, H. Booth, M. Knapp, C. Jagger. 2018. Projections of multi-morbidity in the older population in England to 2035: estimates from the Population Ageing and Care Simulation (PACSim) model. Age and Ageing; 47: 374–380. https://doi.org/10.1093/ageing/afx201.

[126] Baker, M. W., LaCroix, A. Z., Wu, C., Cochrane, B. B., Wallace, R., & Woods, N. F. (2009). Mortality risk associated with physical and verbal abuse in women aged 50 to 79. Journal of the American Geriatrics Society, 57(10), 1799–1809. https://agsjournals.onlinelibrary.wiley.com/doi/10.1111/j.1532-5415.2009.02429.x.

[127] Acierno, R., Hernandez, M. A., Amstadter, A. B., Resnick, H. S., Steve, K., Muzzy, W., & Kilpatrick, D. G. (2010). Prevalence and correlates of emotional, physical, sexual, and financial abuse and potential neglect in the United States: The National Elder Mistreatment Study. American Journal of Public Health, 100(2), 292–297. Prevalence and Correlates of Emotional, Physical, Sexual, and Financial Abuse and Potential Neglect in the United States: The National Elder Mistreatment Study.

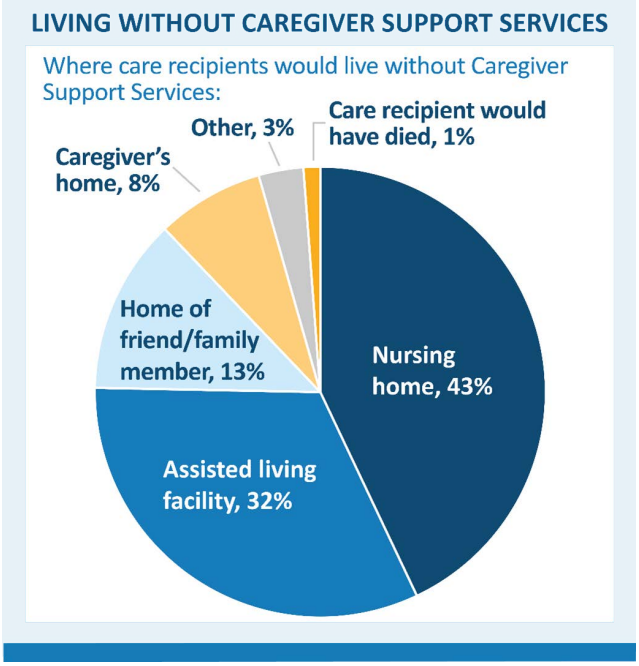
[128] Chang, E., Levy, B. (2021). High Prevalence of Elder Abuse During the COVID-19 Pandemic: Risk and Resilience Factors. American Journal of Geriatric Psychiatry. High Prevalence of Elder Abuse During theCOVID-19 Pandemic: Risk and Resilience Factors

[129] AARP and National Alliance for Caregiving. Caregiving in the United States 2020. Washington, DC: AARP. May 2020. https://doi.org/10.26419/ppi.00103.001

year. Another 2.7 million grandparent caregivers care for children who cannot remain with their parents.[130]

When family caregivers do not have the support they need, their health, wellbeing, 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 billion each year.[131] When the challenges become overwhelming and family caregivers no longer can 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

The 2022 National Strategy to Support Family Caregivers provides a blueprint for building a system that provides the support caregivers need. The budget would provide a total of $53 million across several programs to begin implementation, with investments in expanding direct services to support family caregivers today and building capacity to better support them in the future. The request includes $250 million, an increase of $45 million, for Family Caregiver Support Services; $16 million, which is $4 million above FY 2023 enacted, for Native American Caregiver Support Services; and $14 million, an increase of $4 million, for the Lifespan Respite program.



Supporting Families Affected by Alzheimer's Disease

Alzheimer's Disease and Related Dementias are devastating for people living with them and their families. Approximately 6.2 million individuals are living with Alzheimer's and this number is projected to grow by 300 percent by 2050 [132] The budget requests $32 million, the same as in FY 2023, for ACL's Alzheimer's Disease Program Initiative to continue investments in developing systems to support people affected by the disease.

MAKING COMMUNITY LIVING POSSIBLE FOR PEOPLE WITH DISABILITIES

ACL is committed to upholding the rights guaranteed in the Americans with Disabilities Act and reinforced through the U.S. Supreme Court's decision in *Olmstead v. L.C.* ACL's programs provide direct services and support capacity-building, research, and systems change advocacy to ensure that people with disabilities have access to the services and supports they need to lead self-determined lives and fully participate their communities.

Independent Living

ACL's Independent Living Services programs work together to expand and improve opportunities for people with disabilities. They are at the forefront of helping people move back to the community from nursing homes and other institutions. Run by people with disabilities, Centers for Independent Living provide a comprehensive range of services and supports to help people with disabilities to live and fully participate in their communities.

The budget requests $161 million, which is $33 million above FY 2023 enacted, to both increase capacity of current service programs and to develop new approaches to service delivery. Services provided by Independent Living programs include training and peer support for developing independent living skills; assistance with accessing community living services; assistance with navigating systems of services and supports, including determining eligibility and applying for programs; and support with moving from nursing

[130] Generations United. (2018). Raising the children of the opioid epidemic: Solutions and support for grandfamilies. [2018 update].
[131] Chari, A. V., Engberg, J., Ray, K. N., & Mehrotra, A. (2015, June 2015). The opportunity costs of informal elder-care in the United States: New estimates from the American Time Use Survey. Health Services Research, 50(3).
[132] Alzheimer's Association. 2022 Alzheimer's Disease Facts and Figures. Accessed January 14, 2023 at https://www.alz.org/media/Documents/alzheimers-facts-and-figures.pdf

homes and other long-term care facilities to homes in the community.

ACL also proposes to establish a new program, Independent Living Projects of National Significance, to develop new interventions and program innovations and to provide a mechanism to fund cross-disability demonstrations to address issues and needs of disabled people of all ages. The request includes $1.25 million to continue operation of the Disability Information and Assistance Line and to support two initiatives focused on strengthening the caregiving infrastructure.

Limb Loss, Paralysis, and Traumatic Brain Injury

An estimated two million people live with limb loss or limb difference and an estimated 185,000 amputations are performed every year in the United States.[133] The budget requests $4 million, the same as FY 2023 enacted, for these programs that provide peer support, access to assistive technology and supportive services, information to make informed choices, and effective rehabilitation services.

One in 50 Americans report having some form of paralysis.[134] The Paralysis Resource Center fosters community involvement of people with paralysis, promotes their health, and improves their quality of life. The budget maintains funding for the Paralysis Resource Center at $11 million.

The Traumatic Brain Injury program develops comprehensive systems at the state and community level for people with traumatic brain injuries. In 2014, there were nearly 2.9 million traumatic brain injury related emergency department visits, hospitalizations, and deaths within the United States.[135] In FY 2024, the budget maintains funding for this program at $13 million, the same as FY 2023 enacted.

Improving Systems to meet the Needs of People with Intellectual and Developmental Disabilities

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 and resources to help people with intellectual and developmental disabilities advocate for themselves and to help families provide support across the lifespan; training, education and advocacy to ensure accessibility of health care, education, transportation, recreation and other infrastructure systems; innovation; research; and sharing of information and best practices.

To support states in developing those systems, the budget includes $46 million, an increase of $3 million, for University Centers for Excellence in Developmental

[133] Ziegler-Graham K, MacKenzie EJ, Ephraim PL, Travison TG, Brookmeyer R. Estimating the Prevalence of Limb Loss in the United States: 2005 to 2050. Archives of Physical Medicine and Rehabilitation 2008;89(3):422-9. https://pubmed.ncbi.nlm.nih.gov/18295618/.

[134] Armour, Brian S., Elizabeth A. Courtney-Long, Michael H. Fox, Heidi Fredine, and Anthony Cahill. Prevalence and Causes of Paralysis—United States, 2013. Issue brief. Christopher and Dana Reeve Foundation, 23 Aug. 2016. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5024361/.

[135] Centers for Disease Control and Prevention, TBI: Get the Facts, https://www.cdc.gov/traumaticbraininjury/get_the_facts.html.

Disabilities and $82 million, an increase of $1 million, for State Councils on Developmental Disabilities.

Protecting Rights of People with Intellectual and Developmental Disabilities

The budget requests $60 million, an increase of $15 million, for the Developmental Disabilities Protection and Advocacy program to begin to address increasing needs for services, such as monitoring for health and safety and investigating and addressing abuse and neglect; legal assistance to address a range of issues, such as equal access to employment, education and health care; ensuring accessibility of public places and programs; helping people avoid – or leave – institutions to live in the community; information and referral assistance to connect people with disabilities to other services and resources; and individual and systems advocacy.

Advancing Disability Research

The National Institute on Disability, Independent Living, and Rehabilitation Research sponsors research to improve outcomes in health, employment, and community living for people with disabilities. The budget requests $119 million, maintaining the increases in the FY 2023 enacted.

CONSUMER INFORMATION, ACCESS, AND OUTREACH

ACL's consumer information, access, and outreach programs help older adults and people with disabilities make informed decisions and access supportive services in their communities.

Aging and Disability Resource Centers

The Aging and Disability Resource Centers deliver one-on-one, person-centered counseling and serve as "No Wrong Door" systems in 56 states and territories to help people access the long-term services they need to live and participate in their communities. The budget requests $15 million, an increase of $1 million above FY 2023 enacted.

State Health Insurance Assistance Program

The budget provides $55 million for the State Health Insurance Assistance program. The program provides one-on-one guidance older adults and people with disabilities who are eligible for Medicare or for both Medicare and Medicaid to help them to make decisions about health insurance and educate them on a variety of other topics related to Medicare (e.g., plan comparisons, enrollment assistance, understanding benefits). Through this program, over 12,000 counselors in over 2,200 community-based organizations assisted 4.4 million people in 2021.

The budget also proposes to reauthorize the Medicare Improvements for Patients and Providers Act programs at $50 million annually from FY 2024 to FY 2028. In addition to supporting the National Benefits Outreach and Enrollment Assistance Center, the act makes additional funding available to State Health Insurance Assistance Programs, area agencies on aging and aging and disability resource centers to provide more intensive health care counseling for people who are eligible for both Medicare and Medicaid and those who qualify for low-income subsidies.

Assistive Technology

The budget provides $44 million, an increase of $4 million, above the FY 2023 enacted, to help people with disabilities and their families obtain assistive technology devices and services.

BUILDING ADEQUATE INFRASTRUCTURE

Program Administration

The budget includes $64 million, an increase of $17 million above FY 2023 enacted, to continue to strengthen the infrastructure that makes it possible for ACL and its networks to carry out their program responsibilities. Program Administration supports salaries and benefits, rent and information technology security, and a range of administrative services. Of the increase, $10 million would fund additional staff. Another $4 million would offset mandatory, built-in cost increases in pay and shared services; without this increase, ACL will be forced to reduce staff to cover these costs. ACL also is requesting $3 million for investments to improve accessibility of information (including language access), strengthen information technology and security, and expand stakeholder outreach.

Administration for Strategic Preparedness and Response

The following tables are in millions of dollars.

Administration for Strategic Preparedness and Response[136]	2022	2023[137]	2024[138]	2024 +/- 2023
Preparedness and Emergency Operations	25	31	31	--
National Disaster Medical System	75	97	130	+33
Health Care Readiness and Recovery[139]	296	305	312	+7
Medical Reserve Corps	6	6	6	--
Preparedness and Response Innovation	2	3	3	--
Biomedical Advanced Research and Development Authority	745	950	1,015	+65
Project BioShield	780	820	830	+10
Pandemic Influenza	293	328	375	+47
Strategic National Stockpile	845	965	995	+30
HHS Coordination Operations and Response Element	--	75	83	+8
Operations	31	34	70	+35
Policy and Planning	15	15	21	+7
Pandemic Preparedness and Biodefense	--	--	400	+400
Budget Authority, Administration for Strategic Preparedness and Response	**3,113**	**3,630**	**4,272**	**+642**
Program Level, Administration for Strategic Preparedness and Response	**3,113**	**3,630**	**4,272**	**+642**
Pandemic Preparedness Initiative, Mandatory (non-add)	--	--	*10,540*	*+10,540*

The Administration for Strategic Preparedness and Response's (ASPR) mission is to assist the country in preparing for, responding to, and recovering from public health emergencies and disasters.

ASPR's mission is to assist the country in preparing for, responding to, and recovering from public health emergencies and disasters. ASPR accomplishes its mission in several ways, including: developing, stockpiling, and distributing response tools against multiple threats; deploying clinical response teams in times of crisis; and ensuring healthcare and public health partners have knowledge and tools needed to navigate today's challenges and confront those that lay ahead.

MEDICAL COUNTERMEASURES AND BIODEFENSE

ASPR develops, procures, stockpiles, and distributes lifesaving medical countermeasures to counter chemical, biological, radiological, and nuclear threats, especially those countermeasures for which there is no significant commercial market.

Pandemic Preparedness and Biodefense

The FY 2024 budget makes transformative investments in pandemic preparedness and biodefense across HHS public health agencies to enable an agile, coordinated, and comprehensive public health response to future threats and protect American lives, families, and the economy. The budget provides a comprehensive, cross agency investment of $20 billion in mandatory funding, available over five years, of which $10.5 billion is for ASPR. Additionally, the budget provides $400 million in discretionary funding for ASPR to continuously invest in long-term capabilities to enable a rapid response to emerging biological threats, including securing the domestic supply chain and manufacturing industrial base and developing countermeasures to counter high priority biological threats.

[136] ASPR previously received its funding via the Public Health and Social Services Emergency Fund. The FY 2024 President's Budget requests ASPR be funded directly in a new appropriations account. FY 2022 and FY 2023 columns show ASPR funding previously received through the Public Health and Social Services Emergency Fund.

[137] Excludes emergency and supplemental funding of $24 million in the Disaster Relief Supplemental Appropriations Act (P.L. 117-328 Division N).

[138] The FY 2024 budget also provides $20 billion in mandatory funding across HHS for pandemic preparedness, which is reflected in the Public Health and Social Services Emergency Fund chapter. Of this total, ASPR will receive $10.5 billion.

[139] Formerly known as Hospital Preparedness Program.

As part of the plan for the HHS-wide $20 billion in mandatory funding, ASPR will invest $10.5 billion 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. Expected outcomes of these investments include:

- Expanding the nation's manufacturing capacity through capital investments focused on manufacturing infrastructure and technology, especially for warm surge capacity for vaccines, therapeutics, tests, personal protective equipment, and medical equipment;
- Supporting "end-to-end" advanced development and manufacturing scale-up of prototype vaccines and therapeutics against the highest priority viral families;
- Rapidly accelerating the advanced development and procurement of diagnostics, advanced disease surveillance technologies, next-generation personal protective equipment, and other medical countermeasure technologies;
- Refilling and modernizing depleted pandemic stockpiles;
- Supporting the public health workforce

The budget proposes an additional $400 million in flexible, discretionary, two-year funding to bolster pandemic preparedness and biodefense by providing ASPR the ability to rapidly respond to future challenges, supporting just-in-time development, manufacturing, and procurement of innovative medical countermeasures, and making strategic investments that expand and sustain the domestic manufacturing capacity of the medical supply chain. The purpose of this new annual line of effort is to make strategic investments to capabilities that can be quickly leveraged to respond to future pandemics and other biological threats.

Biomedical Advanced Research and Development Authority

The Biomedical Advanced Research and Development Authority (BARDA) develops and procures medical countermeasures that address the public health consequences of chemical, biological, radiological, and nuclear threats. The FY 2024 President's Budget provides over $1 billion for BARDA, or $65 million above FY 2023 enacted, to develop innovative vaccines and therapeutics, as well as non-pharmaceutical interventions that protect Americans from health security threats. BARDA will continue to invest in medical countermeasures that respond to all material threats identified by the U.S. Department of Homeland Security. For example, vaccines and therapeutics for Ebola and Marburg Viruses; antidotes for injuries from chemical agents; innovative threat-specific and threat-agnostic diagnostics; novel antimicrobial drugs; and many other medical countermeasures. Resources will also be invested in capabilities that monitor COVID-19 variants and the effectiveness of existing COVID-19 countermeasures.

Additionally, the FY 2024 budget provides $375 million for the Pandemic Influenza program at ASPR, which BARDA will use to implement an end-to-end strategy to prepare for the next influenza pandemic by supporting the development, licensure, and manufacturing of better diagnostics and treatments to prevent and respond to seasonal and pandemic influenza. The influenza medical countermeasure program supports the formulation and development of alternative vaccine delivery methods for flu vaccines that do not rely on an egg supply, faster platforms, more sustainable approaches for vaccine and therapeutic development, and the expansion of national flu vaccine manufacturing capacity.

Strategic National Stockpile

The Strategic National Stockpile stores, maintains, and rapidly deploys lifesaving medical supplies, medicines, and devices to states, tribal populations, territories, and metropolitan areas during public health emergencies. ASPR's robust medical logistics capability can move medical personnel, equipment, and supplies across the nation within hours; this supports timely delivery of medical countermeasures during an emergency response.

The FY 2024 budget funds the Stockpile at $995 million, an increase of $30 million above FY 2023 enacted. These funds will ensure the Stockpile's assets are available and ready to protect America from 21st century health threats in FY 2024. The increased funding will be used to sustain current product lines and to procure targeted countermeasures previously supported by BARDA that lack a significant commercial market.

Project BioShield

Under the Project BioShield program, BARDA supports late-stage development and procures medical countermeasures that can be used during a public health emergency and that are ready to be delivered to the Strategic National Stockpile. These medical countermeasures include vaccines, therapeutics, and other countermeasures that treat anthrax, botulism, smallpox, radiation, thermal burns, and other threats.

The budget provides $830 million for Project BioShield in FY 2024, which is $10 million above the FY 2023 President's Budget. With this funding, Project BioShield will develop and procure:

- Up to three new antibiotics to bolster preparedness against drug-resistant pathogens;
- Products that treat burns, blasts, and exposure to nerve agents;
- A therapeutic that could potentially treat Ebola Sudan or other ebolaviruses; and
- Smallpox antivirals and a smallpox vaccine that can be administered to populations for which a live smallpox vaccine is not recommended.

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 naturally occurring threats and hazards. ASPR achieves these responsibilities by providing operational leadership and policy coordination, and by orchestrating a nationwide infrastructure of medical response capability preparedness to offer immediate personnel and resource deployment wherever a crisis may occur.

Operations

ASPR Operations provides operational management and oversight to coordinate activities across the agency and provide agency-wide support. The FY 2024 budget provides $70 million, which is a $35 million increase from FY 2023 enacted. To carry out its increasing mission responsibilities, additional funding will ensure ASPR has the necessary acquisitions, information technology, and financial management capabilities to effectively carry out its mission. Funding will expand ASPR's acquisition and financial management workforce, and further develop the agency's robust IT capabilities and technology infrastructure.

National Disaster Medical System

The National Disaster Medical System (NDMS) mobilizes medical personnel and supplies to support U.S. responses to human-caused and naturally occurring threats and hazards. The FY 2024 budget provides an increase of $33 million dollars above FY 2023 enacted, for a total of $130 million. This increase in funding will provide expanded personnel recruitment and training, continue the Pediatric Disaster Care Program, and maintain NDMS equipment prepared for immediate deployment in the event of a disaster.

Health Care Readiness and Recovery

The Health Care Readiness and Recovery (HCRR) program provides support to the country's healthcare systems and medical infrastructure to prepare for and respond to public health emergencies. The Administration has provided $312 million for HCRR in the FY 2024 budget which is an increase of $7 million from FY 2023 enacted. With this budget, the administration has allocated $29 million to prioritize further development of the National Special Pathogen Service Care Strategy. The budget has supported this strategy by providing $21 million dedicated to expanding the Regional Ebola and other Special Pathogen Treatment Centers network to reach 15 total operational sites, and $8 million for the National Emerging Special Pathogens Training and Education Center program. The budget will further provide $240 million in funding for Hospital Preparedness Program (HPP) cooperative agreements with states and territories throughout the United States.

HHS Coordination Operations and Response Element

The HHS Coordination Operations and Response Element (H-CORE) is a permanent, logistics and operations hub within ASPR. As one of its responsibilities, this office leads the interagency coordination surrounding the procurement, production, and distribution of COVID-19 vaccines and therapeutics.

The budget provides $83 million to H-CORE, an increase of $8 million. This funding will support critical data collection and management systems, support staff with scientific, contracting, operational, and other expertise, and will be used for logistics and operational needs across ASPR and the Department.

Policy and Planning

ASPR policy and planning ensures that evidence-based strategy and policy underpin ASPR's life-saving work. The budget provides an additional $1.5 million to improve quantitative and economics analytics and modeling capabilities to evaluate security countermeasure programs and establish future capabilities-based and materiel requirements for security countermeasures. Robust quantitative modeling tools will help ensure ASPR is addressing the most significant threats to national security and implementing the most impactful and cost-effective solutions.

We are living in an increasingly interconnected world where diseases and other threats can travel quickly, unnoticed for days. In addition, emerging infectious diseases with national security implications are becoming more frequent and natural disasters more deadly as a result of the increasing changes to our climate. To keep up with the evolving threat landscape, ASPR must remain nimble and ever vigilant while learning from each response it leads. Improved modeling capabilities will allow ASPR to prepare for future national security health threats to the American people – no matter what they might be.

Office of the Secretary: General Departmental Management

The following table is in millions of dollars.

General Departmental Management	2022	2023	2024	2024 +/- 2023
Discretionary Budget Authority	506	537	611	+75
Public Health Service Evaluation Funds	65	65	93	+28
Total, Discretionary Program Level	**571**	**602**	**705**	**+103**
Full-Time Equivalents[140]	825	889	1,032	+143

General Departmental Management supports the Secretary's role as chief policy officer and general manager of the Department.

LEADING THE NATION'S PUBLIC HEALTH ENTERPRISE

The HHS annual budget, over $1.7 trillion, accounts for almost one out of every four federal dollars, and provides more grant funding than all other federal agencies combined. The Secretary oversees HHS programs, policies, and operations to enhance and protect the health and well-being of every American. The HHS Office of the Secretary's administrative budget is less than 0.05 percent of HHS's budget. The Office of the Secretary's budget funds leadership, policy, legal, and administrative functions for 10 Staff Divisions and provides management oversight for the Department.

The 2024 President's Budget requests a program level of $705 million for General Departmental Management, a $103 million increase above the 2023 Enacted. 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 supports Administration priorities such as racial equity, environmental justice, and climate change.

PUBLIC HEALTH POLICY COORDINATION

The Office of the Assistant Secretary for Health (OASH) comprises more than half of the General Departmental Management budget. OASH serves as the Secretary's senior advisor for public health, science, and medicine and coordinates public health policy and programs across the HHS Operating Divisions and Staff Divisions. Additionally, OASH oversees the Office of the Surgeon General and the Commissioned Corps of the U.S. Public Health Service (Corps).

OASH also oversees 11 core program offices, including the Office of Minority Health (OMH) and the Office on Women's Health (OWH). These program offices lead policy coordination across the Department and federal government, and with nongovernmental partners. This coordination enables the Department to address a diverse range of public health challenges, including key elements of COVID-19 response, adolescent health, reproductive health, and ending the HIV epidemic in America. OASH focuses on supplying information and tools that empower individuals, communities, and health systems to emphasize health promotion and disease prevention.

TEEN PREGNANCY PREVENTION

The Budget includes $111 million to support community efforts to reduce teen pregnancy. OASH's Office of Population Affairs, supports grants to replicate programs proven effective through rigorous evaluation. These investments help reduce teenage pregnancy and the behavioral risk factors underlying teenage pregnancy or other associated risk factors. Funds also support demonstration projects to develop, refine, and test additional models and innovative strategies to prevent teenage pregnancy. In addition, the Budget includes $1 million for Embryo Adoption Awareness.

MINORITY HIV/AIDS FUND

The Budget includes $60 million for the Minority HIV/AIDS Fund to reduce new HIV infections, improve HIV-related health outcomes, and reduce HIV-related health disparities for racial and ethnic minority communities by supporting innovation, collaboration, and integration of best practices, effective strategies, and promising emerging models. The Budget continues to support the management, oversight, and coordination of the *Ending the HIV Epidemic in the U.S.*

[140] This table does not include funding of Full-Time Equivalents for the Pregnancy Assistance Fund, allocation for Health Care Fraud and Abuse Control Program, or funding for the Physician-Focused Payment Model Technical Advisory Committee created by the Medicare Access and CHIP Reauthorization Act of 2015.

*I*nitiative with a focus on capacity building, technical assistance, and training support to give communities the essential tools and resources necessary to be successful.

OFFICE OF MINORITY HEALTH

The Budget includes $86 million for OMH. OMH leads, coordinates, and collaborates on minority health activities across the Department, including leadership in coordinating policies, programs, and resources to reduce health care disparities and advance health equity in America. Specific activities include support of the Center for Linguistic and Cultural Competency in Health Care to implement the National Standards for Culturally and Linguistically Appropriate Services in Health and Health Care (National CLAS Standards). OMH supports information dissemination and education efforts, including the OMH Resource Center, to provide information resources to increase awareness of strategies to address health disparities. In FY 2024, OMH will increase focus on areas with high rates of adverse maternal health outcomes or with significant racial or ethnic disparities in maternal health outcomes.

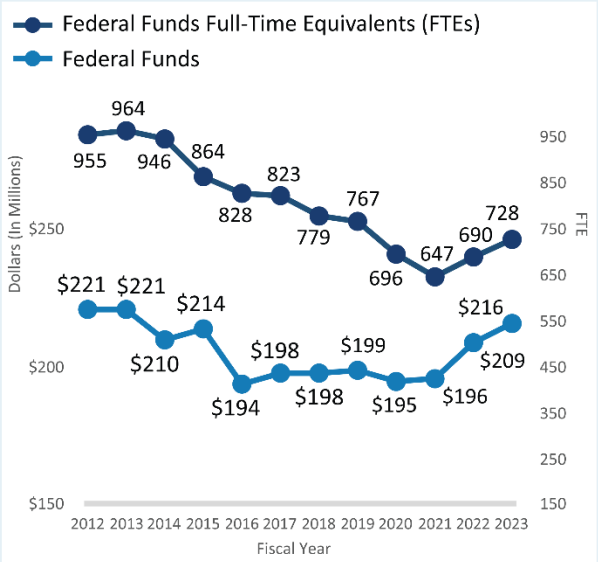
OFFICE ON WOMEN'S HEALTH

The Budget includes $44 million for OWH. OWH leads prevention initiatives, such as maternal health initiatives to include addressing health disparities for women and health communication activities. OWH continues to support the advancement of women's health programs with other government organizations and consumer and health professional groups with a special emphasis on maternal health. In FY 2024, OWH will increase focus on prevention and treatment of eating disorders, violence, and substance use disorders.

OFFICE OF THE SURGEON GENERAL AND THE COMMISSIONED CORPS OF THE U.S. PUBLIC HEALTH SERVICE

The Surgeon General provides Americans with the best scientific information available on how to improve their health and reduce the risk of illness and injury. The Surgeon General also manages the daily operations of the Corps, which consists of approximately 6,000 uniformed public health professionals who underpin the nation's response network for public health emergencies. Corps officers, including physicians, nurses, dentists, pharmacists, social workers, and engineers have supported the U.S. government's response to natural disasters and other public health emergencies.

GDM'S FY 2024 REQUEST SEEKS INCREASED FEDERAL FUNDS TO SUPPORT ENHANCED DEPARTMENTAL OVERSIGHT



Between FYs 2013 and 2022, Corps officers deployed 12,500 times contributing to over 290,000 deployment days supporting over 500 different missions. Deployments included:

- Providing critical support for the West Africa Ebola outbreak from 2014 to 2015;
- Supplying public health support to families displaced by Hurricanes Harvey, Irma, and Maria in 2017;
- Providing medical screenings and behavioral and primary care for unaccompanied children and families along the southwestern border in 2018, 2021 and 2022;
- Providing behavioral health and case management support for the resettlement of Afghan refugees through Operation Allies Welcome in 2021 and 2022; and,
- Supporting the COVID-19 response, which, as of February 9, 2023, has seen the highest historical deployment of officers to-date, with over 6,300 deployments, in many instances with officers deploying multiple times.

As part of reforming and improving the Corps, the Assistant Secretary for Health and the Surgeon General implemented the Ready Reserve Corps to provide

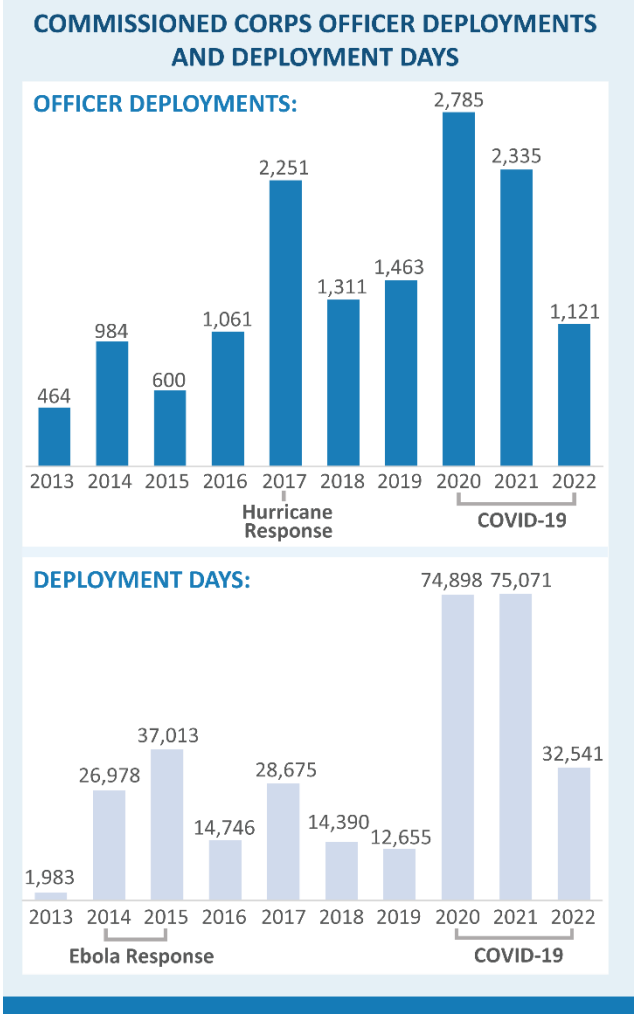
surge capacity for deployments in public health emergencies and backfill critical positions left vacant during regular Corps deployments. The Ready Reserve fulfills the urgent need to have additional Corps personnel available on short notice to respond to public health and emergency response missions. Additionally, the Public Health Emergency Response Strike Team was established to complement the Ready Reserve as an additional Corps asset available for immediate deployment at the request of the President or the Secretary. Entirely dedicated to public health emergency response, the strike team includes full-time active-duty officers serving as the first HHS representatives on the ground.

The Budget includes $20 million in the Public Health and Social Services Emergency Fund to maintain and continue to operationalize COVID-19-related investments in the Ready Reserve Corps, Public Health Emergency Response Strike Team, and Commissioned Corps readiness and training activities. Funding will ensure sufficient resources to maintain these programs, established and initialized with the CARES Act funding. See the Public Health and Social Services Emergency Fund chapter for more details.

PROGRAM INTEGRITY OVERSIGHT AND OTHER GENERAL DEPARTMENTAL MANAGEMENT

The Budget includes $22 million for Department-wide Electric Vehicle Fleet program; $3 million for Grants Quality Service Management Office, a government-wide storefront offering multiple solutions for technology and services in the grants functional area; $3 million to support the White House Initiative on Asian Americans, Native Hawaiians, and Pacific Islanders; $3 million to continue the Children's Interagency Coordination Council; and a total of $5 million in Public Health Service Evaluation funding for OASH's Office of Climate Change and Health Equity, including the newly established Office of Environmental Justice.

The Budget also includes $278 million to support each of the Office of the Secretary's 10 Staff Divisions that are supported by General Departmental Management account. This funding will support administrative and operational activities to ensure program integrity oversight. The Budget includes $89 million in additional evaluation funding to assess the implementation and effectiveness of public health programs, including the Teen Pregnancy Prevention program, and fund the Office of the Assistant Secretary for Planning and Evaluation.



Since FY 2012, HHS's leadership has managed with fewer resources and staff but with growing responsibilities. Although the GDM Programs, Projects, and Activities for specific purposes have grown steadily (a total of 27 percent), federal funds used for oversight have decreased by 2 percent in nominal dollars over this 12-year period. As a result, HHS has 227 fewer FTEs in oversight and management roles in 2023 than in 2012, a decline of 24 percent.

The requested budget increase for federal funds ensures that program integrity and leadership oversight are at the forefront of HHS's mission delivery.

Office of the Secretary: Medicare Hearings and Appeals

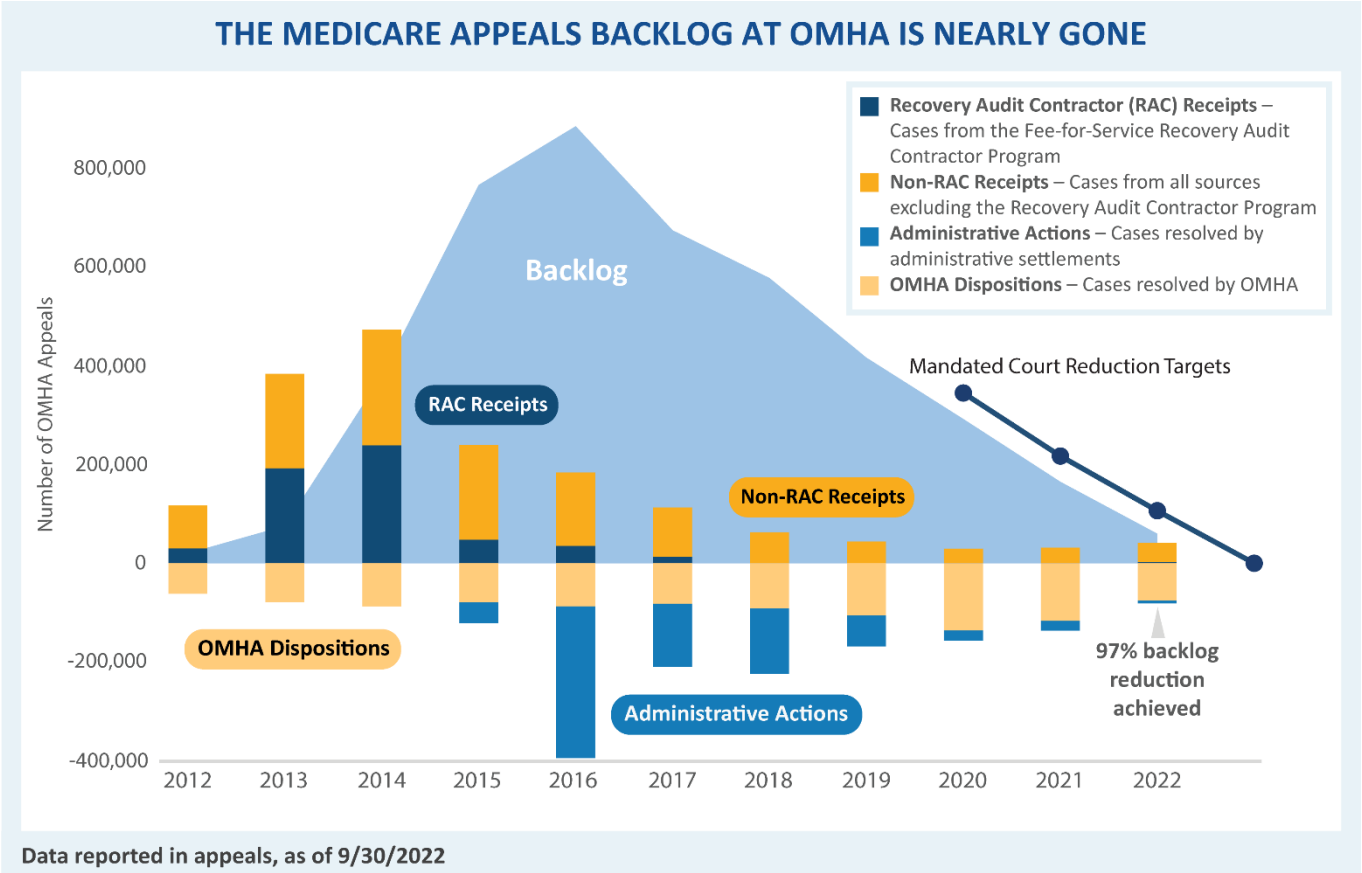
The following tables are in millions of dollars.

Office of Medicare Hearings and Appeals[141,142]	2022	2023	2024	2024 +/- 2023
Medicare Appeals Budget Authority	172	162	164	+2
Full-Time Equivalents	958	832	731	-101

Departmental Appeals Board – Medicare[141 142]	2022	2023	2024	2024 +/- 2023
Medicare Appeals Budget Authority	24	34	35	+1
Full-Time Equivalents	132	193	196	+3

Budget Total	2022	2023	2024	2024 +/- 2023
Total, Medicare Hearings and Appeal Program Level	**196**	**196**	**199**	**+3**
Total, Medicare Hearings and Appeal Full-Time Equivalent Program Level	**1,090**	**1,025**	**927**	**-98**

The Office of Medicare Hearings and Appeals (OMHA) provides beneficiaries, providers, and suppliers an opportunity for a hearing on disputed Medicare claims. The Departmental Appeals Board (DAB) for Medicare provides final administrative review of claims for Medicare entitlement, payment, and coverage at HHS.



Medicare Hearings and Appeals is an account created by Congress in FY 2020 to consolidate the costs of adjudicative expenses associated with Medicare claims appeals brought by beneficiaries and healthcare providers. The appeals process is overseen by administrative law and appeals judges at the Office of

[141] FY 2021, 2022, 2023, and 2024 funding levels for OMHA and DAB represent allocations from the overall appropriation and are subject to change based on actual incoming appeal receipt levels and statuses of appeal backlogs at each level.

[142] Reflects appropriated funding levels and does not include any transfers or carryforward balances.

Medicare Hearings and Appeals (OMHA) and the Departmental Appeals Board (DAB), respectively.

Beginning in FY 2011, an aging population and unintended results from HHS's Medicare program integrity efforts led to a significant increase in Medicare claims denials. This increase resulted in more appeals than OMHA and DAB could process within the 90-day case adjudication time frame required by law. Despite best efforts, this resulted in a backlog of appeals pending adjudication at both OMHA and DAB. After targeted actions to address this challenge, OMHA has successfully reduced the backlog by 98 percent, leaving a caseload manageable within the 90-day adjudication time frame.

THE APPEALS BACKLOG

The Department used administrative actions to reduce OMHA's pending appeals workload and is now using similar methods to help the DAB prepare for incoming cases that OMHA is processing. These actions include alternative dispute resolution and multiple settlement actions, increased hiring efforts, and working with partners at the Centers for Medicare & Medicaid Services to better anticipate caseload. OMHA reduced the backlog of cases by 98 percent to approximately 60,000 appeals (from a high of nearly 900,000 in FY 2016). DAB continues to build capacity, helping to reduce their caseload to approximately 18,000 at the start of FY 2023, down from a high of nearly 31,000 in FY 2017. To prevent a larger backlog, DAB is currently hiring three-year term appointees to assist with the influx of cases, while also considering the longevity of the Board's staff capacity.

OFFICE OF MEDICARE HEARINGS AND APPEALS

OMHA administers the nationwide hearing process for appeals arising from Medicare coverage and payment claims for items and services furnished to beneficiaries.

The FY 2024 President's Budget proposes $164 million for OMHA, a slight increase over the FY 2023 Enacted. At this level OMHA maintains support for 107 administrative law judge teams and the number of full-time equivalent staff needed to meet the 90-day requirement, while also decreasing the higher staffing levels that were needed at the height of the backlog.

DEPARTMENTAL APPEALS BOARD

The DAB Medicare Appeals Council provides a final administrative review of claims for entitlement to Medicare, individual claims for Medicare coverage, and claims for payment filed by beneficiaries or healthcare providers and suppliers at HHS.

The FY 2024 President's Budget allocates $35 million for DAB, the same as the FY 2023 level. DAB's Medicare appeals adjudication costs have been funded out of the same appropriation as OMHA since FY 2020. The Budget allows DAB to continue to increase full-time equivalents to a level that supports reducing the balance of its pending appeals backlog.

Office of the Secretary: Office of the National Coordinator for Health Information Technology

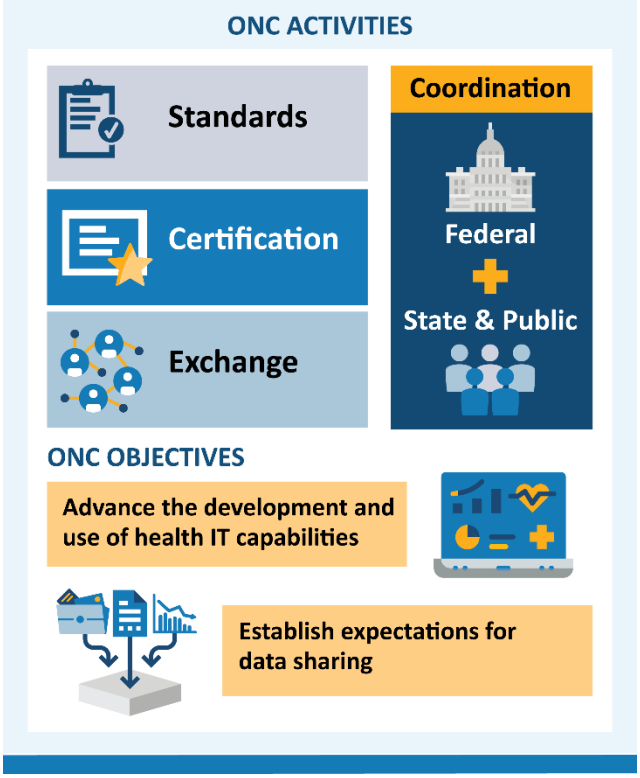
The following table is in millions of dollars.

Office of the National Coordinator for Health IT	2022	2023[143]	2024	2024 +/- 2023
Total Discretionary Budget Authority	--	--	--	--
Total Public Health Service Act Evaluation Funds	64	66	104	+37
Total Program Level	**64**	**66**	**104**	**+37**
Full-Time Equivalents	179	180	180	-

The mission of the Office of the National Coordinator for Health Information Technology (ONC) is to create systemic improvements in health and care through the access, exchange, and use of data. ONC's vision is better health enabled by data.

The Office of the National Coordinator for Health Information Technology (ONC) leads the federal government in health information technology (IT) efforts by supporting the development of standards and advancing policies that ensure equitable access to electronic healthcare data for all patients. ONC focuses on building a nationwide interoperable health IT infrastructure to ensure providers and patients can efficiently and securely exchange electronic information across all levels of the healthcare continuum.

The FY 2024 budget requests $104 million for ONC, an increase of $37 million above the FY 2023 enacted level. These resources will be provided through the Public Health Service Act Evaluation set-aside. The funding supports ONC's policy development and coordination efforts; updates to standards that increase interoperability and improve equity through health IT activities; and staff and operational activities needed to keep pace with the agency's growing responsibilities.



POLICY DEVELOPMENT AND COORDINATION

ONC is responsible for developing and implementing health IT policies and rulemaking through open, transparent, and accountable processes. ONC supports the exchange of information between health information networks and facilitates coordination efforts with federal, state, and local partners to inform health IT policies and interoperability needs. ONC's programs, policy development, and technology coordination activities keep market forces focused on serving the patient first.

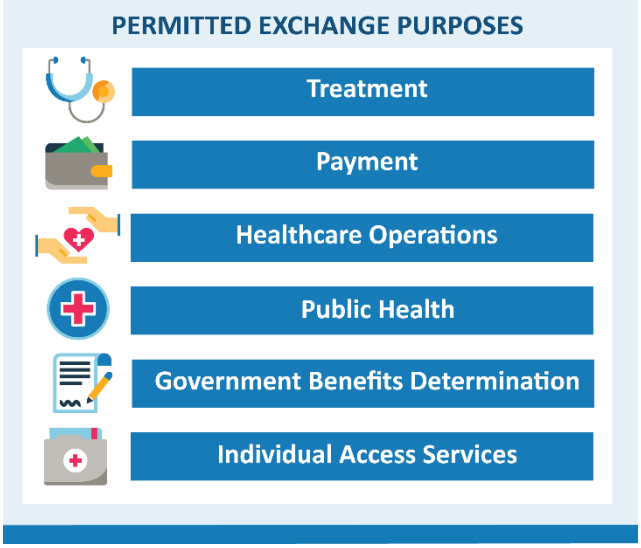
[143] The FY 2023 column reflects enacted levels.

The FY 2024 budget includes $39 million for ONC's Policy Development and Coordination work, an increase of $18 million above the FY 2023 enacted level. This increase would focus on efforts to accelerate the adoption and expansion of exchange through the Trusted Exchange Framework and Common Agreement (TEFCA) and advance interoperability policy work.

Promoting Trusted Exchange of Health Information

In January 2022, ONC launched the TEFCA, a public-private nationwide network for the secure exchange of electronic health information. TEFCA reduces health information network communication barriers by establishing a common legal agreement and technical standards for health information exchange.

In FY 2024, ONC will promote and accelerate the adoption of TEFCA by a wide range of healthcare entities. With increased participation in TEFCA, health data will be more readily available to patients and providers, particularly during public health emergencies, such as the COVID-19 pandemic. In addition, ONC will focus on updating, as needed, the Common Agreement, its standard operating procedures, and technical guidance to improve the reliability, efficiency, and effectiveness of the participating health information networks. Finally, ONC will seek to provide targeted resources to support state, territorial, local, and tribal public health agencies that are seeking improved public health outcomes to leverage the entirety of the TEFCA network.



21st Century Cures Act Final Rule

ONC's 21st Century Cures Act Final Rule promotes information sharing so patients have easier, more secure access to their healthcare data, and provides oversight on activities that might be considered anti-competitive or "information blocking." It also ensures that standards-based application programing interface functionalities are built into health IT to support patient access and innovative healthcare provider uses. In FY 2024, ONC will continue to carry out the 21st Century Cures Act Final Rule by addressing emerging challenges related to the private and secure exchange of health information and providing oversight and guidance on information blocking practices. To support this effort, the FY 2024 budget continues to include a legislative proposal to allow ONC to issue advisory opinions for information blocking, which would allow HHS to issue public, legally binding advisory opinions for the information blocking regulations. ONC will also implement the Electronic Health Record Reporting Program condition of certification through notice and comment rulemaking. The Electronic Health Record Program will provide publicly available, comparative information about certified health IT.

Health IT Stakeholder Coordination

ONC's collaboration and coordination activities are pivotal to achieve ONC's mission and to create a more equitable and transparent healthcare system. During FY 2024, ONC will work with:

- The Centers for Medicare & Medicaid Services to update payment policy and programs;
- HHS's Office for Civil Rights to ensure and promote secure patient access to electronic health information; and,
- HHS's Office of Inspector General, Federal Trade Commission, and the U.S. Department of Justice to define and enforce data sharing standards and prohibit information blocking.

In FY 2024, ONC will continue to lead and engage the Health IT Advisory Committee to inform the development of federal health IT policies and the implementation of its programs impacted by the policies and HHS and administration priorities.

STANDARDS, INTEROPERABILITY, AND CERTIFICATION

The budget includes $52 million for ONC's Standards, Interoperability, and Certification work, an increase of $18 million above the FY 2023 enacted level. This

increase would enable ONC to broaden efforts to align federal agency standards adoption and use, coordinate complementary activities and investments with standards development organizations, and further administration priorities around equity and interoperability.

Standards Development and Technology Coordination

ONC will continue to provide 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. ONC will continue to coordinate with stakeholders to develop health IT standards that advance interoperability in less mature areas such as patient-generated health data used by clinicians and researchers and integrating health data from remote or wearable monitoring devices in electronic health record systems.

Embedded in ONC's standards and coordination work is an innovative equity-by-design approach. This approach includes improving the use of social and behavioral health information to support better interoperability. The equity-by-design approach will also address gaps in health IT data related to social determinants of health, race/ethnicity, and sexual orientation/gender identity, creating more patient-centered healthcare and opportunities for decreasing health disparities in health IT.

Health IT Certification, Testing, and Reporting

ONC leads the Health IT Certification Program, a voluntary certification program for health IT platforms that uses standards, implementation specifications, and certification criteria.

In FY 2024, ONC will update the certification program according to the 21st Century Cures Act Final Rule, including expanding availability of health information that enhances equity for patients and providers. ONC will also make updates to the Certified Health IT Product List and testing tools, such as prior authorization, real time prescription drug benefits, and public health certification, allowing developers to focus more on Health IT innovations rather than duplicating testing efforts.

AGENCY-WIDE SUPPORT

The FY 2024 budget includes $13 million for ONC to support overall leadership, operational, and administrative functions, an increase of $1 million above the FY 2023 enacted level.

ONC will continue to maintain HealthIT.gov, which promotes federal health IT policy and disseminates best practices in health IT to stakeholders. Agency-wide support also includes a team of expert clinician advisors and scientific advisors who support ONC leadership. Funding will also support HHS's shared costs, including support for financial and grants management systems, contract management, and ONC's office space.

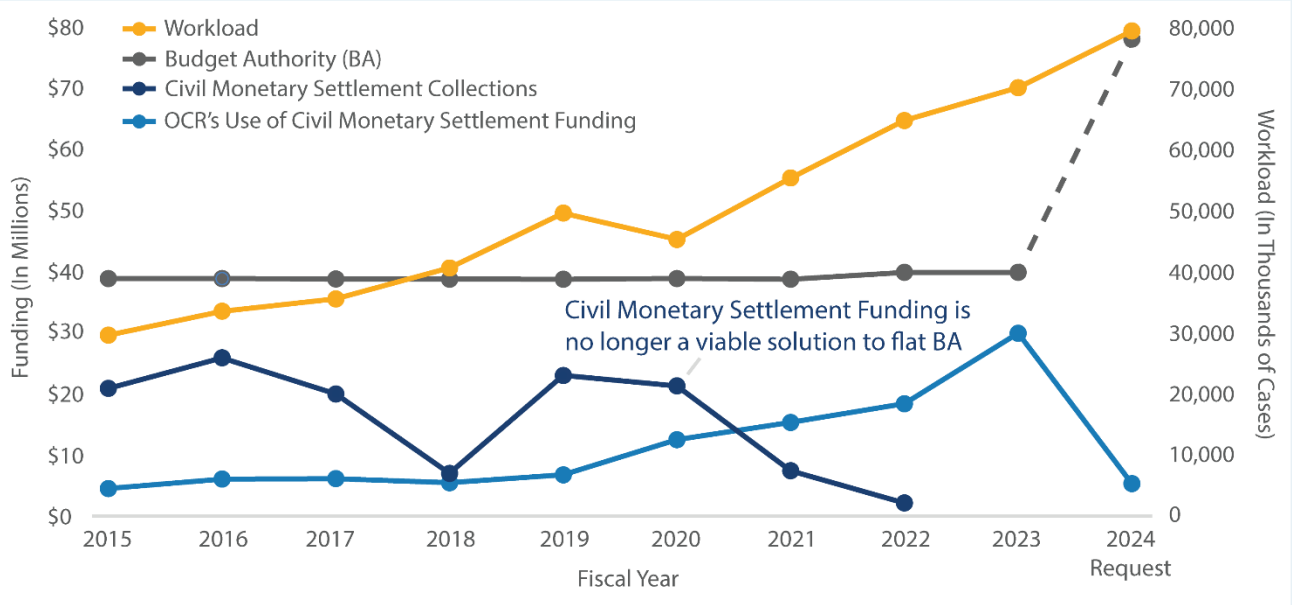
Office of the Secretary: Office for Civil Rights

The following table is in millions of dollars.

Office for Civil Rights	2022	2023	2024	2024 +/- 2023
Discretionary Budget Authority	40	40	78	**+38**
Civil Monetary Settlement Funds	18	30	5	-25
Total, Program Level	**58**	**70**	**83**	**+13**
Full-Time Equivalents	129	129	317	+188

The Office for Civil Rights is HHS's primary enforcement and regulatory agency of civil rights and health information privacy and security.

OCR'S FY 2024 REQUEST ADDRESSES YEARS OF FLAT BUDGET AUTHORITY, DECLINING CIVIL MONETARY COLLECTIONS, AND AN INCREASING WORKLOAD



Note: 2015 civil monetary settlement collections reflect collections from FY 2008 through FY 2015.

The HHS Office for Civil Rights (OCR) enforces 55 statutory authorities, and works to safeguard:

- Individuals receiving services from HHS-conducted or HHS-funded programs are not subject to discrimination; and that
- People can trust the privacy, security, and availability of their health information.

The Fiscal Year (FY) 2024 President's Budget requests $78 million for OCR. OCR will also use $5 million in civil monetary settlement funds to support Health Insurance Portability and Accountability Act of 1996 (HIPAA) enforcement activities. The budget supports OCR's role to protect access to and delivery of HHS services free from discrimination and to secure patient privacy.

To carry out its functions, OCR investigates complaints, enforces the law, develops policy, promulgates regulations, and provides technical assistance and public education to ensure understanding of, and compliance with, non-discrimination and privacy laws. OCR works to help promote positive change throughout the nation's social service and healthcare systems to advance equity and accountability.

CIVIL RIGHTS

The FY 2024 funding request will empower OCR to bolster its enforcement, policy, education, and outreach efforts in all non-discrimination areas that include race, color, national origin, disability, sex, age, and religion. Further, OCR will continue to enforce conscience protections for health care providers as part of its enforcement activities. In continuing this work, OCR will work to ensure that all individuals have access to programs and services.

To advance the Administration's priorities, OCR's budget includes a robust investment in additional staff and resources to address the complaint inventory backlog and assess the impact of HHS's policies and its regulatory role in health equity barriers for underserved populations. Since FY 2016, civil rights case receipts have increased by 252 percent. Additional staff is essential to ensure that OCR's regional offices provide timely and meaningful responses to complaints. Additional staff is also critical to investigate complaints and initiate compliance reviews in the Administration's priority areas.

Supporting the Mental Health Strategy

OCR's FY 2024 request includes funding for a Behavioral Health Team to ensure that individuals and families do not face discriminatory barriers to behavioral healthcare access. The additional staff will allow OCR to provide technical assistance to program officers overseeing the development of Certified Community Behavioral Health Clinics, mobile crisis teams, screening, case management, and other new behavioral health programs. The teams will provide technical assistance, regulation reviews, training for grantees, and subject matter expertise to the Department in support of the Administration's Mental Health Strategy, and to ensure:

- Individuals and families receive equal access to behavioral health services and related health insurance coverage, including prescription drug benefits;
- Federally assisted and conducted behavioral health services, including the National Suicide Prevention Lifeline "988" number linking individuals to the crisis care, are accessible to individuals with language barriers, disabilities, and LGBTQI+ individuals;
- Behavioral health services are located in areas that make them accessible to individuals and families from racial and ethnic minority populations;
- Notice is given to individuals and families of their right to receive behavioral health services free from discrimination; and
- Grievance procedures for individuals and families seeking or receiving behavioral health services are established and implemented.

HEALTH INFORMATION AND SECURITY

OCR administers and enforces the HIPAA Privacy, Security, and Breach Notification Rules (HIPAA Rules). In this role, OCR ensures that covered entities understand and comply with the HIPAA Rules; increases patient awareness and exercise of their HIPAA rights and protections; and facilitates coordination of care through appropriate information sharing. OCR accomplishes these objectives by issuing regulations and guidance, conducting stakeholder outreach, and providing technical assistance to the regulated community, in addition to pursuing investigations, settlement agreements, and civil monetary penalties. Since FY 2017, OCR has received a 28 percent increase in HIPAA complaints, and a 100 percent increase in HIPAA large breach reports, while OCR's enforcement staff decreased by 45 percent due to flat budgets and inflationary increases. OCR's FY 2024 request will allow a robust investment in enforcement staff to address the existing backlog.

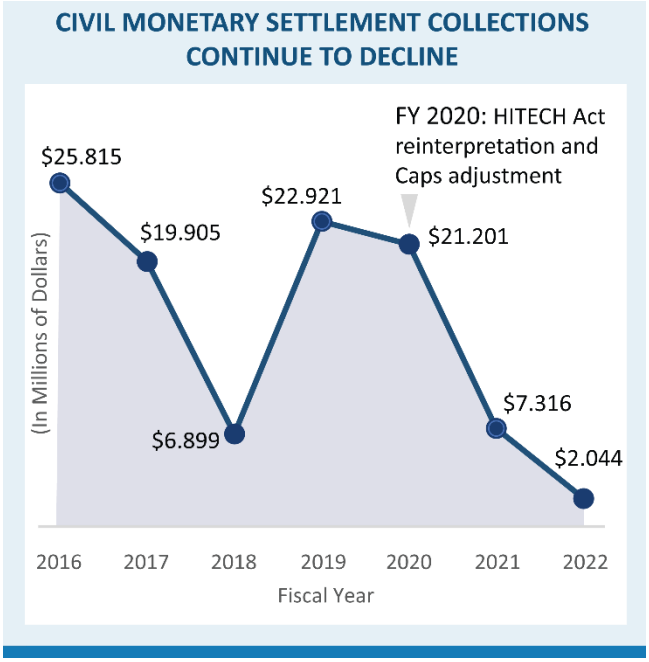
Health Information Technology for Economic and Clinical Health Act Requirements

OCR's FY 2024 request includes resources to support the implementation of the Health Information Technology for Economic Clinical Health Act regarding the sharing of HIPAA settlements and civil monetary penalties with harmed individuals. Settlement funds cannot be used for implementation of the requirement. The request supports staff to manage the program, and contractors to establish processes and procedures to evaluate and issue shared settlement funds to harmed individuals.

Civil Enforcement of the Part 2 Confidentiality Provisions

The CARES Act requires HHS to implement civil enforcement of the confidentiality protections for substance use disorder patient records 42 United States Code §290dd-2 (Part 2). OCR has been charged with enforcement of this federal law that governs the confidentiality of substance use disorder records. OCR is prohibited from the use of settlement funding for Part 2 enforcement. The Budget includes $6 million to implement civil enforcement of Part 2 protections. This includes setting up a process for reporting breaches of unsecured Part 2 records to HHS. OCR will create a separate portal to receive the complaints; hire new investigators; and hire supervisory and program support staff to develop policy, guidance, training, and

educational materials for the public. In addition, OCR anticipates a substantial number of complaints consistent with HIPAA enforcement.



2024 LEGISLATIVE PROPOSALS

Enhancing HIPAA Protections by Increasing Civil Monetary Penalty Caps and Authorizing Injunctive Relief

The proposal seeks to increase the amount 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. Authorizing higher annual caps will strengthen OCR's enforcement of the HIPAA Rules. Authorizing OCR to seek injunctive relief will improve OCR's ability to prevent additional or future harm to individuals resulting from entities' non-compliance with the HIPAA Rules in the most egregious and urgent cases.

Office of the Secretary: Office of Inspector General

The following tables are in millions of dollars.

Public Health and Human Services Oversight	2022	2023	2024	2024 +/- 2023
Public Health and Human Services Oversight Discretionary	82	87	117	+30
FDA and NIH Transfers[144]	7	7	7	--

Health Care Fraud and Abuse Control Oversight	2022	2023	2024	2024 +/- 2023
Health Care Fraud and Abuse Control Program Discretionary	102	105	112	+7
Health Care Fraud and Abuse Control Mandatory	214	225	268	+43
Health Care Fraud and Abuse Control Collections	11	9	11	+2

Budget Total	2022	2023	2024	2024 +/- 2023
Total, Program Level[145,146]	**416**	**433**	**515**	**+82**
Full-Time Equivalents	1,599	1,573	1,764	+191

The mission of the Office of Inspector General is to provide objective oversight to promote the economy, efficiency, effectiveness, and integrity of HHS programs, as well as the health and welfare of the people they serve.

The HHS Office of Inspector General (OIG) is the largest inspector general office in the federal government, with approximately 1,600 employees dedicated to combating fraud, waste, and abuse and improving the efficiency and effectiveness of HHS programs.

The FY 2024 President's Budget requests $515 million in Total Program Level for OIG, including $236 million in discretionary funding which is $37 million above FY 2023 Enacted. Funding enables OIG to target oversight efforts and ensure efficient and effective resource use within the Department's programs through the development of new models and tools to support data-driven audits, evaluations, and inspections. The request also includes the HHS-sponsored Health Care Fraud and Abuse Control Mandatory Rebasing Proposal, which is supported by OIG, CMS, and the U.S. Department of Justice, and would provide a meaningful, targeted investment over time starting in FY 2024.

PUBLIC HEALTH AND HUMAN SERVICES OVERSIGHT

The FY 2024 budget includes $117 million, a $30 million increase above FY 2023 Enacted, for an emergency preparedness, response, and recovery initiative, cybersecurity activities, and mandatory pay expenses.

OIG will continue its focus on the effective administration of grant programs for prevention and treatment of opioid addiction, substance use, and serious mental illness. Resources will support audits, evaluations, data analysis, and investigations into fraud schemes and vulnerabilities associated with effectively preventing, detecting, and treating substance use disorders.

CYBERSECURITY AND DIGITAL TECHNOLOGY

The Budget includes $20 million to hire specialized personnel from a competitive cybersecurity job market, increase OIG's cybersecurity efforts, support needed expansions in digital technology, modernize OIG's information technology infrastructure, and further promote an artificial intelligence-ready workforce. HHS and the healthcare industry face significant cybersecurity risks that OIG oversight and enforcement will help mitigate.

[144] FY 2022 and FY 2023 Levels include $1.5 million for the FDA transfer and $5 million for the NIH transfer in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act. The table reflects the same historical assumptions for FY 2024 transfers.

[145] Totals may not add due to rounding.

[146] Does not include supplemental resources.

EMERGENCY PREPAREDNESS, RESPONSE, AND RECOVERY

The Budget includes a $5 million investment for emergency preparedness, response, and recovery through the development of rapid response approaches, data-driven intelligence, and technology-supported field work. The investment will help detect and stop fraud schemes, remove bad actors from HHS programs, find and return defrauded and misspent HHS funds, appropriately account for taxpayer funds, identify risks and vulnerabilities in complex programs, and protect people depending on HHS programs from grievous harms.

MEDICARE AND MEDICAID OVERSIGHT

OIG relies on prevention, detection, and enforcement to address fraud, waste, and abuse in Medicare and Medicaid programs.

The Budget for OIG includes $380 million in mandatory and discretionary HCFAC funding for Medicare and Medicaid oversight. The Budget includes a $43 million Mandatory Rebasing proposal that would provide OIG with funds to begin addressing unmet demands for OIG investigative expertise to pursue fraud against HHS programs and the people they serve. The Budget includes $7 million to address mandatory pay increases and continue support for data-driven audits, evaluations, and inspections to target illegal prescriptions and distribution of opioids to Medicare and Medicaid beneficiaries, and to enhance oversight of critical programs furnishing treatment for substance use disorders and serious mental illness.

Public Health and Social Services Emergency Fund

The following table is in millions of dollars.

Public Health and Social Services Emergency Fund[147]	2022[148]	2023[149]	2024	2024 +/- 2023
Office of the Chief Information Officer - Cybersecurity	72	100	188	+88
Office of National Security	9	9	12	+3
Office of Global Affairs	7	7	8	+1
Office of the Assistant Secretary for Health	--	--	20	+20
Public Health Emergency Fund[150]	--	--	50	+50
Budget Authority, Public Health and Social Services Emergency Fund	**87**	**116**	**278**	**+162**
Pandemic Preparedness, Mandatory[151]	--	--	20,000	+20,000
Program Level, Public Health and Social Services Emergency Fund	**87**	**116**	**20,278**	**+20,162**

The Public Health and Social Services Emergency Fund supports the HHS Cybersecurity program, the Office of National Security, pandemic preparedness at the Office of Global Affairs, and the Commissioned Corps of the U.S. Public Health Service.

The FY 2024 President's Budget provides $278 million in discretionary budget authority to the Public Health and Social Services Emergency Fund, an increase of $162 million above FY 2023 enacted. The budget also provides $20 billion in mandatory funding to transform the nation's pandemic preparedness posture and meet the national security imperative.

Additionally, the budget includes a suite of legislative proposals to provide the authorities HHS needs to enhance early detection and response to public health threats and supply disruptions; build domestic manufacturing capacity for and otherwise advance safe, effective supplies and medical countermeasures; facilitate a response-ready workforce; and enhance recovery. This includes a proposal for limited authority to require the reporting of minimum necessary data which can serve mission-critical use cases.

PANDEMIC PREPAREDNESS

The budget includes $20 billion in mandatory funding, available over five years, across the Administration for Strategic Preparedness and Response (ASPR), Centers for Disease Control and Prevention (CDC), National Institutes of Health (NIH), and the Food and Drug Administration (FDA), to support the President's plan to transform the Nation's capabilities to prepare for and respond rapidly and effectively to future pandemics and other high consequence biological threats.

CYBERSECURITY

The Office of the Chief Information Officer within the Office of the Assistant Secretary for Administration coordinates HHS's cybersecurity efforts. The HHS Cybersecurity Program plays an important role in protecting countless data assets and at least 800 IT systems, each representing a potential cyber target for malicious actors—critical to HHS's ability to perform mission-critical operations. This program ensures departmental information technology is designed and maintained with the advanced security and data privacy protections needed to operate in a landscape of growing and evolving cyber threats.

This budget provides an increase of $88 million above FY 2023 enacted for this program, for a total of $188 million. At this funding level, the Cybersecurity Program will direct:

- $50 million for investment in the development of a robust Zero Trust architecture, in line with best practices on minimizing risk;
- $22 million for Cybersecurity Operations and Engagement Activity to acquire and act on relevant threat intelligence;

[147] ASPR previously received its funding via the Public Health and Social Services Emergency Fund. The FY 2024 President's Budget requests ASPR be funded directly in a new appropriations account. The FY 2022 and FY 2023 columns do not include the funding ASPR received via the Public Health and Social Services Emergency Fund.

[148] Excludes $82 million in supplemental funding provided in the Bipartisan Safer Communities Act (P.L. 117-159).

[149] Excludes $129 million in supplemental funding provided in the Disaster Relief Supplemental Appropriations Act (P.L. 117-328 Division N).

[150] To be deposited in the Public Health Emergency Fund.

[151] Reflects mandatory funding to be allocated across ASPR, CDC, NIH, and FDA.

- $38 million for Cybersecurity Risk, Governance, FISMA compliance and Privacy Management Activity;
- $45 million for Cybersecurity tools and enterprise solution activities; and,
- $33 million for modernizing security event logging.

The FY 2024 budget supports enhanced information technology capability to maintain and advance the Department's cybersecurity posture.

OFFICE OF NATIONAL SECURITY

The Office of National Security (ONS) provides strategic all-source information, intelligence, counterintelligence, insider threat, cyber threat intelligence, supply chain risk management, security for classified information, and communications security across the Department. ONS increases the Department's security and threat awareness and its ability to respond swiftly and effectively to national and homeland security threats. The FY 2024 budget provides $12 million for ONS, an increase of $3 million over FY 2023 enacted. The increase in funding will help ONS further protect the Department against insider security threats, conduct Cyber Threat analysis, protect sensitive unclassified and classified information, and allow ONS to fully develop the newly established Enterprise Supply Chain Risk Management Program.

OFFICE OF GLOBAL AFFAIRS

The budget provides $8 million, an increase of $1 million for the Office of Global Affairs (OGA) to lead global health diplomacy and policy coordination efforts for HHS to strengthen international pandemic preparedness, especially pandemic influenza preparedness. OGA will continue to enhance international influenza preparedness by providing strategic coordination and technical expertise on health policy development and diplomacy to global partners, including nearly 200 Ministries of Health.

ASSISTANT SECRETARY FOR HEALTH

The FY 2024 budget provides $20 million for the Office of the Assistant Secretary for Health within the Office of the Secretary. This funding will provide for the Commissioned Corps of the U.S. Public Health Service. These new resources will support:

- $2 million for U.S. Public Health Service Readiness and Training activities,
- $4 million for the Public Health and Emergency Response Strike Team, and
- $14 million for Commissioned Corps Ready Reserve.

These investments will ensure the Commissioned Corps is equipped to effectively respond to future public health emergency response operations, as rapidly as possible, while being equipped with surge capacity.

PUBLIC HEALTH EMERGENCY FUND

The FY 2024 budget provides $50 million for the Public Health Emergency Fund, authorized by section 319(b) of the Public Health Service Act, to allow the HHS Secretary to immediately respond to a public health threat or declared emergency. These flexible funds are available to address the breadth of the Department's responsibilities and will allow HHS to mobilize and rapidly deploy resources early in a response effort. Potential uses for the funding include deploying human services resources such as emergency nutritional support for vulnerable populations after a natural disaster, responding to the public health effects of a terrorist attack, or responding to any other public health threat.

The Advanced Research Projects Agency for Health

The following table is in millions of dollars.

Advanced Research Projects Agency for Health[152]	2022	2023	2024	2024 +/- 2023
ARPA-H	1,000	1,500	2,500	+1,000
Total, Discretionary Budget Authority	**1,000**	**1,500**	**2,500**	**+1,000**

The Advanced Research Projects Agency for Health supports transformative research to drive biomedical and health breakthroughs – ranging from molecular to societal – to provide transformative health solutions for all.

ARPA-H will make pivotal investments in breakthrough technologies with the potential to transform important areas of health and medicine that cannot readily be accomplished through traditional research or commercial activity. ARPA-H solutions aim to benefit everyone. The FY 2024 President's Budget provides $2.5 billion for ARPA-H. ARPA-H investments will be distinguished by its tolerance for high risk, high impact projects and breadth of applicable platforms, capabilities, resources, and solutions that are likely to transcend disease state or condition-specific research. These investments will support key focus areas including health science futures, scalable solutions, proactive health, and resilient systems.

The Health Science Futures Office will remove limitations at the cellular or biological systems levels that stymie progress towards developing tools and platforms applicable to a broad range of disease. Meanwhile, the Scalable Solutions Office will address health ecosystem challenges that impede equitable, effective, and timely development and distribution of healthcare and disease outbreak response.

Research programs in ARPA-H's Proactive Health Office will improve personal health and wellness to reduce the likelihood that people will become patients. This office aims to create new capabilities to identify and characterize disease risk, reduce comorbidities, and promote treatments and behaviors, whether the issues are viral, bacterial, physical, psychological, or caused by the natural aging process.

Finally, the Resilient Systems Office will create capabilities, business models, and integrations to weather crises such as pandemics, social disruption, climate change, and economic instability. Resilient systems will need to sustain themselves between crises to better achieve outcomes that advance health.

The continued investment in ARPA-H will speed the application and implementation of health solutions. Opportunities or obstacles related to the Cancer Moonshot Initiative goals will be candidates for the ARPA-H Mission Office's new approach to transformational change. The agency has designated a Cancer Moonshot Champion, who will identify efforts across focus areas, engage stakeholders on behalf of the government, and collaborate with Cancer Moonshot leaders in the Office of Science and Technology Policy, the National Institutes of Health, and across government.

ARPA-H is tasked with building capabilities to drive biomedical innovation--ranging from the molecular to societal. Potential areas of research driven by ARPA-H may include development and implementation of accurate, wearable, ambulatory blood pressure technology, preparation of mRNA vaccines against common forms of cancer, and accelerating development of efficient gene/drug delivery systems to target any organ, tissue, or cell type.

From ideas to solutions in the real world, programs will be developed and led by visionary, term-limited program managers, who can identify and fund traditional and non-traditional partners to take on critical challenges that are unlikely to move forward quickly without the agency's catalytic assistance.

Program managers will be able to use directive approaches to provide quick funding decisions to support projects that are results-driven and time-limited.

Measurement and evaluation will be conducted throughout the process to ensure that the best

[152] Funding in FY 2022 and FY 2023 enacted was appropriated to the Office of the Secretary account and transferred to NIH after congressional notification. The FY 2024 Budget requests funding for ARPA-H as a separate appropriation within NIH. For display purposes informed by the ARPA-H FY 2023 authorization language, HHS is presenting separate budget materials.

solutions advance. ARPA-H will not have its own labs or facilities but will work closely with key stakeholders and leverage novel public-private partnerships as programs progress. It is expected that ARPA-H programs will allow the health industry to learn and grow by capturing data and sharing insights.

As programs become real-world solutions and capabilities, ARPA-H may assist with company formation or licensing, provide transition mentorship, facilitate connections to customers and investors, and most importantly de-risk investments to benefit everyone.

U.S. Department of Health & Human Services

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