

# President Continues Make America Healthy Again Focus in FY 2027 Budget

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On April 2, 2026, the White House released the [President's fiscal year \(FY\) 2027 budget](#). A summary of the [HHS FY 2027 Budget in Brief](#) is below, and additional budget details are available [here](#).

For the Department of Health and Human Services (HHS), the Administration is requesting \$111.1 billion in discretionary funding, a decrease of \$15.8 billion (-12.5% percent) from the 2026 enacted level. The ultimate budget for HHS and its subagencies will be determined by Congress and not the White House. However, the budget request does provide insight into the Administration's policies and administrative priorities for the coming year.

## BUDGET REQUEST HIGHLIGHTS

- **HHS Reorganization:** As outlined in last year's budget request, the Administration proposes consolidating programs across several agencies into the new Administration for a Healthy America (AHA). Several other agency functions are also proposed for elimination or consolidation into other departments, aligned with last year's request.
- **AHA:** The budget continues to advance the Administration's effort to restructure federal public health and prevention activities through AHA. Although proposed in last year's budget, it has not yet been created. AHA would serve as the central federal entity focused on prevention. Behavioral health represents the largest single area of investment within AHA, with other key areas including primary care and maternal and child health programs.
- **Funding Reductions for National Institutes of Health (NIH), Centers for Medicare & Medicaid Services (CMS), and Centers for Disease Control and Prevention (CDC):** The budget includes a significant reduction in NIH funding, though the decrease requested is smaller compared to last year's budget request. CMS and CDC have also proposed budget reductions, but these decreases are also smaller than last year's request. FDA has a proposed budget authority reduction, but an increase in program-level funding. Congress did not accept the President's Budget request for these agencies for FY 2026.



- **CMS Funding Priorities Emphasize Oversight, Operations, and Program Modernization:**
  - Addressing fraud, waste, and abuse continues to be a priority in both Medicare and Medicaid. CMS intends to increase oversight of Medicaid programs in FY 2027.
  - The budget requests \$811 million to carry out operational needs and beneficiary rights related to Medicare Parts A and B, and \$112 million for Medicare Parts C and D administrative needs related to rulemaking, information technology, and timely appeals.
  - CMS intends to modernize Medicare claims processing through ClaimsCore, a new system that will also include the use of artificial intelligence (AI).
  - The budget proposes moving the Health Resources and Services Administration (HRSA) under CMS, meaning that the 340B Drug Pricing Program would fall under CMS. The budget proposes additional funding to increase oversight of covered entities and manufacturers. This change was proposed last year but was not implemented.

## AGENCY BUDGET REQUESTS

The FY 2027 HHS Budget Request includes two discretionary program spending charts, one reflecting the reorganization proposal (PDF page 9), and another reflecting the current HHS structure (PDF page 10).

The chart below includes agency-level FY 2027 funding requests but does not include all programs for which funding has been requested (e.g., offices of the Secretary). See PDF pages 9 and 10 of the budget for additional details.

Agency	2026 Budget – Reflecting Existing HHS Structure <sup>1</sup>	2026 Budget – Reflecting Reorganization Proposal	2027 Budget Request	Increase or Decrease from 2026 – Reflecting Reorganization Proposal
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<sup>1</sup> 2026 funding is non-comparable to the FY 2026 President’s Budget request. See PDF pages 9 and 12 of the budget for details.

<b>AHA</b>	N/A	<u>Budget authority:</u> \$19,649	<u>Budget authority:</u> \$14,673	<u>Budget authority:</u> -\$4,976
		<u>Program level:</u> \$26,155	<u>Program level:</u> \$17,527	<u>Program level:</u> -\$8,628
<b>FDA</b>	<u>Budget authority:</u> \$3,426	<u>Budget authority:</u> \$3,354	<u>Budget authority:</u> \$3,306	<u>Budget authority:</u> -\$48
	<u>Program level:</u> \$7,067	<u>Program level:</u> \$6,995	<u>Program level:</u> \$7,227	<u>Program level:</u> +\$232
<b>Indian Health Service</b>	<u>Budget authority:</u> \$7,985	<u>Budget authority:</u> \$7,985	<u>Budget authority:</u> \$9,094	<u>Budget authority:</u> +\$1,109
	<u>Program level:</u> \$8,185	<u>Program level:</u> \$8,185	<u>Program level:</u> \$9,143	<u>Program level:</u> +\$958
<b>CDC</b>	<u>Budget authority:</u> \$7,786	<u>Budget authority:</u> \$5,764	<u>Budget authority:</u> \$5,280	<u>Budget authority:</u> -\$484
	<u>Program level:</u> \$16,266	<u>Program level:</u> \$13,751	<u>Program level:</u> \$13,276	<u>Program level:</u> -\$475
<b>NIH</b>	<u>Budget authority:</u> \$45,861	<u>Budget authority:</u> \$44,870	<u>Budget authority:</u> \$41,164	<u>Budget authority:</u> -\$3,706
	<u>Program level:</u> \$47,488	<u>Program level:</u> \$46,497	<u>Program level:</u> \$41,471	<u>Program level:</u> -\$5,026
<b>CMS</b>	<u>Budget authority:</u> \$4,125	<u>Budget authority:</u> \$4,137	<u>Budget authority:</u> \$3,700	<u>Budget authority:</u> -\$437
	<u>Program level:</u> \$8,270	<u>Program level:</u> \$8,282	<u>Program level:</u> \$6,848	<u>Program level:</u> -\$1,434
<b>Administration for Strategic Preparedness and Response</b>	<u>Budget authority:</u> \$3,628	<u>Budget authority:</u> \$3,693	<u>Budget authority:</u> \$3,337	<u>Budget authority:</u> -\$356
	<u>Program level:</u> \$3,628	<u>Program level:</u> \$3,693	<u>Program level:</u> \$3,337	<u>Program level:</u> -\$356
<b>ARPA-H</b>	\$1,500	\$1,500	\$945	-\$555

## ADMINISTRATION FOR A HEALTHY AMERICA

Pages 42-48

The budget request continues to advance the Administration's effort to restructure federal public health and prevention activities through AHA. As envisioned, AHA serves as the central federal entity focused on prevention, consolidating programs across HRSA, Substance Abuse and Mental Health Services Administration (SAMHSA), Office of the Assistant Secretary for Health (OASH), and select CDC activities to reduce fragmentation and improve coordination across federal health programs.

The FY 2027 proposal reflects a significant scaling back of overall funding alongside this structural consolidation. **Total program-level funding for AHA is proposed at \$17.5 billion, an \$8.6 billion decrease from FY 2026**, driven by program eliminations, reductions in mandatory funding, and the removal of the Prevention and Public Health Fund (PPHF). **Discretionary budget authority is proposed at \$14.7 billion, a decrease of approximately \$5.0 billion from FY 2026 levels**, reflecting both program reductions and shifts in funding structure.

The budget reflects a clear policy shift toward streamlining federal programs, increasing state flexibility, and prioritizing core safety-net and prevention-oriented activities while eliminating or consolidating a wide range of categorical grant programs. Notably, significant reductions are proposed across primary care-related prevention programs, maternal and child health services, and human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS)-related activities previously administered through CDC and other agencies.

Despite these reductions, the budget maintains targeted investments in key areas. Within primary care, funding continues for federally qualified health centers (FQHCs), rural health initiatives, and telehealth programs, though overall primary care funding declines significantly due to reductions in mandatory funding and elimination of certain prevention activities. Maternal and child health programs are similarly maintained at a reduced level, with continued reliance on flexible block grant funding to support state-driven priorities.

HIV/AIDS programs remain a central component of the federal safety net, with continued funding for the Ryan White HIV/AIDS Program, though overall HIV/AIDS funding declines due to reductions in Ending the HIV Epidemic (EHE) activities and elimination of certain targeted initiatives.

Behavioral health represents the largest single area of investment within AHA. The budget maintains the Behavioral Health Innovation Block Grant (BHIBG) at \$4.6 billion, consolidating multiple legacy programs into a single flexible funding stream for states. While this approach reflects a broader policy shift toward state flexibility, overall

mental health and substance use funding declines modestly due to reductions in underlying programs.

#### **FY 2027 Program Subtotals:**

- **Primary Care:** \$4.7 billion in funding.
- **Maternal and Child Health:** \$1.9 billion in funding.
- **Mental and Behavioral Health:** \$6.8 billion in discretionary funding.
- **HIV/AIDS (Ryan White & related activities):** \$2.7 billion in funding.
- **Health Workforce:** \$1.1 billion in funding.
- **Policy, Research, and Oversight:** \$294 million in discretionary funding.

## **CENTERS FOR MEDICARE & MEDICAID SERVICES**

### **Centers for Medicare & Medicaid Services: Program Integrity** *Pages 31-32*

CMS Program Integrity investments aim to protect federal healthcare programs by detecting, preventing, and prosecuting fraud, waste, and abuse. The FY 2027 budget provides **\$2.8 billion total budget authority** for its two primary programs: the Health Care Fraud and Abuse Control (HCFAC) Program and the Medicaid Integrity Program.

### **Centers for Medicare & Medicaid Services: Program Management** *Pages 33-36*

Program Management provides funding for administrative functions for Medicare, Medicaid, CHIP, and Exchange plans. The budget request reflects the Administration's priorities of modernizing CMS information technology and eliminating unnecessary and wasteful spending, providing **\$6.8 billion in program level funding**. This is \$1.4 billion below the FY 2026 enacted level. This includes:

- **\$811 million** to support operational needs and beneficiary rights under Original Medicare, including those carried out by the Medicare Administrative Contactors (MACs).
- **\$385 million** for the National Medicare Education Program.
- **\$155 million** to Medicaid and CHIP administrative operations.
- **\$487 million** for the Survey and Certification program to improve oversight frequency of healthcare facilities.
- **\$21 million** for oversight of the 340B Drug Pricing Program. Consistent with the FY 2026 budget, the FY 2027 budget proposes transferring the 340B Drug Pricing Program from HRSA to CMS. Although the proposed transfer was not implemented in the previous fiscal year, the Administration has included it

again, citing that CMS’s internal drug pricing resources and expertise will simplify processes.

The budget also proposes initiatives to modernize Medicare operations and administrative capacity, including re-platforming Original Medicare claims adjudication through the ClaimsCore system and targeted investments to strengthen digital infrastructure such as Medicare.gov, beneficiary and provider identity and directory services, and data security and interoperability. Additionally, the budget proposes adjusting the balance between contractor and federal workforce resources to improve continuity and oversight while retaining contractor support for specialized and short-term needs.

## NATIONAL INSTITUTES OF HEALTH

*PDF pages 24-27*

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 budget request supports the proposed reorganization of NIH’s institutes and centers, providing **\$41.2 billion in discretionary budget authority**, a decrease of \$3.5 billion compared to 2026 levels.

Under the proposed restructuring, NIH’s institutes and centers would be reorganized. The budget proposes the consolidation of the National Institute of Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism into a new National Institute of Substance Use and Addiction Research. The budget also proposes eliminating the National Center for Complementary and Integrative Health, Fogarty International Center, and National Institute on Minority Health and Health Disparities.

Key NIH research priorities for FY 2027 include research to end chronic disease, including identifying underlying causes; research related to aging and disease; and a focus on research that is reproducible, transparent, replicable, and rigorous.

## FOOD AND DRUG ADMINISTRATION

*PDF pages 12-15*

FDA ensures and advances public health through a variety of activities, such as overseeing the nation’s food supply and food safety, and advancing safe and effective medical products. The budget request reflects the Administration’s MAHA initiatives, medical device oversight, tobacco regulations, and critical infrastructure repairs.

The proposed FDA budget is **\$7.2 billion, including \$3.3 billion in discretionary budget authority and \$3.9 billion in user fees.** This is **+\$232 million above FY 2026.**

Key priorities include:

- **MAHA Food-Related Initiatives:** \$57 million to protect food supplies, with \$50 million to remove unsafe chemicals in food supply, \$2 million for supporting artificial intelligence (AI) and machine learning activities, and \$5 million for investing in research and development for alternatives to animal testing.
- **Medical Product Safety:** \$466 million for FDA’s medical device program to maintain core activities. \$204 million for animal drugs and food, and \$632 million for human drugs.
- **Accelerate Advanced Pharmaceutical Manufacturing:** \$9 million to establish the FDA PreCheck Program to strengthen domestic manufacturing capability.
- **Infrastructure:** \$348 million to improve infrastructure, buildings, laboratories, and other on-site operations at FDA-owned facilities and to support these costs.
- **User Fees:** **\$3.9 billion in user fees,** which will bolster FDA’s food and medical product safety responsibilities.

## CENTERS FOR DISEASE CONTROL AND PREVENTION

*Pages 20-23*

CDC utilizes federal funding to protect America and respond to health threats, support infectious disease surveillance, outbreak investigations, preparedness and response, and maintain the public health infrastructure.

The proposed CDC budget includes **\$13.3 billion in total program funding, which is \$475 billion below FY 2026.** This includes **\$5.3 billion in discretionary budget funding, \$205 million in Public Health Service (PHS) Evaluation Funds, and \$7.8 billion for CDC’s mandatory programs.** Key priorities include:

- **Surveilling Emerging Infectious Diseases and Threats:** An additional \$22 million for the Infection Prevention Control Initiative and an additional \$33 million for the Healthy and Safe Food Initiative.
- **Reorganization of CDC Functions:** The FY 2026 budget proposed to eliminate the following programs: Domestic and Global HIV/AIDS, Global Tuberculosis, Global Immunization, and the National Center for Chronic Disease Prevention and Health Promotion. The FY 2027 budget proposal continues the reorganization of CDC functions.

**New Center for Chemicals and Toxins:** \$1 billion to establish a new National Center for Chemicals and Toxins within CDC that would streamline environmental health.

## ADMINISTRATION FOR STRATEGIC PREPAREDNESS AND RESPONSE

*PDF pages 49-50*

The Administration for Strategic Preparedness and Response (ASPR) supports national preparedness for, response to, and recovery from public health emergencies and disasters, including medical countermeasure development, clinical response deployments, and coordination with healthcare and public health partners. The FY 2027 budget provides **\$3.3 billion in discretionary budget authority** to support ASPR's core preparedness, response, and supply chain resilience activities. This includes:

- **\$1.8 billion for the Biomedical Advanced Research and Development Authority (BARDA)** to support advanced research and development, manufacturing readiness, and procurement of priority medical countermeasures for chemical, biological, radiological, nuclear, and pandemic threats.
- **\$327 million** to support procurement, storage, and annual operational costs of the **Strategic Active Pharmaceutical Ingredient Reserve**.
- **\$1.0 billion for the Strategic National Stockpile** to maintain and deploy lifesaving medical supplies, caches, and medicines during public health emergencies.

## INDIAN HEALTH SERVICE

*PDF pages 16-19*

The IHS provides healthcare to American Indian and Alaskan Native (AI/AN) people. The budget requests **\$9.1 billion to support the federal government's relationship with 575 federally recognized tribes**. For FY 2028, the budget requests **\$5.6 billion in discretionary advance appropriations** for Services and Facilities programs. Key priorities include healthcare investments through direct healthcare services, staffing increases, and healthcare IT; constructing new facilities; and supporting tribal self-determination.

## ADVANCED RESEARCH PROJECTS FOR HEALTH

*PDF Pages 28-30*

ARPA-H invests in innovative strategies and technologies in critical areas of health and medicine to facilitate progress that would otherwise be limited or restrained through traditional research or commercial activity. For FY 2027, **\$945 million of the**

**President’s Budget is allocated for ARPA-H**, which is \$555 million below FY 2026. Key priorities include resolving chronic disease, promoting domestic manufacturing, identifying the root causes of chronic disease, including through AI/ML, addressing healthcare security and resiliency, including the risk of cyberattacks, and developing innovative health technologies.

## OFFICE OF THE SECRETARY

### **Office of the Secretary: General Departmental Management** *Page 51*

Funding for the Office of the Secretary supports the Secretary’s role as chief policy officer and as the Department’s general manager. The budget request is specifically focused on departmental oversight as opposed to programmatic work, as reflected in the AHA, and includes a **discretionary program level of \$218 million**.

### **Office of the Secretary: Assistant Secretary for Civil Rights and Appeals** *Pages 52-53*

The Office of the Assistant Secretary for Civil Rights and Appeals (ASCRA) mission is to serve as a unified guardian of American health, rights, and research.” ASCRA combines the Office for Civil Rights (OCR), Departmental Appeals Board (DAB), Office of Medicare Hearings and Appeals (OMHA), the Office for Human Research Protections (OHRP), the Office of Research Integrity (ORI), and the recently proposed Office for Animal Research Protections (OARP). The budget includes **\$247 million in total discretionary funding**.

### **Office of the Secretary: Office of Strategy** *Pages 54-57*

The Office of Strategy’s mission is to “drive transformative change by advancing data-driven and evidence-based policy development and strategic planning to improve transparency in decision-making and enhance health and well-being of all Americans.” The budget provides **\$607 million in total program level funding**. The budget will proceed with aligning the Assistant Secretary for Planning and Evaluation (ASPE), the Agency for Healthcare Research and Quality (AHRQ), and the Centers for Disease Control and Prevention’s National Center for Health Statistics (NCHS). Funding for digital healthcare and the Children’s Interagency Coordinating Council, formerly in General Departmental Management programs, is eliminated.

### **Office of the Secretary: Office of Inspector General** *Pages 58-59*

The Office of the Inspector General (OIG) oversees HHS grants and contracts. OIG’s three main objectives are 1) fighting fraud, waste, and abuse, 2) promoting quality, safety, and value, and 3) advancing excellence and innovation, including encouraging implementation of OIG recommendations. The budget provides **\$84 million in**

**discretionary funding**, and **\$98 million in discretionary HCFAC funding**, in addition to an estimated \$257 million in mandatory HCFAC funding and \$8 million in HCFAC collections.

#### **Office of the Secretary: Office of the Chief Information Officer** *Pages 60-61*

The Office of the Chief Information Officer (OCIO) provides “Department-wide leadership, policy, and shared services to deliver secure, modern, and cost-effective information technology that enables HHS’s public health and human services missions.” **The budget assigns \$126 million** to ensure that Departmental information technology (IT) is designed and maintained with the data privacy protections and advanced security required to operate in a time of growing cyber threats. OCIO also continues efforts to incorporate artificial intelligence (AI) into workflows.

#### **Office of the Secretary: Office of the National Coordinator for Health Information Technology** *Pages 62-63*

The office of the Office of the National Coordinator for Health Information Technology (ONC) exists to “to create systemic improvements in health and care through the access, exchange, and use of data.” Budgetary priorities include promoting trusted exchange of health information, reducing regulatory burden, health IT stakeholder coordination, advancing interoperability, standards development and technology coordination, and health IT certification, testing, and reporting. **The budget proposed for ONC is \$50 million.**

#### **Office of the Secretary: Assistant Secretary for Consumer Product Safety** *Page 64*

The Assistant Secretary for Consumer Product Safety (ASCPS) uses education, safety standards, and enforcement to protect the public from unreasonable risks of injury or death from consumer products. The budget proposes reorganizing the Consumer Product Safety Commission (CPSC), transferring its functions and responsibilities to the HHS Office of the Secretary as the Assistant Secretary for Consumer Product Safety (ASCPS). **The budget proposes \$135 million in discretionary budgetary authority for ASCPS, \$16 million below FY 2026 levels**, due to reduced administrative and support functions.

*This Applied Policy® Summary was prepared by [Emma Hammer](#) with support from the Applied Policy team of health policy experts. If you have any questions or need more information, please contact him at [ehammer@appliedpolicy.com](mailto:ehammer@appliedpolicy.com) or at (202) 558-5272.*