Federal Mental Health and Substance Use Policy Actions in 2025: What It Means for Older Adults

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Background:

Over 61 million U.S. adults experienced mental illness in 2024 (latest data available), with persistently high rates of depression, anxiety, suicide, gun violence, and drug overdose deaths. While the COVID-19 pandemic intensified existing mental health and substance use crises, access barriers remain significant—43% of insured adults with fair or poor mental health reported unmet needs in the past year, with older Americans facing many obstacles to access care.

The second Trump administration shifted to reducing federal mental health infrastructure capacity and more toward a law-and-order approach to addiction issues, contrasting with the Biden administration's focus on expanding coverage and evidence-based treatment. This report summarizes key 2025 federal policy actions.

JANUARY

Federal Mental Health Data Removed from Public Access

- Major national mental health surveys were temporarily pulled offline as part of efforts to remove gender and race language inconsistent with administration priorities.
- Most datasets were later restored, though future survey modifications remain uncertain.
- SAMHSA's 2024 National Survey on Drug Use and Health initially excluded race/ethnicity breakdowns but later released detailed tables.

FEBRUARY

MAHA Commission Established

- Executive Order created the Make America Healthy Again (MAHA) Commission, designating mental health disorders as a priority and appointing Secretary Kennedy as chair.
- The Commission was directed to examine psychiatric medication prescribing practices, including SSRIs, antipsychotics, and stimulants.

SAMHSA Workforce Reductions Begin

- The new Department of Government Efficiency (DOGE) initiated reductions in force (RIFs) at SAMHSA, targeting probationary employees first.

MARCH

Department of Education Dismantling Begins

- Executive Order directed dismantling of the Department of Education (DOE), which administers school-based mental health funding through the Bipartisan Safer Communities Act.
- A 50% workforce reduction was announced, with plans to fold functions into other agencies.

HHS Proposes SAMHSA Reorganization

- HHS announced plans to merge SAMHSA into a new Administration for a Healthy America (AHA) as part of broader department restructuring.

Gun Violence Public Health Advisory Removed

- HHS removed the Surgeon General's 2024 advisory declaring gun violence a public health crisis.
- Multiple Biden-era gun safety policies were rolled back.

APRIL

$1 Billion in School Mental Health Funding Halted

- The Department of Education froze two $500 million grant programs designed to expand school-based mental health services, citing concerns about "race-based" recruiting practices.
- Sixteen states filed suit in June challenging the funding termination.

DOJ Terminates Violence Prevention and Mental Health Grants

- DOJ canceled hundreds of grants supporting community violence intervention and mental health/substance use services.
- A federal court declined to block the terminations in July.

- New community violence intervention grant applications were released in September.

MAY

FY 2026 Budget Proposes Major Cuts

- **SAMHSA:** Budget proposed over $1 billion reduction (one-sixth cut from FY2025) and folding SAMHSA into AHA.
- **Block Grant Consolidation:** Three existing block grants would merge into a new Behavioral Health Innovation Block Grant with reduced total funding.
- **NIH:** Proposed 40% budget cut and merger of NIDA, NIAAA, and NIMH into a single "National Institute of Behavioral Health."
- **HUD:** Proposed funding reductions affecting housing programs for people experiencing homelessness with mental illness.

Mental Health Parity Enforcement Paused

- HHS, DOL, and Treasury paused enforcement of the 2024 Mental Health Parity final rule pending review, suspending new requirements, including data collection on disparities in mental health versus medical care.

MAHA Commission Report Released

- First report identified contributors to youth mental health issues, including technology, social media, and "overmedicalization" through psychiatric medications.
- Media outlets identified citation errors and misrepresented studies; the White House attributed issues to "formatting errors."

JUNE

988 LGBTQ+ Youth Services Discontinued

- SAMHSA ended the dedicated "press 3" option for LGBTQ+ youth and young adults, which had accounted for 10% of all 988 contacts and 20% of texts.
- SAMHSA cited funding exhaustion and concerns about service siloing.
- Bipartisan legislation was introduced in September to restore the service.

JULY

One Big Beautiful Bill Act (H.R. 1) Enacted

- Reconciliation law projected to reduce federal Medicaid spending by $911 billion through work and reporting requirements for adult enrollees.
- Adults with substance use disorders or "disabling" mental disorders exempt under "medically frail" designation, though "disabling" remains undefined.
- Evidence shows work requirements cause health coverage and mental health benefit losses even among exempt individuals due to administrative barriers.

Executive Order on Homelessness and Civil Commitment

- Executive Order encouraged expanded civil commitment for people with serious mental illness or substance use disorders experiencing homelessness.
- SAMHSA clarified federal funds cannot support certain harm-reduction strategies like safe consumption sites.

SEPTEMBER

CMS Issues Crisis Services Guidance

- CMS released guidance to states on building coordinated Medicaid and CHIP crisis service systems.

MAHA Strategy Document Released

- Commission released implementation strategy for youth mental health priorities, though detailed plans were not included.

FTC Examines AI Chatbot Risks

- FTC issued orders to tech companies requesting information on AI chatbot development and monitoring practices.
- House subcommittee held hearing on AI chatbot safety in November.

School Mental Health Grant Focus Narrowed

- Despite earlier funding terminations, the DOE released new grant applications restricting funding to school psychologists only, eliminating support for diversifying the school mental health workforce.

OCTOBER

Congressional Letters Challenge SAMHSA Cuts

- Congressional letter documented that SAMHSA's workforce had been reduced to less than half its size at the start of the administration.
- Seventeen senators sent a separate letter requesting reversal of workforce cuts.
- No public response had been issued as of November.

NOVEMBER

Medicare Telehealth Extended Temporarily

- CR extended COVID-era Medicare telehealth flexibilities through January 30, 2026, including elimination of in-person visit requirements and geographic restrictions for mental health services.

HUD Shifts Homeless Housing Priorities

- HUD capped permanent housing funding through the Continuum of Care program at 30% (down from 90%), redirecting resources to transitional models. Scoring criteria favor communities enforcing laws against encampments and illicit drug use and utilizing involuntary commitment.

DECEMBER

SUPPORT Act Reauthorized

- President Trump signed the SUPPORT for Patients and Communities Reauthorization Act, extending opioid and substance use treatment programs.
- Legislation includes the 988 Lifeline Cybersecurity Responsibility Act requiring coordination between the 988 Suicide & Crisis Lifeline and HHS on cybersecurity.

CONCLUSION

The first year of the second Trump administration brought substantial shifts in federal mental health and substance use policy, characterized by reduced federal infrastructure, budget cuts to key agencies like SAMHSA, and policy emphasis on law enforcement and civil commitment approaches. Significant funding reductions—including the $911 billion in projected Medicaid cuts, SAMHSA workforce reductions exceeding 50%, and elimination of mental health programs—threaten the safety net for vulnerable populations already facing access barriers. While some initiatives like the SUPPORT Act reauthorization and temporary Medicare telehealth extensions offer continuity, the overall policy direction signals reduced federal investment in community-based mental health services, harm reduction strategies, and evidence-based treatment approaches at a time when mental health needs remain at crisis levels.

IMPLICATIONS FOR ADVOCACY GROUPS REPRESENTING OLDER ADULTS WITH MENTAL HEALTH CONDITIONS

1. Medicare and Medicaid Cuts Threaten Core Services for Older Adults

The $911 billion in projected Medicaid cuts through work requirements, combined with SAMHSA workforce reductions exceeding 50% and the proposed elimination of several SAMHSA programs, directly threaten behavioral health services that older adults depend on. While Medicaid work requirements target adult enrollees, older adults aged 55-64 in Medicaid expansion states face particular vulnerability. Those with "disabling" mental disorders qualify for exemptions under the "medically frail" designation, but the law doesn't define "disabling," creating uncertainty and administrative burden. Evidence from prior state implementations shows that work requirements cause coverage losses even among exempt populations due to complex reporting requirements and bureaucratic obstacles.

Advocacy organizations must proactively educate older Medicaid beneficiaries about exemptions, provide assistance navigating documentation requirements, and monitor state implementation to challenge overly restrictive interpretations. Additionally, the decimation of SAMHSA's capacity—reducing its workforce by more than half—undermines federal infrastructure supporting crisis response, suicide prevention, and substance use treatment that older adults increasingly need. Organizations should document how these cuts affect older adult access to community mental health services, mobile crisis teams, and 988 crisis line support, using this evidence to advocate for restoration of federal funding and capacity.

2. Telehealth Uncertainty and Access Gaps for Aging Populations

The temporary extension of Medicare telehealth flexibilities through January 30, 2026—eliminating in-person visit prerequisites and geographic restrictions for mental health services—provides only short-term relief for older adults who have come to depend on telehealth access. For older adults with mobility limitations, transportation barriers, chronic health conditions limiting travel, or living in rural areas with provider shortages, telehealth has become essential rather than optional. The temporary nature of these extensions creates ongoing uncertainty for both providers serving older adults and the older adults themselves, who may lose access if extensions lapse.

Advocacy organizations must make permanent Medicare telehealth authorities a top legislative priority for 2026. This requires coalition-building with disability rights organizations, rural health advocates, and provider associations; documenting specific cases of older adults who would lose mental health access without telehealth; and targeting swing-district representatives facing competitive 2026 midterm races where older voters are decisive. Organizations should prepare contingency plans for potential telehealth lapses by connecting older adults to community transportation resources, mobile crisis services, and in-person alternatives, while simultaneously fighting to prevent such lapses through vigorous advocacy.

3. Weakened Mental Health Parity Enforcement and Civil Commitment Expansion

The paused enforcement of the 2024 Mental Health Parity and Addiction Equity Act final rule threatens to resurrect discriminatory insurance practices affecting older adults with mental health conditions. Without active enforcement, insurers may impose more restrictive prior authorization requirements, higher cost-sharing, and reduced coverage for mental health and substance use treatment compared to medical care. Older adults—who often manage multiple chronic conditions alongside mental health issues—are particularly vulnerable to parity violations that create administrative barriers and financial hardship.

Simultaneously, the July 2025 Executive Order encouraging expanded civil commitment for people with serious mental illness or substance use disorders experiencing homelessness, combined with HUD's shift away from permanent supportive housing (capping it at 30% of Continuum of Care funding), creates particular risks for older adults. Involuntary commitment and law enforcement responses are especially traumatic and inappropriate for older adults with mental health conditions, who require age-appropriate, supportive interventions rather than coercive institutionalization.

Advocacy organizations must pursue dual strategies: defending mental health parity by filing complaints with state insurance commissioners, educating older adults about parity rights and appeal processes, and supporting state legislative efforts to strengthen protections beyond federal minimums; and challenging civil commitment expansion by documenting older adults' unique housing needs and vulnerability, advocating for age-appropriate housing-first models, and building coalitions with affordable housing advocates emphasizing connections between housing stability and mental health outcomes for aging populations.