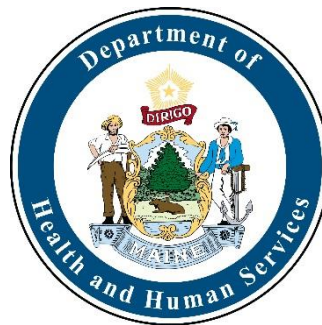


Impacts of Recent Federal Actions on Services Provided by Maine DHHS

Commissioner Sara Gagné-Holmes

April 11, 2025



Grant Terminations - Overview

- March 24 & 25, 2025, the federal government notified DHHS that 4 Maine Center for Disease Control & Prevention (Maine CDC) and 2 Office of Behavioral Health (OBH) grants were terminated effective March 25, 2025.
- Terminated grants represents a **loss of approximately \$91M to Maine**: \$88M for CDC and \$3M for OBH.
- These grants had varying end dates ranging from June of 2025 through July of 2027.
- Impacted **at least 70 vendors** with contracts partially or fully funded with terminated grants.
- **40 contracted staff** at Maine CDC, as well as staff working for vendors on now-terminated grants.

Grant Terminations - Impacts

- Compromises Maine's ability to: respond to diseases outbreaks; maintain vaccine availability; address health disparities, including rural health workforce initiatives (i.e., the rural clinical preceptor network); support community-based health care workforce efforts (i.e., expand and deploy community health workers)
- Undermines and risks critical planned investments in mental health and substance use disorder services

Grant Terminations – Maine CDC

Immunization Cooperative Agreement (~\$25M)

- The remaining funds were intended to be used in the continued effort to increase vaccine access and confidence as well as bolster Maine's capacity to respond to outbreaks of vaccine preventable disease and build sustainability in the public health infrastructure and workforce. The funding was also intended to be used to support the state Immunization Information System (IIS)
- Termination of these funds impact: existing contractual obligations that support contracted staff; community-based organizations, supports and enhancements for the IIS; vaccine education; limits outbreak response capabilities, including COVID investigations in hospitals, group homes, and nursing facilities; and limits capacity for case investigation for many populations.

Grant Terminations – Maine CDC

Epidemiology and Laboratory Capacity (ELC) (~\$58M)

- Remaining funds were intended to build infrastructure, support technology costs, improve informatics, build data automation, build interoperability, expand health education, respond to healthcare professionals and the public, perform surveillance and data analytics, build data dashboards, support the public health laboratory modernization, and support emergency preparedness.
- ELC is a major funder of the Me CDC's infectious disease epidemiology program (including informatics), public health laboratory, and the healthcare epidemiology team.
- Termination of these funds impacts: contracted staff; infrastructure such as servers and data analytics software; needed upgrades to data systems such as the national electronic disease surveillance system, syndromic surveillance, and real time hospital bed availability; and education outreach campaigns, including printed materials.

Grant Terminations – Maine CDC

Maine's Initiative to Address COVID-19 Health Disparities Among Populations at High Risk and Underserved, Including Racial and Ethnic Minority Populations and Rural Communities. (~ \$4.8M)

- Initiatives focused on data collection, management, analysis, and reporting, increased community and cross-sectoral partnerships, and expanded workforce strategies to address health disparities in Maine,
- Termination of these grants impacts: the effective expansion of the rural clinical preceptors network, which is focused on expanding workforce in rural areas; projects intended to sustain rural school-based health centers statewide will be prevented from moving forward; and staffing capacity across the Office of Population Health Equity within the Maine CDC was abruptly reduced.

Grant Terminations – Maine CDC

Community Health Care Workers (CHW) for Public Health Response and Resilient Communities. (~\$281k)

- This grant provided funding to community health worker (CHW) agencies to build CHW infrastructure. Many sub-recipients used the funding to establish CHW-specific departments, implement structured workflows, and improve leadership capacity. These efforts enhanced operational efficiency and increased the reach of community health programs.
- The majority of the remaining funding was for direct services focused on asthma management.
- Termination of these funds impacts approximately fifty individuals receiving asthma management.

Grant Terminations – OBH

American Rescue Plan Act (ARPA) of 2021 funding for the Community Mental Health Block Grant (MHBG). (~\$1.69M)

- Investments were made to expand Coordinated Specialty Care services for early intervention for psychotic disorders and to support treatment and psychoeducation and evidenced based crisis intervention models as well to include adult crisis receiving and supportive short term stabilization sites.
- These funds have also been supporting increased access to services for Maine people with serious mental illness (SMI) and/or serious emotional disturbance (SED) and training to support implementation of High-Fidelity Wraparound services for qualifying children.
- With the termination of this funding, the potential for early intervention is decreased, likely resulting in and escalating crises, increased law enforcement involvement, and more frequent and long inpatient hospitalization for affected patients.

Grant Terminations – OBH

Substance Abuse Prevention and Treatment (SABG) Block Grant Program. (~\$1.28M)

- This funding supported no-cost training to clinicians in children's residential treatment programs in the Adolescent Community Reinforcement Approach (A-CRA), the establishment / expansion of medically assisted detoxification and/or residential treatment services, and the establishment / expansion of projects to facilitate low-barrier access to medications for opioid use disorder
- It also supported Primary Prevention activities, including addressing gaps in prevention interventions among high priority populations, implementing screening for substance use issues among youth and young adults, and expanding secondary prevention services through community partners.
- The termination of funds impacts programs intended to reduce substance use among youth, increase access to critical substance use services, and continue to reduce drug-related morbidity and mortality.

Grant Terminations – Litigation

On April 1, Maine signed on to multistate litigation challenging the termination of these grants. This litigation alleges that the terminations are unconstitutional as they violate separation of powers and the "take care" provisions of the constitution by U.S. HHS' refusal to execute laws duly enacted by Congress. Additionally, it alleges that U.S. HHS acted beyond the scope of its authority as well as arbitrary and capriciously when it terminated these grants.

On April 3, the federal district judge indicated from the bench that a Temporary Restraining Order (TRO) would be granted. The judge signed the TRO on April 5, 2025, and set the hearing for the preliminary injunction motion for April 17.

On April 7, U.S. HHS entered a Motion for Reconsideration of the TRO.

Although the TRO requires the U.S. HHS to reinstate the funding until the preliminary injunction hearing can be held, it is temporary as the case hasn't been decided on the merits at this time and the litigation is ongoing.

U.S. HHS Restructuring

- March 27, 2025: U.S. HHS announced a significant restructuring including:
 - The current 82,000 full-time employees will be reduced to 62,000
 - 28 divisions will be consolidated to 15
 - 10 regional offices will become 5
- New Administration for a Healthy America (AHA) which will, among other changes:
 - Combine Health Resources and Services Administration (HRSA) and Substance Abuse and Mental Health Services Administration (SAMHSA) and a number of other divisions
 - Dissolve Administration for Community Living (ACL) which oversees services for older adults and people with disabilities into other agencies including Administration for Child and Families (ACF) and Centers for Medicare and Medicaid Services (CMS)

Press release: <https://www.hhs.gov/about/news/hhs-restructuring-doge.html>

Fact Sheet: <https://www.hhs.gov/press-room/hhs-restructuring-doge-fact-sheet.html>

U.S. HHS Restructuring - Impact

- Impact of Regional Office Closure
 - Region 1 (Boston), which serves Maine, is one of the 5 regional offices eliminated.
 - Regional Offices provide significant guidance to states on the administration of critical services like child care and head start, child welfare, child support, TANF, SNAP, licensing, and more.
 - There has been limited guidance on who Maine's regional contacts will be.

U.S. HHS Restructuring - Impact

- Some of the early changes relevant to our work include elimination or significant reduction of federal teams, including:
 - At US CDC: BOLD Grant (dementia work), Lead Poisoning Prevention, Oral Health, HIV prevention, Pregnancy Risk Assessment Monitoring System (PRAMS)
 - Low-income Heating Assistance Program
 - Social Services Block Grant
- States have many mirror image programs, some federally required, and these changes create significant uncertainty regarding the future of the state programs

Ripple Effects on Maine DHHS

- Contract Management
 - Over 70 vendor communications and forthcoming contract amendments from first tranche of federal grant cuts has and will require significant time, which pulls away from other work including new and ongoing RFPs, contract negotiations, vendor payments, etc.
- Program Management
 - Determining essential services and reassessing prioritization of work, requiring additional administrative resources to fill gaps created by federal changes
- Staff Morale
 - I am fielding daily questions from state staff about the impacts on their work and livelihoods. Lack of clarity makes it difficult to identify and communicate a path forward for these dedicated workers.

Discussion

