SPECIAL REPORT:  
FY 2015 Department of Health & Human Services  
Budget and California Implications  
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DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)

The Budget for HHS totals $1 trillion in outlays and proposes $77.1 billion in discretionary budget authority, a reduction of $1.3 billion from FY 2014, and continues to invest in Administration priorities, such as Affordable Care Act implementation, medical research, mental health services, and Head Start. It includes legislative proposals that taken together would save an estimated $355.6 billion over 10 years, according to the Administration.

Grants to States for Medicaid

If current law remains enacted, the Budget funds grants to states for Medicaid at $331.44 billion, a $23 billion increase from FY 2014. Under proposed legislation in the Budget, Medicaid would be funded at $335.961 billion. Medicaid assists States in providing medical care to their low-income populations by granting Federal matching payments under title XIX of the Social Security Act to States with approved plans.

National Institutes of Health (NIH)

The Budget funds the NIH at $30.203 billion, a $200 million increase from FY 2014. This funding supports biomedical research and research training on-campus and at academic and independent research institutions across the United States, including delivering on the Administration's commitment to enhance investment in Alzheimer's research, according to the Budget documents. The Budget will increase focus on research that aims to increase understanding of the brain, improve the clinical trials network, and enhance the development of new therapeutics to treat diseases and disorders. NIH will implement new policies to collect better data on trainees and institutions' administrative costs, the documents state.

Food and Drug Administration (FDA)

The FY 2015 Budget includes $4.7 billion for the Food and Drug Administration (FDA), an increase of $358 million, or 8 percent, above FY 2014. This increase consists of $23 million in budget authority and $335 million in user fees. The FDA budget prioritizes public health challenges, such as modernizing the food safety system, ensuring the safety of medical products, advancing medical countermeasures, and continuing implementation of the Tobacco Control Act to reduce tobacco use and initiation as well as encourage the cessation of tobacco use.
Substance Abuse and Mental Health Service Administration (SAMHSA)

The Budget requests $3.6 billion for the Substance Abuse and Mental Health Services Administration (SAMHSA), a decrease of $63 million below FY 2014. The Budget documents state that the funding will increase access to mental health services to protect the health of children and communities, and to prevent suicide and substance abuse and promote mental health, especially among American Indian communities. The Budget also invests new resources to integrate primary care and addiction services and to address prescription drug abuse.

Community Services Block Grant (CSBG)

The Budget includes $350 million for the Community Services Block Grant, and aims to promote economic mobility by proposing to target funds to high-performing and innovative grantees that successfully meet community needs, and suspend funding in instances of fraud and abuse. Funding is not requested for the Rural Community Facilities program or the Community Economic Development program. However, ACF will continue to collaborate on the Healthy Food Financing Initiative with the Department of Treasury, where a commensurate increase in funding has been requested, and with the Department of Agriculture, which now has the authority to support this initiative.

Public Health and Social Services Emergency Fund

The Budget includes $1.4 billion for the Public Health and Social Services Emergency Fund (PHSSEF) in the Office of the Secretary. Funds will enhance the nation's preparedness against naturally occurring and man-made health threats. This Fund supports HHS activities related to countering potential biological, nuclear, radiological, chemical, and cybersecurity threats to civilian populations, and for other public health emergencies.

Funding for Health Centers

FY 2015 is the final year under current law for the Health Center Fund established in the Affordable Care Act. In FY 2015, $100 million is allocated to fund 150 new health center sites that will serve an additional 900,000 patients. Further, approximately $860 million is allocated for one-time quality improvement and capital development awards that will support new renovation, expansion, or construction projects, to improve health center capacity to provide quality primary and preventive health services to existing patients and expand access to new patients, according to the Budget documents. The Budget includes a proposal to continue mandatory funding for health centers in FYs 2016, 2017, and 2018 at $2.7 billion per year, for a total investment of $8.1 billion.