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Department of Health and Human Services: FY2025 Budget Request

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Department of Health and Human Services: FY2025 Budget Request

This report provides information about the FY2025 budget request for the U.S. Department of Health and Human Services (HHS). Historically, HHS has been one of the larger federal departments in terms of budgetary resources. Estimates by the Office of Management and Budget (OMB) indicate that HHS has accounted for at least 20% of all federal outlays in each year since FY1995. Most recently, HHS accounted for 28% of all federal outlays in FY2023. (FY2023 funding levels are generally considered final, whereas FY2024 funding levels in this report are estimates.)

The FY2025 President's budget request was submitted to Congress on March 11, 2024. Under this request, HHS would spend an estimated $1.802 trillion in outlays in FY2025. This would be $132 billion (+8%) more than *estimated* HHS outlays in FY2024 and $92 billion (+5%) more than actual HHS outlays in FY2023.

SUMMARY

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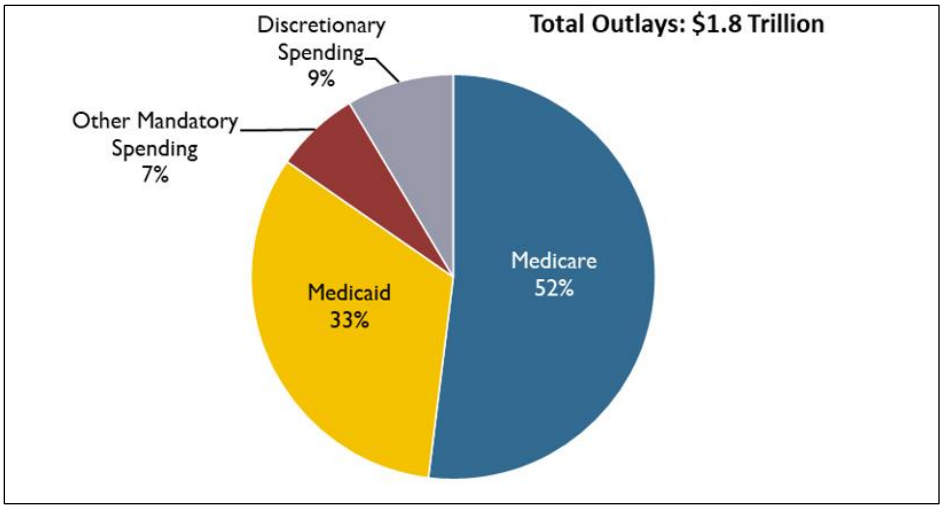
Mandatory spending typically comprises the majority of the HHS budget. Two mandatory spending programs—Medicare and Medicaid—are expected to account for 85% of all estimated HHS outlays in FY2025, according to the President's budget request. Medicare and Medicaid are *entitlement* programs, meaning the federal government is required to make mandatory payments to individuals, states, or other entities based on criteria established in authorizing law.

Proposed FY2025 HHS Outlays by Major Program or Spending Category



Source: Prepared by the Congressional Research Service (CRS) using data on page 17 of the FY2025 HHS Budget in Brief.

Notes: Percentages may not sum due to rounding. For mandatory spending, outlays reflect proposed law spending levels, not the current services baseline.

The amount of mandatory spending is controlled (but not always provided) by authorizing laws. By contrast, for all *discretionary spending* the amount is controlled *and* provided through the annual appropriations process. Discretionary spending accounts for about 9% of HHS FY2025 outlays in the President's budget request. Although discretionary spending represents a relatively small share of the HHS budget, the department nevertheless receives more discretionary money than most federal departments. According to OMB data, HHS accounted for 7% of all discretionary budget authority across the government in FY2023. The Department of Defense was the only federal agency to account for a larger share of all discretionary budget authority in that year (46%).

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About the U.S. Department of Health and Human Services (HHS)

The mission of HHS is to "enhance 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."[1]

HHS is currently organized into 12 main agencies, called *operating divisions* (listed below).[2] HHS operating divisions are responsible for administering a wide variety of health and human services programs, and conducting related research. In addition, HHS has a number of *staff divisions* within the Office of the Secretary (OS). These staff divisions fulfill a broad array of management, research, and oversight functions in support of the entire department.

Acronym	HHS Operating Division
ACF	Administration for Children and Families
ACL	Administration for Community Living
AHRQ	Agency for Healthcare Research and Quality
ASPR	Administration for Strategic Preparedness and Response
ATSDR	Agency for Toxic Substances and Disease Registry
CDC	Centers for Disease Control and Prevention
CMS	Centers for Medicare & Medicaid Services
FDA	Food and Drug Administration
HRSA	Health Resources and Services Administration
IHS	Indian Health Service
NIH	National Institutes of Health
SAMHSA	Substance Abuse and Mental Health Services Administration[3]

Nine of the HHS operating divisions are part of the U.S. Public Health Service (PHS). PHS agencies have diverse missions in support of public health, including the provision of health care services and supports (e.g., IHS, HRSA, SAMHSA); the advancement of health care quality and medical research (e.g., AHRQ, NIH); the prevention and control of disease, injury, and environmental health hazards (e.g., CDC, ATSDR); the preparation for and response to disasters and public health emergencies (e.g., ASPR); and the regulation of food and drugs (e.g., FDA). ASPR is the newest operating division at HHS, established effective February 2023.[4] Before this transition, ASPR was a staff division within the HHS Office of the Secretary.

[1] Introduction to the HHS Strategic Plan FY2022-FY2026, https://www.hhs.gov/about/strategic-plan/2022-2026/introduction/index.html.

[2] See "HHS Organizational Charts Office of Secretary and Divisions," last reviewed March 11, 2024, https://www.hhs.gov/about/agencies/orgchart/index.html.

[3] The FY2025 HHS budget materials include a legislative proposal to rename the Substance Abuse and Mental Health Services Administration (SAMHSA) as the Substance use And Mental Health Services Administration. Throughout those budget materials, SAMHSA is generally referred to using its proposed name. This report continues to use its statutory name.

[4] On July 22, 2022, HHS announced that the Office of the Assistant Secretary for Preparedness and Response would be renamed the Administration for Strategic Preparedness and Response (retaining the ASPR acronym) and be established (continued...)

The three remaining HHS operating divisions—ACF, ACL, and CMS—are not PHS agencies. ACF and ACL largely administer human services programs focused on the well-being of vulnerable children, families, older Americans, and individuals with disabilities. CMS—which accounts for the largest share of the HHS budget by far—is responsible for administering Medicare, Medicaid, and the State Children's Health Insurance Program (CHIP), in addition to certain programs related to private health insurance.

(For a summary of each operating division's mission and links to agency resources related to the FY2025 budget request, see the **Appendix**.)

Context for the FY2025 President's Budget Request

The Budget and Accounting Act of 1921 (P.L. 67-13), as amended and later codified at 31 U.S.C. §1105, requires the President to submit an annual consolidated federal budget to Congress at the beginning of each regular congressional session, not later than the first Monday in February. Many of the proposals in the President's budget would require changes to laws that govern *mandatory spending* levels or policies, which are typically established on a multiyear or permanent basis. *Discretionary spending*, however, which is roughly one-third of the requested funding, is decided and controlled each fiscal year through the annual appropriations process. While Congress is ultimately not required to adopt the President's proposals or recommendations, the submission of the President's budget typically initiates the congressional budget process and informs Congress of the President's recommended spending levels for agencies and programs.[5]

The President's budget request for FY2025 was submitted on March 11, 2024, about five weeks after it was due.[6] At the time the FY2025 budget request was being developed, discretionary funding for FY2024 was being provided by a series of temporary continuing resolutions (CRs), instead of full-year appropriations acts. Consequently, both the OMB and HHS budget materials use estimates for FY2024 that are derived from two sources:

- For discretionary spending programs, the materials display annualized estimates of funding provided under FY2024 CRs (P.L. 118-15, P.L. 118-22, P.L. 118-35, P.L. 118-40). With limited exceptions, these CRs included a formulaic extension of FY2023 funding levels for discretionary HHS programs and activities.
- For mandatory spending programs, the materials generally display estimates of the amounts expected to be needed for FY2024 based on criteria outlined in authorizing law. (For a related discussion, see the "Budgetary Resources versus Appropriations" section.)

While the estimates of annualized spending under FY2024 CRs may have informed the development of the FY2025 budget request, these estimates should not be treated as FY2024 final or enacted levels. For this reason, many prior-year comparisons in this report use FY2023 final levels rather than FY2024 estimates.

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as an operating division. This reorganization was approved by the HHS Secretary on January 27, 2023, and became effective on February 11, 2023. For more information on this reorganization, see HHS, ASPR, "Statement of Organization, Functions, and Delegations of Authority," 88 *Federal Register* 10125-10127, February 16, 2023, https://www.govinfo.gov/content/pkg/FR-2023-02-16/pdf/2023-03277.pdf.

[5] For more information, see CRS Report R47019, *The Executive Budget Process: An Overview*.

[6] On May 22, 2024, a package of amendments to the FY2025 budget request was submitted by the President to Congress (available at https://www.whitehouse.gov/wp-content/uploads/2024/05/FY-2025-Budget-Amendment-Package.pdf). One amendment made changes to the FDA Salaries and Expenses budget account, without affecting the overall budgetary total for the FDA or HHS as a whole.

FY2024 full-year appropriations were enacted in two omnibus appropriations acts almost six months into the fiscal year:

- The Consolidated Appropriations Act, 2024 (P.L. 118-42) was enacted on March 9, 2024. This act provided full-year funding for several HHS entities, including the FDA, IHS, and ATSDR.[7]
- The Further Consolidated Appropriations Act, 2024 (P.L. 118-47), was subsequently enacted on March 23, 2024. This act contained full-year funding for all remaining portions of HHS subject to the annual appropriations process.

The overview chapter ("Building a Healthy America") of the HHS Budget in Brief (BIB) is the main source used for the budget numbers in this report.[8] For the reasons discussed above, this CRS report generally refers to FY2024 funding levels as *estimates*. Amounts for earlier years are called *actual* or *final*. The most recent fiscal year for which actual or final funding is available is FY2023.

Overview of the FY2025 HHS Budget Request

Under the President's budget request, HHS would spend an estimated $1.802 trillion in outlays[9] in FY2025 (see **Table 1**).[10] This is $132 billion (+8%) more than estimated HHS outlays in FY2024 and $92 billion (+5%) more than actual HHS outlays in FY2023.

Historical estimates by the Office of Management and Budget (OMB) indicate that HHS has accounted for at least 20% of all federal outlays in each year since FY1995.[11] Most recently, HHS accounted for 28% of all federal outlays in FY2023, and would account for a projected 25% of outlays if all proposals in the President's FY2025 budget request were enacted.[12]

Table 1. FY2025 President's Budget Request for HHS

(dollars in millions)

	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Estimate (Annualized CR)	FY2025 Request
Budget Authority	1,676,029	1,635,534	1,800,628	1,701,408	1,843,677

[7] This bill also provided some funding for the National Institute of Environmental Health Sciences within the HHS National Institutes of Health.

[8] Other sources were consulted, including other chapters of the FY2025 HHS BIB, various volumes of the FY2025 President's budget published by OMB, and congressional budget justifications published by HHS operating or staff divisions. However, each of the tables and figures in this report (except **Table 2**) was developed using data from the "Building a Healthy America" chapter of the FY2025 HHS BIB, https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf.

[9] *Budget authority* is the amount of funding a federal agency is legally authorized to commit or spend; an *outlay* occurs when funds are actually expended from the Treasury. These terms are discussed in the "HHS Budget by Operating Division" section of this report.

[10] This does not account for expected reductions to nonexempt mandatory spending due to sequestration. For further information, see OMB, *OMB Report to the Congress on the BBEDCA 251A Sequestration for Fiscal Year 2025*, March 11, 2024, https://www.whitehouse.gov/wp-content/uploads/2024/03/BBEDCA_251A_Sequestration_Report_FY2025.pdf.

[11] OMB Historical Tables of the FY2025 President's Budget, Table 4.2, "Percentage Distribution of Outlays by Agency: 1962–2029," https://www.whitehouse.gov/omb/historical-tables/.

[12] Ibid.

	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Estimate (Annualized CR)	FY2025 Request
Outlays	1,466,894	1,643,127	1,709,408	1,669,782	1,801,536

Sources: For FY2021 actual, see FY2023 HHS BIB, pp. 13-14, https://www.hhs.gov/sites/default/files/fy-2023-budget-in-brief.pdf. For FY2022 actual, see FY2024 HHS BIB, pp. 11-12, https://www.hhs.gov/sites/default/files/fy-2024-budget-in-brief.pdf. For FY2023 actual, FY2024 estimate, and FY2025 request, see FY2025 HHS BIB, pp. 13-14, https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf.

Notes: CR = continuing resolution. *Budget authority* is the amount of money a federal agency is legally authorized to commit or spend; an *outlay* occurs when funds are actually expended from the Treasury. Final appropriations levels for FY2024 were unknown during the formulation of the FY2025 budget request. Accordingly, amounts shown for FY2024 were estimated based on the annualized CR for discretionary programs and current services baseline estimates for mandatory spending programs. Amounts for FY2025 reflect all proposals in the President's budget for both mandatory and discretionary spending programs. In keeping with source materials, amounts in this table reflect mandatory sequestration in FY2021-FY2024, but do not reflect estimated effects of sequestration for FY2025.

Figure 1 displays proposed FY2025 HHS outlays by major program or spending category in the President's request. As this figure shows, mandatory spending typically accounts for the vast majority of the HHS budget.[13] Two mandatory spending programs—Medicare and Medicaid—are expected to account for 85% of all estimated HHS spending in FY2025. Medicare and Medicaid are *entitlement* programs, meaning the federal government is required to make mandatory payments to individuals, states, or other entities based on criteria established in authorizing law.[14]

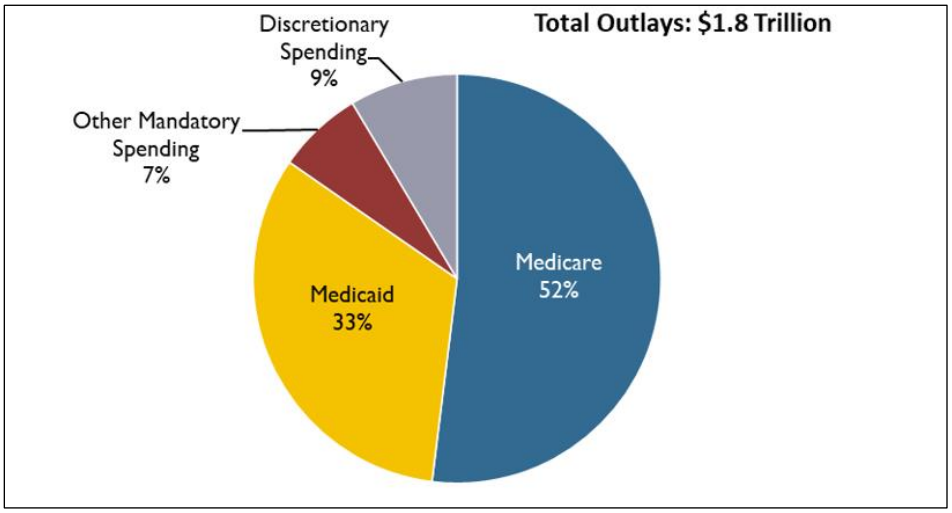
This figure also shows that discretionary spending accounts for about 9% of estimated FY2025 HHS outlays in the President's request. Although discretionary spending represents a relatively small share of total HHS spending, the department nevertheless receives more discretionary funding than most federal departments. According to OMB data, HHS accounted for 7% of all discretionary budget authority across the government in FY2023.[15] The Department of Defense was the only federal agency to account for a larger share of all discretionary budget authority in that year (46%).

[13] The terms *mandatory spending* and *discretionary spending* are discussed in the "Budgetary Resources Versus Appropriations" section of this report.

[14] For more information on how these entitlement programs are financed, see CRS Report R40425, *Medicare Primer*; and CRS Report R42640, *Medicaid Financing and Expenditures*.

[15] OMB Historical Tables of the FY2025 President's Budget, Table 5.5, "Percentage Distribution of Discretionary Budget Authority by Agency: 1976–2029," https://www.whitehouse.gov/omb/historical-tables/.

Figure 1. Proposed FY2025 HHS Outlays by Major Program or Spending Category



Source: Prepared by the Congressional Research Service (CRS) based on data presented on page 17 of the FY2025 HHS BIB, https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf.

Notes: Percentages may not sum to 100 due to rounding. For mandatory spending, outlays reflect proposed law spending levels, not the current services baseline.

Budgetary Resources Versus Appropriations

The HHS budget reflects funding from a broad set of budgetary resources. These include, but are not limited to, amounts provided to HHS through the annual appropriations process. In some cases, amounts shown in FY2025 HHS budget materials (including amounts for prior years) will not match amounts provided to HHS by annual appropriations acts and displayed in accompanying congressional documents. There are several reasons for this, discussed briefly below.

Mandatory and Discretionary Spending

Certain budget documents may show only discretionary spending, while others may also show some or all types of mandatory spending. *Mandatory spending* makes up a large portion of the HHS budget. Whereas all *discretionary spending* is controlled and provided through the annual appropriations process, all *mandatory spending* is controlled by the program's authorizing statute. In most cases, that authorizing statute also provides the funding for the program (e.g., State Children's Health Insurance Program). However, the budget authority for some mandatory programs (including Medicaid), while controlled by criteria in the authorizing statute, must still be provided through the annual appropriations process; such programs are commonly referred to as *appropriated entitlements* or *appropriated mandatories*.

HHS in the Appropriations Process

The HHS budget request accounts for the department as a whole, while the appropriations process divides HHS funding across three different appropriations bills. Most of the department's appropriations are provided through the Departments of Labor, Health and Human Services, and Education, and Related Agencies (LHHS) Appropriations Act. However, funding for certain HHS agencies and activities is provided in two other bills—the Department of the Interior, Environment, and Related Agencies Appropriations Act (INT) and the Agriculture, Rural

Development, Food and Drug Administration, and Related Agencies Appropriations Act (AG). **Table 2** lists HHS agencies by appropriations bill. Each of these three appropriations acts provides discretionary HHS funding. In some cases, these acts also provide the necessary funding for appropriated mandatories at HHS. However, authorizing laws provide funding for other mandatory spending programs.

Table 2. HHS Agencies by Appropriations Bill

Appropriations Bill	HHS Agencies Funded in the Bill
Agriculture, Rural Development, Food and Drug Administration, and Related Agencies (AG)	• Food and Drug Administration
Department of the Interior, Environment, and Related Agencies (INT)[a]	• Indian Health Service • Agency for Toxic Substances and Disease Registry
Departments of Labor, Health and Human Services, and Education, and Related Agencies (LHHS)	• Health Resources and Services Administration • Centers for Disease Control and Prevention • National Institutes of Health[a] • Substance Abuse and Mental Health Services Administration • Agency for Healthcare Research and Quality • Centers for Medicare & Medicaid Services • Administration for Children and Families • Administration for Community Living • Administration for Strategic Preparedness and Response • Office of the Secretary

Source: CRS. For more information, see CRS Report R40858, *Locate an Agency or Program Within Appropriations Bills*.

a. Funding for NIH comes primarily from the LHHS appropriations bill, with an additional amount for Superfund-related activities provided as part of the INT appropriations bill.

Proposed Law and Current Law Estimates for Mandatory Programs

HHS budget materials may include two different estimates for mandatory spending programs when appropriate: *proposed law* and *current law*. The *proposed law* estimates take into account changes in mandatory spending proposed in the FY2025 HHS budget request. Such proposals would generally need to be enacted into law to affect the budgetary resources ultimately available to the mandatory spending program.[16] HHS materials may also show a *current law* or *current services* estimate for mandatory spending programs. These estimates assume that no changes will be made to existing policies, and instead estimate mandatory spending for programs based on criteria established in current authorizing law. The HHS budget estimates in this report reflect the proposed law estimates for mandatory spending programs; readers should be aware that other HHS, OMB, or congressional estimates might reflect current law instead.

[16] For a list of some HHS legislative proposals for mandatory spending programs in the FY2025 President's budget, see Summary Table S–6 in OMB, *Budget of the United States Government, Fiscal Year 2025*, https://www.whitehouse.gov/wp-content/uploads/2024/03/budget_fy2025.pdf. This table lists mandatory proposals (but not discretionary proposals) by federal department and shows the estimated *dollar change* from current law levels should the proposal be enacted. (The table does not show the actual proposed funding level.) For additional information, see the applicable operating division chapters of the HHS Budget in Brief or congressional justifications.

User Fees and Other Types of Collections

In some cases, agencies within HHS have the authority to expend user fees and other types of collections that effectively supplement their appropriations. In addition, agencies may receive transfers of budgetary resources from other sources, such as from the Public Health Service Evaluation Set-Aside (also referred to as the PHS Tap) or one of the mandatory funds established by the Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended).[17] Budgetary totals that account for these sorts of resources in the HHS estimates are often referred to as being at the *program level*. HHS agencies that have historically had notable differences between the amounts in the appropriations bills and their program level include, for instance, FDA (due to user fees) and AHRQ (due to transfers).[18]

Scorekeeping and Display Conventions

The Administration may choose to follow different conventions than those of congressional scorekeepers for its estimates of HHS programs. For example, certain transfers of funding between HHS agencies (or from HHS to other federal agencies) that occurred in prior fiscal years, or are expected to occur in the current fiscal year, may be accounted for in the Administration's estimates but not necessarily in the congressional documents.

Sequestration

The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) provides a mechanism (*sequestration*) to reduce mandatory spending in each fiscal year beginning with FY2013 and continuing through FY2032.[19] On March 11, 2024, concurrent with the release of the President's budget submission, President Biden issued the required FY2025 sequestration order, calling for nonexempt mandatory spending to be reduced on October 1, 2024.[20] FY2025 sequestration will equal 2% of nonexempt spending from Medicare and certain other health programs and 5.7% of other nonexempt nondefense mandatory spending. OMB calculated that this will equal a total government-wide reduction in this category of spending of $29.3 billion in budget authority in FY2025.[21] OMB attributed the majority of this amount, $21.8 billion, to HHS reductions to Medicare. (OMB also estimated a reduction of $2.1 billion (-8.3%), in nonexempt defense mandatory spending, which does not affect HHS funds.)

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[17] For further information, see CRS Report R47936, *Labor, Health and Human Services, and Education: FY2024 Appropriations*.

[18] The program level for each agency is listed in the table entitled "Composition of the HHS Budget Discretionary Programs" in the FY2025 HHS BIB.

[19] As originally enacted, mandatory sequestration was scheduled to run through FY2021, but this period has subsequently been incrementally extended. For further information about these extensions, see the Appendix of CRS Report R47936, *Labor, Health and Human Services, and Education: FY2024 Appropriations*. For further information about sequestration, see CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*.

[20] Sequestration Order for Fiscal Year 2025 Pursuant to Section 251A of the Balanced Budget and Emergency Deficit Control Act, as Amended, 89 *Federal Register* 18531, March 14, 2024, p. 18531, https://www.govinfo.gov/content/pkg/FR-2024-03-14/pdf/2024-05600.pdf.

[21] OMB, *OMB Report to the Congress on the BBEDCA 251A Sequestration for Fiscal Year 2025*, March 11, 2024, https://www.whitehouse.gov/wp-content/uploads/2024/03/BBEDCA_251A_Sequestration_Report_FY2025.pdf. See the report's appendix for an itemized list of budget accounts that include mandatory spending subject to sequestration in FY2025, the dollar amounts subject to sequestration (based on OMB's current law baseline), the percentage by which they would be reduced, and the dollar amount of the reduction. While the report displays reductions at the *account* level, the sequester itself is implemented at the *program, project,* or *activity* level.

By convention, HHS budget materials for FY2025 generally reflect sequestration for mandatory spending programs in prior years (FY2023-FY2024), but do not reflect estimated effects of mandatory sequestration for the budget year (FY2025). The numbers in this report reflect this convention.

HHS Budget by Operating Division

Figure 2 provides a breakdown of the FY2025 HHS budget request by operating division. When taking into account mandatory *and* discretionary budget authority (i.e., total budget authority), CMS accounts for the largest share of the request at $1.6 trillion. The majority of the CMS budget request would go toward mandatory spending programs, such as Medicare and Medicaid. Under the President's budget, spending on Medicare and Medicaid is expected to increase relative to FY2024 levels in terms of current law estimates, and to a slightly greater degree under proposed law estimates. However, when looking exclusively at discretionary budget authority, funding for CMS is comparatively smaller, accounting for $4.3 billion of the HHS discretionary request. Discretionary CMS funds primarily support program operations and federal administrative activities, though some funds also go toward efforts to reduce health care fraud and abuse.

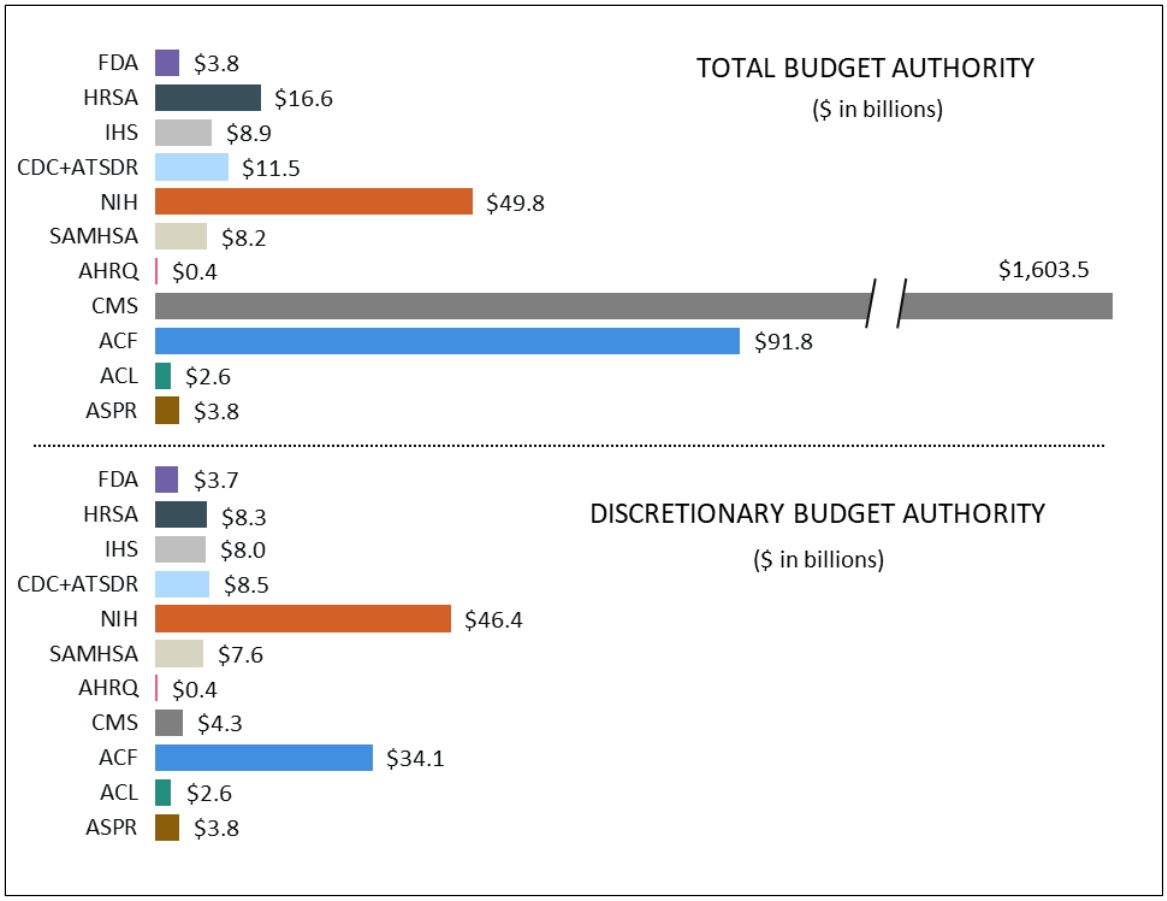
The largest share of the HHS discretionary request would go to the PHS operating divisions: $86.6 billion in combined public health funding for FDA, HRSA, IHS, CDC, ATSDR, NIH, SAMHSA, AHRQ, and ASPR. NIH would receive the largest amount of discretionary budget authority of any single HHS operating division: $46.4 billion. The majority of the proposed NIH budget would support biomedical research performed by hospitals, medical schools, universities, and other research institutions around the country.[22]

ACF would receive the second-largest discretionary funding level among the HHS operating divisions: $31.4 billion. The majority of the discretionary ACF request (56%) would go to early childhood care and education programs, such as Head Start and the Child Care and Development Block Grant.[23]

[22] FY2025 HHS BIB, p. 54.

[23] Calculated by CRS based on data presented on pages 129-130 of the FY2025 HHS BIB.

Figure 2. FY2025 President's Request for HHS by Operating Division



Source: Prepared by the Congressional Research Service (CRS) based on data presented on pages 13-16 of the FY2025 HHS BIB, https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf. The amounts displayed as *total budget authority* include mandatory and discretionary funds. The bar representing the combined mandatory and discretionary total for CMS has been abbreviated due to space constraints. (When taking into account both mandatory and discretionary funding, CMS receives over 17 times the funding proposed for ACF.) The HHS BIB sources the OMB Budget Appendix for the total budget authority amounts shown above and cautions that these amounts "potentially differ from the levels displayed" elsewhere in the BIB. HHS does not use the same disclaimer for the discretionary budget authority levels shown in the BIB and above, meaning that the methodology used to calculate and present these numbers may differ from that used by HHS in calculating total budget authority. For this reason, the figure should be viewed as illustrative.

Notes: Acronyms listed on page 1 of this report. Amounts for mandatory spending programs are based on the President's proposed law baseline, not the current services baseline. Amounts for discretionary spending programs have not been adjusted to reflect the effects of proposed rescissions or other cancellations of budget authority. Amounts in this figure exclude funding for the HHS staff divisions within the Office of the Secretary and estimates for several mandatory spending proposals that were listed separately from the operating divisions in the HHS BIB.

Table 3 puts the FY2025 request for each HHS operating division and the Office of the Secretary (OS) into context, displaying it along with estimates of funding provided over the four prior fiscal years (FY2021-FY2024). These totals are inclusive of both mandatory and discretionary funding.

The amounts in this table are shown in terms of budget authority (BA) and outlays. *BA* is the authority provided by federal law to enter into contracts or other financial obligations that will result in immediate or future expenditures involving federal government funds. *Outlays* occur when funds are actually expended from the Treasury; they could be the result of either new

budget authority enacted in the current fiscal year or unexpended budget authority that was enacted in previous fiscal years. The rate at which outlays occur often is dependent on the purpose of the funding and the timeline for which expenditures are to occur. (For example, outlays for salaries and expenses tend to happen at a more rapid rate than those for multiyear projects.) In addition, as outlays over the course of a fiscal year may occur from funds enacted over a series of fiscal years, they may be more or less than the amount of budget authority newly enacted for that fiscal year. As a consequence, the BA and outlays in this table represent two different ways of accounting for the funding that is provided to each HHS agency through the federal budget process. For example, **Table 3** shows $16.6 billion in FY2025 BA for HRSA, but an estimated $18.8 billion in FY2025 HRSA outlays, reflecting the expected expenditure of funds previously provided to the agency in addition to some funds that are expected to be newly enacted in FY2025.

Amounts shown for the OS were calculated using funding levels in HHS BIBs for several staff divisions, accounts, and activities under the OS.[24] They also include estimates for several mandatory spending proposals that were listed separately from the operating divisions in the front tables of the HHS BIB, such as the Defense Production Act Medical Supplies Enhancement, PrEP Delivery Program to End the HIV Epidemic, Mental Health Transformation Fund, Public Health Resilience, National Hepatitis C Elimination Program, Antimicrobial Subscriptions, and Customer Experience.

Table 3. HHS Budget by Operating and Staff Division

(mandatory and discretionary spending combined, dollars in millions)

Operating Division	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Estimate (Annualized CR)[a]	FY2025 Request
FDA					
Budget Authority (BA)	3,765	4,379	2,706	3,644	3,806
Outlays	3,303	4,588	2,882	4,573	3,973
HRSA					
BA	21,733	13,566	14,584	16,465	16,640
Outlays	14,232	16,128	15,883	15,953	18,790
IHS					
BA	13,794	7,442	7,881	13,287	8,931
Outlays	9,866	6,507	7,292	8,415	9,424
CDC[b]					
BA	28,511	9,156	9,672	10,588	11,507
Outlays	11,269	16,526	12,278	14,697	15,658

[24] These include Departmental Management, Nonrecurring Expenses Fund, Office of Medicare Hearings and Appeals, Office of the National Coordinator for Health Information Technology, Office for Civil Rights, Office of Inspector General, Public Health and Social Services Emergency Fund, Program Support Center (including retirement pay, medical benefits, and miscellaneous trust funds), the No Surprises Implementation Fund, and certain collections credited to that office or the department.

Operating Division	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Estimate (Annualized CR)[a]	FY2025 Request
NIH					
BA	42,186	45,415	48,927	47,669	49,790
Outlays	38,868	40,623	46,507	46,419	46,638
SAMHSA					
BA	13,674	6,724	7,567	7,545	8,158
Outlays	5,910	7,384	8,261	9,235	9,813
AHRQ					
BA	337	350	374	374	387
Outlays	329	339	349	381	375
CMS[c]					
BA	1,296,727	1,471,167	1,634,038	1,518,687	1,603,501
Outlays	1,240,623	1,370,675	1,490,112	1,458,603	1,580,706
ACF					
BA	122,521	73,556	78,371	71,172	91,755
Outlays	70,079	85,702	88,739	82,979	89,979
ACL					
BA	4,221	2,293	2,524	2,509	2,579
Outlays	2,662	2,720	3,013	3,489	3,104
ASPR[d]					
BA	-	-	-	-	3,768
Outlays	-	-	-	-	926
Office of the Secretary[e]					
BA	128,560	1,486	-6,016	9,468	42,855
Outlays	69,753	91,935	34,092	25,038	22,150
Total, HHS					
BA	**1,676,029**	**1,635,534**	**1,800,628**	**1,701,408**	**1,843,677**
Outlays	**1,466,894**	**1,643,127**	**1,709,408**	**1,669,782**	**1,801,536**

Sources: For FY2021 actual, see FY2023 HHS BIB, pp. 13-14, https://www.hhs.gov/sites/default/files/fy-2023-budget-in-brief.pdf. For FY2022 actual, see FY2024 HHS BIB, pp. 11-12, https://www.hhs.gov/sites/default/files/fy-2024-budget-in-brief.pdf. For FY2023 actual, FY2024 estimate, and FY2025 request, see FY2025 HHS BIB, pp. 13-16, https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf.

Notes: Totals are as reported in HHS BIBs. The HHS BIBs source the Budget Appendix prepared by the Office of Management and Budget for the BA amounts shown in these particular BIB tables. HHS cautions that these amounts "potentially differ from the levels displayed in the individual Operating or Staff Division Chapters." Totals may not sum due to rounding and, in prior years, may reflect some adjustments for comparability. Amounts for FY2025 reflect all proposals in the President's budget for both mandatory and discretionary spending programs. In keeping with source materials, amounts in this table reflect sequestration for mandatory spending programs in FY2021-FY2024, but do not reflect estimated effects of mandatory sequestration for FY2025.

a. FY2024 funding levels in the FY2025 BIB are annualized estimates of funding provided by FY2024 continuing resolutions for programs and activities funded by the annual appropriations process. For mandatory spending provided outside the annual appropriations process, funding levels generally reflect amounts provided by authorizing law. In cases where full-year funding had not yet been provided in authorizing law, these levels are based on annualized amounts provided in the most recent short-term funding extension in effect at the time that the budget formulation process was completed.

b. By HHS convention, the amounts shown for CDC include funding for ATSDR.

c. Per source materials, the budget authority for CMS includes non-CMS budget authority for Hospital Insurance and Supplementary Medical Insurance for the Social Security Administration and the Medicare Payment Advisory Commission (MedPAC).

d. On February 11, 2023, HHS established ASPR as an operating division named the Administration for Strategic Preparedness and Response. Funding for the prior entity within the HHS Office of the Secretary, the Office of the Assistant Secretary for Preparedness and Response, is included in the Office of the Secretary funding listed in this table for FY2021-FY2024.

e. Amounts shown for the OS include estimates for several mandatory spending proposals that were listed separately from the operating divisions in the HHS BIB, such as the Defense Production Act Medical Supplies Enhancement, PrEP Delivery Program to End the HIV Epidemic, Mental Health Transformation Fund, National Hepatitis C Elimination Program, Antimicrobial Subscriptions, and Customer Experience.

Appendix. HHS Operating Divisions: Missions and FY2025 Budget Resources

This appendix provides for each operating division a brief summary of its mission,[25] the applicable appropriations bill, the FY2025 budget request level, and links to additional resources related to that request.

Food and Drug Administration (FDA)

The FDA mission is focused on regulating the safety and labeling of human foods, dietary supplements, cosmetics, and animal foods; and the safety and effectiveness of human drugs, biological products (e.g., vaccines), medical devices, radiation-emitting products, and animal drugs. It also regulates tobacco products.[26]

Appropriations Bill:

- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies (AG)

FY2025 Request:

- BA: $3.806 billion
- Outlays: $3.973 billion

Additional Resources:

- Congressional Justification (all-purpose table on p. 15), https://www.fda.gov/media/176925/download
- BIB chapter (p. 18), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=24

Health Resources and Services Administration (HRSA)

The HRSA mission is focused on providing "equitable health care to people who are geographically isolated and economically or medically vulnerable."[27] Among its many programs and activities, HRSA supports health care workforce training; the National Health Service Corps; and the federal health centers program, which provides grants to nonprofit entities that provide primary care services to people who experience financial, geographic, cultural, or other barriers to health care.

Appropriations Bill:

- LHHS

FY2025 Request:

- BA: $16.640 billion

[25] The mission summaries below exclude the Office of the Secretary, which comprises multiple staff divisions whose goals are to "provide leadership, direction, and policy guidance to the Department." See HHS Strategic Plan FY2022-2026, Introduction: About HHS, https://www.hhs.gov/about/strategic-plan/2022-2026/overview/index.html.

[26] FDA, *What Does FDA Do*, https://www.fda.gov/about-fda/what-we-do.

[27] HRSA, *About HRSA*, https://www.hrsa.gov/about/index.html.

- Outlays: $18.790 billion

Additional Resources:

- Congressional Justification (all-purpose table on p. 19), https://www.hrsa.gov/sites/default/files/hrsa/about/budget/budget-justification-fy2025.pdf
- BIB chapter (p. 25), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=31

Indian Health Service (IHS)

The IHS mission is to provide "federal health services to American Indians and Alaska Natives" and "raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives to the highest level."[28] IHS provides health care for approximately 2.6 million eligible American Indians and Alaska Natives through a system of programs and facilities located on or near Indian reservations, and through contractors in certain urban areas.[29]

Appropriations Bill:

- Department of the Interior, Environment, and Related Agencies (INT)

FY2025 Request:

- BA: $8.931 billion
- Outlays: $9.424 billion

Additional Resources:

- Congressional Justification (all-purpose table on p. 11), https://www.ihs.gov/sites/budgetformulation/themes/responsive2017/display_objects/documents/FY-2025-IHS-CJ030824.pdf
- BIB chapter (p. 34), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=40

Centers for Disease Control and Prevention (CDC) and Agency for Toxic Substances and Disease Registry (ATSDR)

The CDC mission is focused on "developing and applying disease prevention and control, environmental health, and health promotion and health education activities designed to improve the health of the people of the United States."[30] CDC is organized into a number of centers, institutes, and offices, some focused on specific public health challenges (e.g., injury prevention) and others focused on general public health capabilities (e.g., surveillance and laboratory services).

In addition, the ATSDR is headed by the CDC director. For that reason, the ATSDR budget is often shown within CDC. Following the conventions of the FY2025 HHS BIB, ATSDR's budget request is included in the CDC totals shown in this report. ATSDR's work is focused on

[28] IHS, *Agency Overview*, https://www.ihs.gov/aboutihs/overview/.

[29] IHS, *About IHS*, https://www.ihs.gov/aboutihs/.

[30] CDC, *Official Mission/Function Statement, updated 1/24/2023*, https://www.cdc.gov/about/pdf/organization/iod-mission-statement.pdf.

preventing or mitigating adverse effects resulting from exposure to hazardous substances in the environment.[31]

Appropriations Bills:

- LHHS (CDC)
- INT (ATSDR)

FY2025 Request (CDC and ATSDR combined):

- BA: $11.507 billion
- Outlays: $15.658 billion

Additional Resources:

- CDC Congressional Justification (all-purpose table on p. 30), https://www.cdc.gov/budget/documents/fy2025/FY-2025-CDC-congressional-justification.pdf
- ATSDR Congressional Justification, https://www.cdc.gov/budget/documents/fy2025/FY-2025-ATSDR-congressional-justification.pdf
- BIB chapter (p. 44), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=50

National Institutes of Health (NIH)

The NIH mission is focused on conducting and supporting research "in the causes, diagnosis, prevention, and cure of human diseases" and "in directing programs for the collection, dissemination, and exchange of information in medicine and health."[32] NIH is organized into 27 research institutes and centers, headed by the NIH Director.[33] In addition, FY2022 appropriations called for HHS to establish a new entity: the Advanced Research Projects Agency for Health (ARPA-H). HHS subsequently placed this entity within NIH.

Appropriations Bill:

- LHHS

FY2025 Request:

- BA: $49.790 billion
- Outlays: $46.638 billion

Additional Resources:

- Congressional Justification (all-purpose table on p. 39), https://officeofbudget.od.nih.gov/pdfs/FY25/br/Overview%20of%20FY%202025%20Presidents%20Budget.pdf[34]

[31] ASTDR, *Official Mission/Function Statement, effective 1/9/2020*, https://www.cdc.gov/about/pdf/organization/atsdr-mission-statement.pdf.

[32] NIH, *Mission and Goals*, https://www.nih.gov/about-nih/what-we-do/mission-goals.

[33] NIH, *Organization*, https://www.nih.gov/about-nih/who-we-are/organization.

[34] NIH's individual institutes/centers also submit justifications, available at https://officeofbudget.od.nih.gov/insti_center_subs.html.

- BIB chapter (p. 52), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=58

Substance Abuse and Mental Health Services Administration (SAMHSA)[35]

SAMHSA is the federal agency primarily responsible for supporting community-based mental health and substance abuse treatment and prevention services. The SAMHSA mission is focused on reducing the impacts of substance use disorder and mental illness.[36] SAMHSA supports activities that include education and training, prevention programs, early intervention activities, treatment services, and technical assistance.

Appropriations Bill:

- LHHS

FY2025 Request:

- BA: $8.158 billion
- Outlays: $9.813 billion

Additional Resources:

- Congressional Justification (all-purpose table on p. 10), https://www.samhsa.gov/sites/default/files/samhsa-fy-2025-cj.pdf
- BIB chapter (p. 59), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=65

Agency for Healthcare Research and Quality (AHRQ)

The AHRQ mission is focused on research to "make health care safer, higher quality, more accessible, equitable, and affordable."[37] Specific AHRQ research efforts are aimed at reducing the costs of care, promoting patient safety, measuring the quality of health care, and improving health care services, organization, and financing.

Appropriations Bill:

- LHHS

FY2025 Request:

- BA: $0.387 billion
- Outlays: $0.375 billion

Additional Resources:

- Congressional Justification (all-purpose table on p. 15), https://www.ahrq.gov/sites/default/files/wysiwyg/cpi/about/mission/budget/2025/fy2025-cj.pdf

[35] The FY2025 HHS BIB and SAMHSA congressional justification refer to SAMHSA as the Substance use And Mental Health Services Administration, while other sources, including the SAMHSA website and appropriations bills, continue to use Substance Abuse and Mental Health Services Administration.

[36] SAMHSA, *About Us*, https://www.samhsa.gov/about-us.

[37] AHRQ, *About AHRQ*, https://www.ahrq.gov/cpi/about/index.html.

- BIB chapter (p. 65), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=71

Centers for Medicare & Medicaid Services (CMS)

The CMS mission is focused on "advancing health equity, expanding coverage, and improving health outcomes."[38] The President's budget estimates that in FY2025, "over 160 million, or roughly 1 in 2 Americans, will rely on the programs CMS administers or oversees including Medicare, Medicaid, the Children's Health Insurance Program (CHIP), and the Marketplaces."[39]

Appropriations Bill:

- LHHS

FY2025 Request:

- BA: $1,603.501 billion
- Outlays: $1,580.706 billion

Additional Resources:

- Congressional Justification (all-purpose table on p. 7), https://www.cms.gov/files/document/fy2025-cms-congressional-justification-estimates-appropriations-committees.pdf
- BIB chapter (p. 71), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=77

Administration for Children and Families (ACF)

The ACF mission is focused on promoting the "economic and social well-being of families, children, individuals and communities."[40] ACF administers a wide array of human services programs, including Temporary Assistance for Needy Families (TANF), Head Start, child care, the Social Services Block Grant (SSBG), and various child welfare programs.

Appropriations Bill:

- LHHS

FY2025 Request:

- BA: $91.755 billion
- Outlays: $89.979 billion

Additional Resources:

- Congressional Justification (all-purpose table on p. 5), https://www.acf.hhs.gov/sites/default/files/documents/olab/fy-2025-congressional-justification.pdf
- BIB chapter (p. 129), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=135

[38] CMS, *Fiscal Year 2025 Justification of Estimates for Appropriations Committees*, March 2024, https://www.cms.gov/files/document/fy2025-cms-congressional-justification-estimates-appropriations-committees.pdf.

[39] CMS, *Fiscal Year 2025 Justification of Estimates for Appropriations Committees*, March 2024, https://www.cms.gov/files/document/fy2025-cms-congressional-justification-estimates-appropriations-committees.pdf.

[40] ACF, *What We Do*, https://www.acf.hhs.gov/about/what-we-do.

Administration for Community Living (ACL)

The ACL mission is focused on maximizing the "independence, well-being, and health of older adults, people with disabilities across the lifespan, and their families and caregivers."[41] ACL administers a number of programs targeted at older Americans and people with disabilities, including Home and Community-Based Supportive Services and State Councils on Developmental Disabilities.

Appropriations Bill:

- LHHS

FY2025 Request:

- BA: $2.579 billion
- Outlays: $3.104 billion

Additional Resources:

- Congressional Justification (all-purpose table on p. 16), https://acl.gov/sites/default/files/about-acl/2024-03/FY2025ACL-CJ-508.docx
- BIB chapter (p. 146), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=152

Administration for Strategic Preparedness and Response (ASPR)[42]

The ASPR mission is to lead "the nation's medical and public health preparedness for, response to, and recovery from disasters and other public health emergencies."[43] ASPR "serves as the principal advisor to the HHS Secretary on issues related to public health and medical emergency preparedness and response. ASPR has operational responsibilities for the advanced research, development and stockpiling of medical countermeasures as well as the coordination of the federal public health and medical response to emergencies and disasters."[44]

Appropriations Bill:

- LHHS

FY2025 Request:

- BA: $3.768 billion
- Outlays: $0.926 billion

Additional Resources:

- Congressional Justification (all-purpose table on p. 16), https://aspr.hhs.gov/AboutASPR/BudgetandFunding/Documents/FY2025/ASPR-cj.pdf

[41] ACL, *About ACL*, https://acl.gov/about-acl.

[42] The Administration for Strategic Preparedness and Response (ASPR) was established as an HHS operating division, effective February 11, 2023. It was formerly the "Office of the Assistant Secretary for Preparedness and Response," within the HHS Office of the Secretary. For more information on this reorganization, see HHS, ASPR, "Statement of Organization, Functions, and Delegations of Authority," 88 *Federal Register* 10125-10127, February 16, 2023, https://www.govinfo.gov/content/pkg/FR-2023-02-16/pdf/2023-03277.pdf.

[43] ASPR, *ASPR Program Offices*, https://aspr.hhs.gov/AboutASPR/ProgramOffices/Pages/ProgramOffice.aspx.

[44] ASPR, *ASPR Budget and Funding*, https://aspr.hhs.gov/AboutASPR/BudgetandFunding/Pages/default.aspx.

- BIB chapter (p. 155), https://www.hhs.gov/sites/default/files/fy-2025-budget-in-brief.pdf#page=161

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