

TO: Interested Parties

FROM: Senate Finance Committee Democrats

DATE: January 7, 2026

RE: The Trump-Kennedy War on Americans Living with Mental Health Conditions and Substance Use Disorders

America's Behavioral Health Crisis

The nation is in the midst of a historic mental health and substance use disorder (SUD) emergency, with rates of devastating mental health conditions, deaths by suicide, and overdose deaths reaching record levels. In 2023, [58.7 million](#) Americans experienced a mental health condition, [approximately 50,000 Americans died by suicide](#), and [13 million more adults](#) seriously considered suicide. Among youth, almost half ([49.5%](#)) have experienced a mental health condition, [3.2 million \(1 in 5\) high school students seriously considered suicide](#), and one in 10 attempted suicide. This is a generational crisis in mental health.

At the same time, [48.5 million](#) Americans were impacted by a SUD, and [more than 105,000 Americans died](#) from drug overdoses in 2023, one of the highest figures on record, with synthetic opioid-related deaths rising [more than 100-fold](#) in the past decade.

Millions of Americans—particularly people with Medicaid coverage—depend on behavioral health services and too often struggle to access adequate care. [More than one in three Medicaid enrollees](#) has a diagnosed mental health condition or SUD, and those with a mental health condition are [eight times more likely](#) to have a co-occurring SUD. At the same time, Medicaid enrollees are [more likely to report barriers](#) to treatment, including high costs, difficulty finding providers, and low appointment availability. The human toll and economic burden are staggering. Mental health conditions cost the U.S. economy [\\$282 billion annually](#), while [opioid use disorder and fatal overdoses](#) cost an estimated \$2.7 trillion in 2023 alone—[up from \\$1.02 trillion in 2017](#). These estimates capture the economic fallout resulting from lives lost, reduced quality of life, lower work productivity, higher health care costs, increased costs due to crime, and reduced job opportunities among people affected. Addressing the nation's mental health and substance use crises has never been more urgent.

Instead of investing in the resources that this moment of crisis requires, Trump and Kennedy—backed by Republicans in Congress—are mounting a sweeping assault on Americans living with mental health conditions and SUDs. Republicans are ripping away coverage from millions, firing front-line experts, and replacing evidence-based, life- and cost-saving treatments with coercion and punishment. Their agenda doesn't just dismantle care; it fuels stigma and fear, pushing countless Americans away from the support they need and deepening the nation's mental health crisis for generations to come.

Trumpcare Guts \$1 Trillion From Medicaid and the ACA, Threatening Behavioral Health Care for Millions

Trumpcare cuts nearly \$1 trillion from Medicaid, dismantling the country's single largest payer of behavioral health care. [Nearly a quarter of Medicaid enrollees](#) ages 19 to 64 receive mental health or SUD services. Medicaid coverage increases access to medications like naloxone, buprenorphine, and methadone, which prevent or reverse overdoses, improve recovery outcomes, and are highly effective and ultimately save money. For example, [studies show](#) that treating alcohol use disorder with medication reduces health care costs by 30%, and that each \$1 spent on methadone, which is used to treat opioid use disorder, generates nearly \$5 in savings by preventing hospitalizations and emergency department visits. Medicaid also funds diversion programs, pre-release services for incarcerated individuals, and youth prevention and early intervention care, reducing costs related to recidivism while keeping families together.

These severe cuts to federal funding make it impossible for states to provide lifesaving services to people with mental health conditions and SUDs, despite Republican claims that these populations will be exempt. For example, providers of behavioral health services around the country will lose billions of dollars in revenue, forcing cuts to staff and services and raising more barriers to treatment for patients in need. Cuts to federal Medicaid funding will also likely force states to reduce spending on optional home and community-based services, through which many behavioral health services are provided. [Some states](#) are already dramatically reducing funding for behavioral health services to make up for Trumpcare's devastating cuts.

In addition to hollowing out Medicaid, Trumpcare dismantles Affordable Care Act Marketplace coverage—another major funder of behavioral health care. Marketplace enrollment hit a [record 24.3 million](#) in 2025, and mental health needs in this population are substantial: [more than one in six enrollees \(18.2%\) has at least one diagnosed mental health condition](#), and many enrollees have multiple co-occurring conditions, making stable and continuous coverage essential for ongoing treatment. Yet, under the Republican budget law and related policy changes—particularly the gutting of [enhanced premium tax credits](#)—[over one million people](#) with diagnosed mental health conditions will lose insurance, not counting the many with undiagnosed or unrecorded conditions.

States warn the Trumpcare mandate is unworkable, financially catastrophic, and will force cuts to behavioral health care across the country. A November 2025 survey of Medicaid directors finds that [nearly two-thirds of states expect Medicaid budget shortfalls in FY 2026](#), with spending already growing due to rising behavioral-health and long-term-care needs. Trumpcare's almost \$1 trillion in federal Medicaid cuts will make it "difficult for states to absorb or offset reductions," forcing cuts to provider rates, shrinking behavioral-health networks, reducing crisis capacity, and limiting access to lifesaving SUD medications.

Trumpcare's catastrophic cuts will rip behavioral health treatment away from more than 15 million Americans and worsen the deadly opioid crisis. These coverage losses will: 1) [strip access to services](#) from millions of Americans, 2) [increase uncompensated care costs](#), 3) worsen [emergency department and inpatient crowding](#), 4) increase [jail cycling and criminal-legal costs](#), and 5) [send state/local spending](#) skyrocketing. Researchers estimate that 156,000 people will lose

access to medication to treat opioid use disorder as a direct result of Republican Medicaid cuts, and [overdose rates are projected to double](#) for this population, leading to roughly 1,000 additional fatal overdoses each year - an extreme and avoidable loss.

Trumpcare's so-called “work requirements” in Medicaid are responsible for over a third of the estimated coverage losses. Over [90 percent](#) of people with Medicaid are working or face life circumstances that prevent them from working, like caregiving, going to school, or having a chronic illness. The bureaucratic barriers imposed by these red tape requirements will hit people with serious mental health conditions and SUDs the hardest, cutting off lifesaving treatment and medication. While Republicans claim that people with behavioral health conditions will be exempted, these policies are unworkable, and the “exemptions” fail to shield people from harm.

In fact, a [new analysis](#) from the National Alliance on Mental Illness and the Legal Action Center warns that so-called “work requirements” will disproportionately harm people with mental health conditions who are more likely to experience fluctuating symptoms, unstable employment, and difficulty navigating bureaucratic systems. Experts estimate that [hundreds of thousands of people currently in SUD treatment](#) will lose Medicaid coverage, and [1.7 million people](#) could lose access to future Medicaid-covered behavioral health treatments because of Trumpcare. What’s worse is that research has consistently shown that [so-called “work requirements” do not increase employment](#), but they do lead to more coverage loss and worse health outcomes.

Trumpcare accelerates the behavioral-health workforce collapse, slashing provider capacity in communities already facing severe shortages. Even before Republicans’ largest health care cuts in history, there was [just one behavioral health provider available for every 350 people in the U.S.](#), and over half of Americans (169 million people) lived in designated “mental-health workforce shortage areas.” Trumpcare’s new [limits on how states can pay Medicaid providers via state-directed payments](#) take away one of the few tools states have to boost pay for already undervalued behavioral health care services. Analyses reveal that as these limits take effect, states will struggle to keep providers in their networks, [worsening staff shortages and reducing the number of clinicians who accept Medicaid](#)—especially in communities that already have trouble finding care. Because many mental health and SUD treatment providers rely on these payments to stay afloat, the cuts will mean even fewer available appointments, slower adoption of effective treatments, and even larger gaps in access for people who need care most.

At the same time, Trump is reshaping 1115 waivers to block state innovations that expand behavioral health access and continuity of care. The Centers for Medicare & Medicaid Services (CMS) rescinded Biden-era guidance and signaled it will no longer approve waivers that [build the behavioral-health workforce](#) or [address health-related social needs](#)—initiatives many states have relied on to stabilize care for people with serious mental health conditions and SUDs. The Trump Administration has also [blocked new continuous-eligibility waivers](#), withdrawing support for multi-year coverage extensions that reduce gaps in treatment. Together, these shifts strip states of critical policy levers and deepen the access crisis facing the millions of Americans with mental health conditions and SUDs.

The Republican health care plan will sever major pathways to mental health care for working families, pushing more people into crisis systems, homelessness, incarceration, and preventable disability.

Trump and Kennedy Executed A Historic Purge of America's Mental Health First Responders

Kennedy has fired more than half of the Substance Abuse and Mental Health Services Administration's (SAMHSA) workforce, eliminating entire teams responsible for youth mental health, community mental health, and overdose response. In March 2025, Kennedy announced a sweeping restructuring of the Department of Health and Human Services (HHS) and an elimination of [20,000 positions](#) across the department, while Trump's FY 2026 budget proposed \$31 billion in discretionary cuts—with behavioral health and addiction programs hit hardest. Reports indicate that [community-based addiction and mental-health programs were disproportionately targeted](#), as HHS consolidated SAMHSA, the Centers for Disease Control and Prevention's (CDC) behavioral-health functions, and other public health offices into a new so-called “Administration for a Healthy America” (AHA). Reductions to HHS oversight agencies further erode enforcement of parity and coverage protections for behavioral health, while cuts to the National Institutes of Health (NIH) and CDC will slow research and innovation in behavioral health care.

In total, Kennedy has now [fired more than half of SAMHSA's 900-person workforce](#) since January 2025, including 12 of its 17 senior leaders, some of whose positions are statutorily required, and everyone [from the youth mental health team](#), effectively decimating the agency that serves as a critical first responder on the frontlines of the nation's ongoing mental health, substance use, and overdose crises. In a [letter to Kennedy](#), 13 Democratic Senators warned that these firings would “increase the risk of fraud, waste, and abuse,” close essential regional offices, and “risk decimating the 9-8-8 Suicide and Crisis Lifeline”—undermining the agency's ability to respond to record [overdose](#) and [suicide rates](#) nationwide.

These cuts additionally obliterate \$2 billion in grants for addiction, overdose prevention, and youth mental health programs nationwide. The cuts compound damage from the Republican budget law, which eliminates or rolls multiple behavioral health grants into larger block grants within the new AHA. Specifically, the agency has terminated approximately [\\$2 billion in block grants for state health departments and cut roughly \\$350 million in addiction and overdose prevention funding](#), slashing access to community-based mental health services and prevention and treatment services for SUDs.

By firing SAMHSA experts and defunding core programs, the administration is dismantling the backbone of America's behavioral health infrastructure. [SAMHSA's \\$7 billion in annual grants](#) help states and tribes provide suicide prevention, treatment, and recovery programs—efforts proven to reduce costly hospitalizations, incarceration, and disability. Further, these programs and investments have worked—for the first time in years, there was a [decline](#) in opioid overdose deaths. By firing the experts who run these programs and stripping their funding, the Trump Administration is not only dismantling the nation's behavioral health

infrastructure and forcing states to ration care, they are also jeopardizing the lives of Americans and leaving communities stranded as they respond to these dual epidemics.

Entire lines of SAMHSA's work have vanished overnight, leaving states without the federal partners they depend on to protect public health. [Crisis hotlines have gone dark, state youth-mental-health staff have been laid off](#), and [grantee organizations have been forced to drop clients](#) because their federal program officers no longer exist. With the dissolution of the Division of Children and School Mental Health, cornerstone initiatives like Project AWARE—created after the Sandy Hook Elementary School Shooting and relied on by schools nationwide in blue and red states alike to support student mental health—now have no federal staff to issue guidance, review applications, or disburse grant funds. These cuts are compounded by the severe cuts to the U.S. Department of Education, which further reduces access to mental health services in school-based settings.

Providers warn that even where SAMHSA grant dollars technically remain, there is no functional agency capacity to manage them. This includes limited staff in the Division of Community Behavioral Health, which is responsible for the Certified Community Behavioral Health Clinics (CCBHCs), a bipartisan effort to provide comprehensive mental health and SUD services. The [46 states that have CCBHCs](#) are now left without SAMHSA staff support and guidance. Dismantling SAMHSA's reach, programs, and expertise will set the nation back decades in responding to overdose and youth mental-health crises.

Trump Defunds Proven Harm Reduction Programs

Trump is defunding proven harm-reduction programs that save lives and reduce state and federal costs. Trump's July 2025 Executive Order (EO), "[Ending Crime and Disorder on America's Streets](#)," abandons decades of bipartisan progress by replacing evidence-based behavioral health care with criminalization, expanded involuntary commitment, and the defunding of proven harm reduction programs. It explicitly instructs SAMHSA to prohibit grant funding for "so-called harm reduction" or "safe consumption" efforts, which are evidence-based policies and practices that aim to minimize the negative health impacts associated with drug use. **These cuts ignore overwhelming evidence that harm-reduction programs save lives, reduce overdose deaths, and lower health care spending.**

Eliminating evidence-based harm reduction programs is also fiscally irresponsible. Harm reduction prevents costly infections and overdoses. HHS and the CDC have historically identified these interventions as cost-effective strategies that save lives and reduce Medicaid spending over time. According to the CDC, [opioid overdose deaths fell by 24% in 2024](#), saving more than 81 lives every day, largely due to coordinated federal and state investments in public health and safety, including harm reduction services. [Experts warn](#) that defunding these programs would "*pull the firefighters off the scene while the fire is still burning,*" risking a resurgence of deaths and infections.

Trump Expands Involuntary Commitment, Attacking Vulnerable Americans Experiencing Homelessness

Trump's July EO expands involuntary confinement, criminalizing homelessness, addiction, and mental health conditions. It directs the U.S. Department of Justice (DOJ) and HHS to promote involuntary commitment, forcing vulnerable Americans who are experiencing homelessness and those who may also have mental health conditions or SUDs into confinement. It redirects federal health and housing grants away from proven, community-based programs and toward policing, encampment sweeps, and mandatory treatment facilities. Agencies like HHS, SAMHSA, the U.S. Department of Housing and Urban Development (HUD), and the DOJ are instructed to reward states that enforce punitive laws against unhoused individuals, and that institutionalize people through civil commitment or court orders.

Coercive civil commitment is ineffective, dangerous, and far more costly than community-based treatment. Legal experts have urged federal, state, and local governments to reject efforts to broaden involuntary civil commitment and instead invest in voluntary, community-based supports and housing. Coercive commitment undermines recovery, damages therapeutic trust, and perpetuates harmful stereotypes, while diverting scarce public dollars away from effective long-term care. A recent policy review found that individuals who had been involuntarily committed for SUDs were twice as likely to die by overdose compared with those who had not been involuntarily committed—underscoring the risk of severe harms when coercion replaces community-based care.

Utah's state-run “involuntary treatment compound” offers a chilling preview of Trump's national vision. State leaders plan to move more than a thousand people experiencing homelessness to a remote, locked “services campus” that critics describe as “a prison, or a warehouse.” Backed by the governor and “embraced and promoted by Mr. Trump,” the plan mirrors Trump's Executive Order encouraging states to use civil commitment to clear encampments—weaponizing mental health conditions and SUDs and reviving high-cost institutions while dismantling the community-based systems that actually save lives and reduce homelessness.

Trump & Kennedy Are Supercharging Stigma Against People Living With Mental Health Conditions and SUDs

Beyond the coverage losses and program eliminations, Trump and Kennedy are advancing a national narrative that casts mental health conditions and SUDs as threats to public order, rather than health conditions requiring access to care. Their policies criminalize symptoms, promote forced confinement over voluntary treatment, and punish people with SUDs or mental health conditions for becoming ensnared in impossible administrative hurdles.

The administration is reviving discriminatory policies—from visa denials to attacks on school-based mental-health care—that treat mental health conditions as a threat. Examples of this stigmatizing worldview are showing up across federal policy. The Trump Administration moved to deny visas to immigrants with chronic health conditions—including depression—framing mental health conditions as a public-safety risk rather than a treatable medical issue. At the same time, Trump and Kennedy are attacking school-based mental health supports, arguing that universal screenings and counseling “medicalize” normal child behavior and create stigma. Trump also cut \$1 billion in federal grants used to hire school-based mental

and behavioral health supports in school districts across the country, despite widespread bipartisan support for the grants.

Trump and Kennedy are fueling fear around basic psychiatric treatments by targeting drugs used to treat mental health conditions like depression. Immediately after Kennedy's confirmation, Trump ordered a federal investigation into the supposed "threat" posed by selective serotonin reuptake inhibitors (SSRIs), antipsychotics, stimulants, and other psychiatric medications—legitimizing [Kennedy's long-debunked claims falsely linking antidepressants to school shootings](#) and his [reckless practice](#) of calling people who take ADHD medications, SSRIs, or even prescribed opioids "addicts." Since antidepressants are one of the most frequently prescribed medications, with [13.2%](#) of people taking them, the order triggered widespread panic. Patients who rely on these medications to stay stable and safe were worried they would no longer be able to fill their prescriptions, and clinicians warned that even hinting at restricting antidepressants could "cause mass tragedies." By portraying evidence-based treatments as dangerous and framing children on medication as victims of government overreach, the administration is stigmatizing care that millions depend on and undermining public trust in mental-health treatment itself.

Together, these policies not only block access to care—they reinforce stigma, erode dignity, and push Americans deeper into crisis, sending a dangerous message that mental health needs are moral failings rather than medical conditions deserving compassion and treatment.

Immediate Harms

- **America's Most Vulnerable Will Lose Necessary Behavioral Health Coverage:** Experts project that a significant number of low-income adults with SUD and mental health conditions will lose their health insurance coverage in 2026 and beyond due to Trumpcare's Medicaid and ACA cuts, risking treatment interruption and overdose.
- **Kennedy has Decimated The Behavioral Health Workforce:** HHS's 20,000-position reduction and restructuring have diminished federal capacity across HHS with disproportionate impacts at SAMHSA at the very moment overdose deaths remain a leading cause of death for adults.
- **Trump's Attacks on Harm Reduction Will Kill People and Increase Costs:** Trump's directive to defund harm reduction and pursue civil and criminal actions against certain grantees has injected uncertainty into evidence-based harm reduction programs and overdose prevention pilots, despite historic CDC and HHS guidance that these are life- and cost-saving interventions.

Long-Term Consequences

- **Involuntary Commitment Will Make The Crisis Worse:** Evidence and federal reviews warn that involuntary commitment of people with mental health conditions can degrade

trust, depress engagement, and also fail to consistently improve outcomes, while raising costs relative to community-based mental health care.

- **Stigma Will Deter People From Treatment:** Trump and Kennedy's moralistic attacks on people with mental health conditions and SUDs, including children, will prevent generations of Americans from seeking treatment, leading to worse health and inter-generational suffering.
- **The Economy Will Suffer:** With the opioid crisis costing nearly \$3 trillion and workforce participation still dampened by untreated behavioral health conditions, Republican policies that undermine access to mental health care will worsen productivity losses and increase taxpayer costs. In addition, Trumpcare's historic health care cuts and coverage loss will shift costs to states, forcing states to cut funding for health, nutrition, education, public safety, and more.

Bottom Line: Trump, Kennedy, and Congressional Republicans Push Partisan Punishment Over The Health Of The Nation

Democrats support voluntary, evidence-based behavioral health care, including harm reduction, crisis services, school-based mental health services, integrated community treatment, and housing—approaches that save lives and taxpayer dollars. The Republican agenda does the opposite: it criminalizes chronic illness, expands coercive institutionalization, and yanks coverage and care from millions through red tape requirements and historic health care cuts. The result will be higher mortality, worse health care outcomes, and greater costs for states and taxpayers.