



White House Releases FY2021 Budget Request

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On Monday the Trump Administration released its Fiscal Year (FY) 2021 budget request which totals \$4.8 trillion. The proposal includes significant nondefense discretionary cuts including a nine percent cut to the Department of Health and Human Services (HHS) and its agencies. The proposed budget does, however, include \$906 million to extend the Certified Community Behavioral Health Clinic (CCBHC) demonstration program as well as \$225 million in CCBHC expansion grants. These funds would enable CCBHCs to continue offering the full range of required mental health and addiction treatment services. Despite the positive signal of support for CCBHCs, the budget also includes major cuts to Medicaid and other critical behavioral health programs that would significantly harm Americans living with mental illness and addiction.

National Council for Behavioral Health President and CEO Chuck Ingoglia released a [statement](#) affirming that “We applaud the White House and bipartisan leaders in Congress for their continued efforts to expand access to high-quality addiction and mental health treatment. Much work remains to ensure that every American has access to life-saving treatment available at CCBHCs and we are grateful for the bipartisan support that has brought us this far.”

It is important to remember that this is a proposal and represents President Trump and his Administration’s goals and priorities but is not likely to be enacted into law as written. Congressional appropriators do not have an obligation to enact the President’s budget and are considering their own priorities and calculations. Members of Congress are currently working on their budget by engaging with stakeholders, including the National Council, on their requests. We anticipate that appropriations committee hearings will be completed by the end of March and that subcommittee markups will begin in April.

Health care requests in the President’s budget include:

- **Mental Health:** Although the President calls on the importance of addressing mental health in his budget, he is simultaneously proposing a cut of \$139 million to the Substance Abuse and Mental Health Services Administration (SAMHSA). In addition to the **\$906 million to extend the CCBHC Medicaid demonstration, there is \$225 million for CCBHC expansion**, an increase of \$25 million over last Fiscal Year. The budget allocates \$156 million, an increase of \$2 million, for school-based mental health programs such as Project AWARE, Healthy Transitions, and Mental Health First Aid. The budget modifies the Medicaid Institutes for Mental Diseases (IMD) exclusion to provide targeted flexibility to states to provide inpatient mental health services to Medicaid beneficiaries with serious mental illnesses, as part of a comprehensive strategy that includes improvements to community-based treatment. Further, Qualified Residential Treatment Programs (QRTPs) would be exempt from the IMD exclusion, allowing children in foster care to have Medicaid coverage in these facilities.
- **Integrated care:** The President's budget proposes eliminating the Primary and Behavioral Health Care Integration (PBHCI) program "due to other funding sources available for integrated care." Discontinuing this program would disrupt progress in this area that has been building since it began in 2009 addressing the intersection between primary care and treatment for mental illness and co-occurring addiction.
- **Opioids:** State Targeted Opioid Response grants received a request increase of \$85 million to support prevention, treatment, and recovery support services. States are also given flexibility to use these funds to address the emerging drug issue, which is the increasing number of overdoses related to psychostimulants, including methamphetamines.
- **Medicaid and Medicare:** The Administration proposes almost \$1 trillion in cuts over ten years from its proposals to reform Medicaid, the Children's Health Insurance Program (CHIP), and Medicare. The budget proposes cuts by instituting nationwide Medicaid work requirements and allowing asset tests for individuals who are eligible for Medicaid based on their modified adjusted gross income and for reducing the maximum allowable home equity for Medicaid eligibility. Additionally, the budget has proposed changes to Medicare including site-neutral payments and tying future funds available for Medicare payments for uncompensated care to FY 2019 uncompensated care funding levels. The budget does also propose prohibiting states from terminating Medicaid coverage for the first six months of a person's incarceration, and instead suspending that coverage during incarceration to ease individuals' transition back into the community upon release.
- **Drug Pricing:** The drug pricing proposals in the budget were left intentionally vague to allow continued negotiations in Congress. The Administration projects

\$135 billion in savings over ten years from potential drug pricing reforms, pointing to some of the estimated savings from plans in Congress. This number is similar to estimates for reforms proposed by Senate Finance Chairman Chuck Grassley (R-IA) and Ranking Member Ron Wyden (D-OR) to restructure the Part D benefit and to place inflation caps on drug prices in Parts B and D. This [proposal by Senators Grassley and Wyden](#) includes a two year extension and 11 state expansion for CCBHCs.

- **Telehealth:** The budget calls for expanding the telehealth benefit in Medicare fee-for-service, permitting more providers to participate in telehealth.

Additional details on the President's HHS budget request are outlined in the Department's [budget-in-brief](#) document. Further policy details have yet to be released that would outline how the President proposes to achieve the level of cuts to public health care programs included in the proposal. The National Council will monitor the appropriations process and will continue to share updates in Capitol Connector.

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