



## President's FY23 Budget Proposal for Health Care

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April 1, 2022

On Monday, March 28, 2022, the President submitted his budget request to Congress. The budget calls for an increase in defense funding by 4 percent and non-defense by 5 percent. Click [here](#) for the government-wide budget overview.

### *Health-Provider Specifics*

The Departments of Health and Human Services, Labor, Education, and Defense all have requests that will directly impact the health care provider community.

The request for HHS proposes \$127.3 billion in discretionary and \$1.7 trillion in mandatory (i.e., Social Security) funding for FY 2023, overall a 26.8 percent increase over the previous year request. Click [here](#) to view the budget overview for the department. Individual agencies have also released their budgets that contain more detail – click [here](#) for the CMS budget, [here](#) for the HRSA budget, and [here](#) for the CDC budget. Highlights include –

- Additional funds for the current and future pandemics including \$81.7 billion in mandatory funding over five years across the Office of the Assistant Secretary for Preparedness and Response (ASPR), CDC, NIH, and FDA for preparedness measures;
- Telehealth funding through HRSA, CMS, and AHRQ;
- \$9.9 billion for the Centers for Disease Control and Prevention;
- \$5 billion for ARPA-H, the new biomedical research agency;
- The annual request from HRSA for regulatory authority for the 340B Program to give the agency enforceable authority in light of the ongoing litigation;
- \$35 million to CMS for a new initiative to systematically identify and resolve barriers to equity in each CMS program through research, data collection and analysis, stakeholder engagement, building upon rural health equity efforts, and technical assistance;
- Accelerate CMS alternative payment models by moving up the start date for a 0.75% physician fee increase by a year;
- Mental health updates under CMS including eliminating the 190-day lifetime limit on psychiatric hospital services, and require coverage of three behavioral health visits without cost-sharing, among others;
- \$402 million, an increase of \$174 million above FY 2022 enacted, to support CDC's environmental health activities;
- \$697 million to help the country transition to "988" as the three-digit hotline for mental health care;
- \$470 million increase in funding to reduce maternal mortality and morbidity rates;

- Nearly, \$500 million increase for CMS to inspect nursing homes.
- \$9.9 billion to modernize Public Health Systems and capacity, including resources to improve the immunization program, expand public health infrastructure in States and Territories, as well as modernizing public health data collection to improve capacity for forecasting and analyzing future outbreaks;
- Add Medicare coverage of services furnished by Community Health Workers within the scope of their license or certification under the Physician Fee Schedule for select, evidence-based preventive, chronic, and behavioral care management services, as well as certain social determinants of health evaluation and navigation services;
- Create a Vaccine for Adults programs that would provide uninsured adults with coverage at no cost to vaccines recommended by the Advisory Committee on Immunization practices; and
- 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.

The request for the Department of Labor proposes \$14.6 billion in discretionary and \$61.2 billion in mandatory funding for FY 2023. Click [here](#) to view the budget overview for the department. Highlights in health include –

- A requirement for health plans to cover mental health benefits;
- \$275 million is requested, spread over a decade, to expand DOL's oversight of health plans' compliance with mental health and substance abuse treatment requirements;
- \$89 million for the Occupational Safety and Health Administration that includes an increase in inspectors nationwide; and
- New mandatory funding for Employee Benefits Security Administration and Office of Solicitor, to increase capacity for the agency to perform audits related to mental health and substance abuse (including investigating reimbursement rates as NonQuantitative Treatment Limitations) and take action against non-compliant actors.

The request for the Department of Education proposes \$88.3 billion in discretionary funding for FY 2023. Click [here](#) to view the budget overview for the department. Included in the budget request is a \$96 million for Promise Neighborhoods that funds support in distressed communities to improve outcomes for children, youth, and their families that includes grants for social, health, nutrition, and mental health services. The budget will also provide funding for increased mental and behavioral health services in schools.

The Administration requests \$813.3 billion for national defense, \$773.0 billion of which is for the Department of Defense. Click [here](#) for the DoD budget documents. The health related proposals include –

- \$1.3B supporting the construction of quality-of-life and medical facilities;
- \$188 million for Defense Health Program for continued COVID-19 clinical testing and public health efforts; and
- \$80.8 million for Basic Operational Medical Research Science (opportunities for research funding).