FACT SHEET

Appropriations and the HCH Community: Fiscal Year 2026

September 2025

Health Care for the Homeless (HCH) programs deliver comprehensive health care, including comprehensive primary care, behavioral health, dental, and supportive services to people experiencing homelessness. Stable, predictable funding is critical to ensuring HCH programs can continue to provide care for unhoused people without service disruptions. Learn more about HCH programs here.

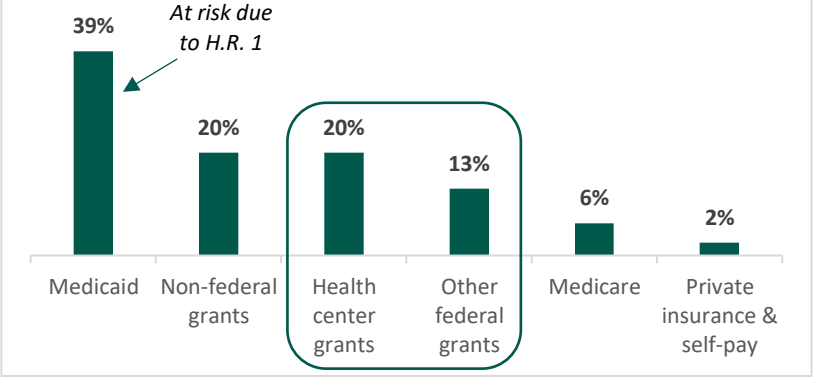
This fact sheet describes the federal grants most important for HCH programs, the current threats to financial stability, and actions policymakers can take during the Fiscal Year (FY) 26 budget process to avoid negative health outcomes and system disruptions.

HCH Programs: Federal Grants Vital to Ongoing Delivery of Care

HCH projects are part of the Community Health Center program—funded in part through the Bureau of Primary Health Care (BPHC) within HHS's Health Resources and Services Administration (HRSA). In 2024, nearly 300 HCH programs in 4,600 locations throughout the U.S. delivered health care to just over 1 million people living in shelters, on the street, or unstably doubled up with family/friends.

HCHs operate through a variety of funding sources. These include a combination of reimbursements from insurance plus supplemental grant funding to cover care for the high number of people who remain uninsured and the many vital services not covered by insurance. In 2024, Medicaid represented 39% of health center budgets (on average), while Medicare and private insurance accounted for an additional 8% of revenue.

Figure 1. Funding Sources for HCH Programs, 2024



Federal grants represented nearly one-third of health center budgets—20% from BPHC grants and an additional 13% from other federal grants. (See figure 1.)

> **Note:** States that did not expand Medicaid have far higher rates of uninsured patients and far lower revenue from Medicaid—making federal grants even more important for operations in these areas. (See related fact sheet on insurance and revenue at HCH Programs.)

HHS Appropriations: Additional Funding Needed

To meet the growing demand of patients and rising costs, Congress must increase Community Health Center funding as well as funding for the wide swath of programs that the HCH Community relies on. Absent additional funding to offset Medicaid losses, safety net health care providers will be forced to discontinue services and reduce staff. If HCH programs cannot deliver care, hospitals and emergency departments will be overwhelmed, homelessness will increase, and jail/prison populations will likely surge (all at 100% state expense).

The following federal grant programs are vital to meeting the needs of people experiencing homelessness:

➢ HRSA Funding

Health Center Program: Community Health Centers serve nearly 34 million people across the country. By statute, HCH programs receive 8.7% of total health center program funding which comes from:

Discretionary funds – appropriated by Congress each year in the Labor, Health, and Human Services, Education and Related Agencies (L-HHS) budget.

Mandatory funding – the Community Health Center fund, a mandatory multi-year base grant authorized by Congress, provides 70% of total health center funding and is determined by the House Energy and Commerce Committee and the Senate Health, Education, Labor and Pensions Committee.

National Health Service Corps (NHSC): Supports 17,000 providers through scholarships and loan repayment, including 7,900 behavioral health providers. This is a critical pipeline for clinicians and communities, helping to expand access to primary care, mental health, and substance use treatment.

> **Note:** The President's budget proposed eliminating 14 health workforce programs under Title VII and VIII. Program cuts increase pressure on NHSC to fill the gaps of reduced training pipelines which would undermine staffing capacity as patient demand rises.

Ryan White HIV/AIDs Program: Coordinating across states, localities, and community-based clinics, this is the largest federal program for individuals living with HIV. It helps deliver comprehensive HIV care, including primary medical care, antiretroviral treatment, and supportive services. The Ryan White Program helps fulfill the Ending the HIV Epidemic Initiative's goal to reduce new HIV infections in the U.S. by 90% by 2030.

Value of HCH Programs

Each year, funding for Health Care for the Homeless programs generates:

- $1.8 billion in savings to the overall health system
- Nearly 25,000 jobs
- Over 4.5 million clinic visits
- **$4.5 billion in total economic impact**

Learn more about the value and impact of HCH programs here.

➢ SAMHSA Funding

Projects for Assistance in Transition from Homelessness: Funds community-based outreach, case management, and housing services for adults experiencing homelessness who also experience serious mental illness.

Community Mental Health Services Block Grant: Provides flexible funding to support comprehensive community based mental health services that Medicaid does not cover, including case management, crisis intervention, day treatment, and rehabilitation.

Substance Use Prevention, Treatment, and Recovery Services Block Grant: A critical funding stream to ensure communities have access to the full range of substance use-related prevention, treatment, and recovery support services with a goal of preventing and treating substance use disorders.

State Opioid Response Grants: Addresses the opioid crisis by supporting evidence-based direct services that prevent, treat, and promote recovery from issues related to opioid misuse and stimulant misuse.

> **Note:** The President's budget included $4 billion for a new Behavioral Health Innovation Block Grant that would consolidate the Community Mental Health, Substance Use Prevention, and State Opioid Response Grants. That funding level would represent a roughly $500 million reduction compared to FY25.

Other Funding Cuts that Harm Health

In addition to annual appropriations, HCH programs rely on a mix of other funding streams, many of which are also under threat. Increased appropriations are needed to offset anticipated financial losses from:

1. **Medicaid Cuts from the One Big Beautiful Bill Act (OBBBA):** H.R. 1 (The One Big Beautiful Bill Act) made significant changes to Medicaid that will cause millions of people—including many people experiencing homelessness—to lose insurance and fall back on grant-funded health care services. As reimbursements from Medicaid rapidly decline, health centers will need to rely even more heavily on grant funds to pay for staffing, medical equipment and supplies, and facility costs.

   [Learn more about the impact of H.R. 1 on the HCH Community here.]

2. **Cuts to HUD Funding:** HUD programs provide essential housing supports for HCH patients and programs. Cuts proposed by both the President and Congress threaten housing stability and efforts to reduce homelessness. At risk are:

   - **Tenant-Based Rental Assistance**, including Housing Choice Vouchers
   - **Emergency Housing Voucher Program**
   - **Project-Based Rental Assistance**
   - **Homeless Assistance Grants,** including Continuum of Care and Emergency Solutions Grants
   - **Public Housing Fund**
   - **Community Development Block Grant**

   [See National Low Income Housing Coalition's appropriations analysis for more information]

3. **Proposed HHS Restructuring:** The President's FY26 budget proposes consolidating 28 HHS divisions into 15 and establishing a new Administration for a Healthy America. While framed as an efficiency measure, the restructuring masks significant cuts that would result in more program reductions. If implemented, these changes would:
    - Slash funding for essential health and social services.
    - Shift costs onto states and localities, forcing them to cover the gaps.
    - Reduce transparency and accountability, making it harder to track year-over-year funding and understand where federal dollars are going.

What's at Stake

The combined impact of proposed cuts to discretionary programs plus the Medicaid cuts already enacted threatens the financial stability of HCH programs and will significantly reduce access to care for people experiencing homelessness.

Adequate funding is needed to ensure HCH programs can:

- **Continue caring for people experiencing homelessness** by providing preventive care, management of chronic conditions, dental services, behavioral and mental health care, and support services.
- **Prevent and end homelessness** by addressing the health issues that hinder stable employment and housing, making it difficult to regain stability.
- **Strengthen public health** by reducing dependency on hospitals and emergency departments through access to timely community-based care.

Actions for Policymakers

Congress must act now to ensure HCH programs can continue serving people experiencing homelessness. We urge Congress to:

- Increase discretionary **Health Center Program funding** in the LHHS appropriations budget.
- Reauthorize and increase funding for the **Community Health Center Fund** before it expires on 9/30/25
- Protect and expand funding for HRSA- and SAMHSA-funded **behavioral and mental health care, harm reduction, and other critical HHS programs.**
- Maintain **HUD funding** to support housing as a core determinant of health.

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