HHS Reorganization and Reductions: Explaining the State of Play

September 15, 2025

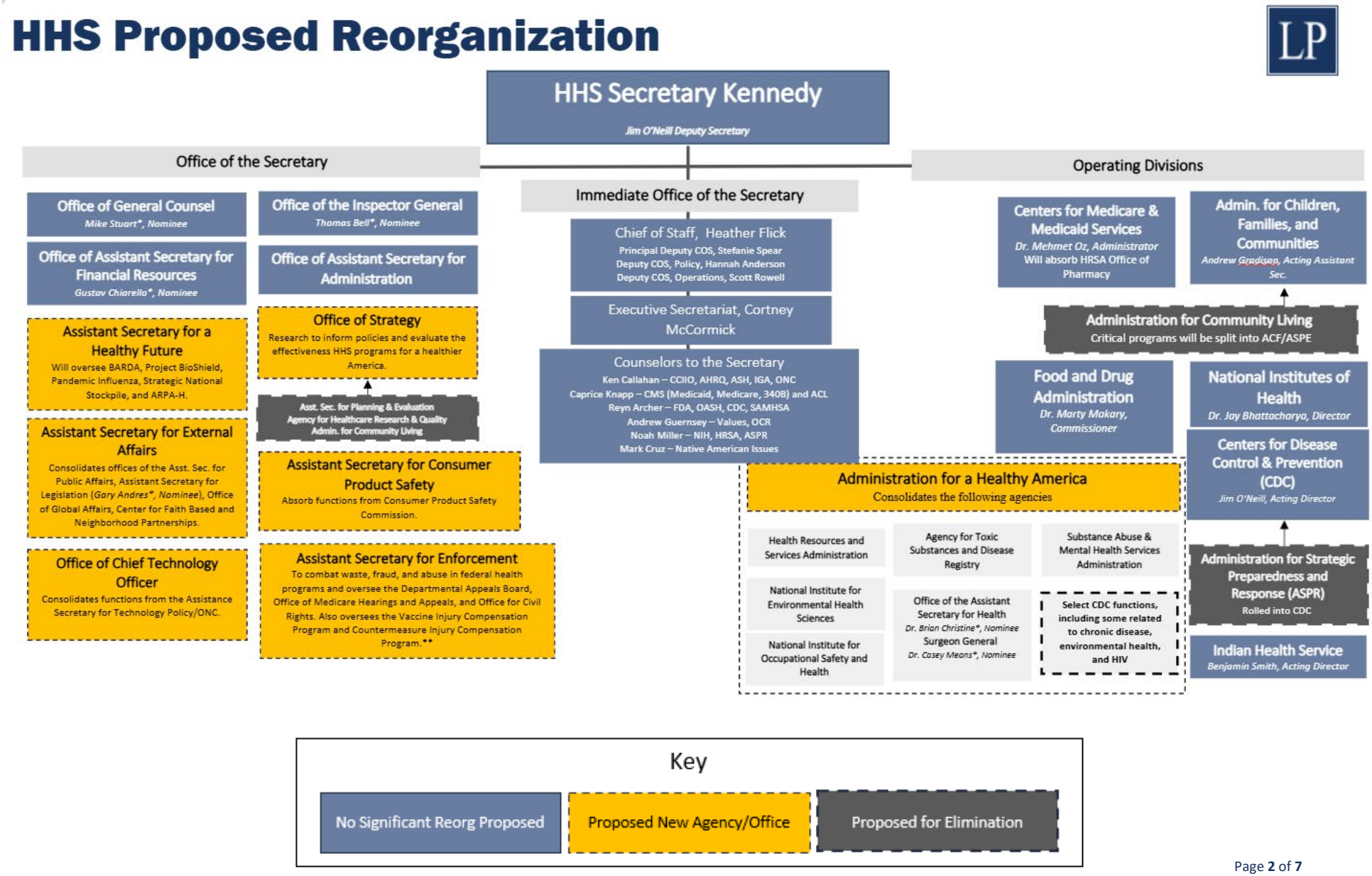
Overview

During the first six months of 2025, the Trump administration announced numerous changes impacting programs and activities supported by the Department of Health and Human Services (HHS), including reorganizations and staff reductions. These changes remain in varying stages of implementation, creating uncertainty for stakeholders engaged in efforts to improve the health and wellbeing of Americans. This issue brief provides an overview of the current status of the reorganization and Reductions in Force (RIF) at HHS to help funders understand the impact on their work and engage in the current policy landscape.

HHS Reorganization

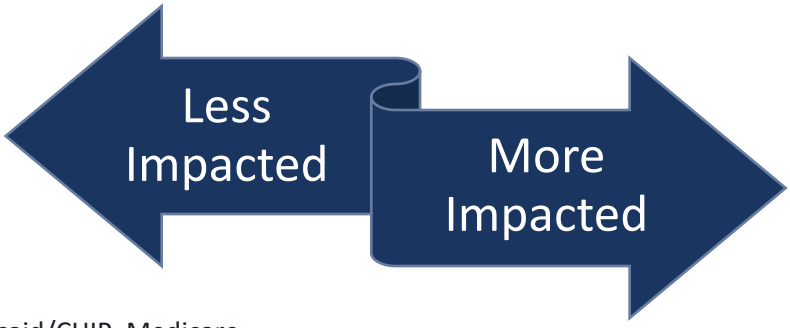
In response to executive orders intended to reduce the size of the federal government; reduce spending; eliminate programs and activities related to diversity, equity, and inclusion (DEI); and advance Secretary Robert F. Kennedy, Jr.'s Make America Healthy Again (MAHA) agenda, HHS proposed a reorganization of the department on March 27, 2025. The reorganization would consolidate several agencies and offices and centralize human resources, information technology, procurement, external affairs, and policy functions of the department.

The following organizational chart shows the administration's proposed structure of HHS:



As depicted above, the reorganization of HHS would:

- involve creating a new Administration for a Healthy America (AHA), which would comprise activities currently housed in the Health Resources and Services Administration (HRSA), the Substance Abuse and Mental Health Services Administration (SAMHSA), and other existing entities within HHS. The new AHA would consolidate several existing programs and activities from multiple agencies into one agency with six areas of focus: primary care, maternal and child health, mental health, environmental health, HIV/AIDS, and workforce development. Within these six areas of focus, AHA would support existing programs such as community health centers; the 988 suicide and crisis hotline; poison control centers; and the Substance Use Prevention, Treatment, and Recovery Services Block Grant.
- eliminate the Administration for Community Living (ACL), which administers Older Americans Act programs and grants, and would move those activities into the Administration for Children and Families (ACF) under a new name.
- fold the Administration for Preparedness and Response (ASPR) into the Centers for Disease Control and Prevention (CDC). The reorganized CDC would focus on preparedness and response to infectious diseases, and current programs and entities within CDC that address issues like maternal health, substance use prevention, and environmental health would either be eliminated or moved into the new AHA.



- CMS (Medicaid/CHIP, Medicare, Insurance Coverage)
- Food and Drug Administration (FDA)
- Indian Health Service (IHS)

- CDC programs addressing chronic diseases could be eliminated
- ACL Older Americans Act programs would be moved under different leadership)
- SAMHSA programs would be moved under different leadership and many programs could be eliminated
- HRSA programs such as Ryan White HIV/AIDS programs, community health centers, and programs to support recruitment of health care providers would be under different leadership

In addition to the reorganization, HHS announced the closure of regional offices in Boston, New York, Chicago, San Francisco, and Seattle. Regional offices include staff from various HHS agencies that generally work on regional, state, and local health issues, including regional minority health and regional women's health analysts, emergency coordinators, and liaisons for ACF, ACL, SAMHSA and IHS grant programs and activities.

The reorganization has largely not been formally implemented (note: see below for more information on how the RIFs have impacted many functions that HHS proposed to reorganize) and is the subject of ongoing litigation. As of September 2, 2025, several legal challenges to the reorganization remain active. Several courts have issued preliminary injunctions halting specific aspects of the reorganization, including the dissolution of certain agencies and the suspension of grantmaking activities.

The Trump administration included the proposed reorganization in the President's Budget request for fiscal year 2026, which starts on October 1, 2025, but Congress does not have to follow the President's budget request. In fact, the Senate Appropriations Committee, the Senate committee responsible for providing discretionary funding (excluding Medicare, Medicaid, Social Security, etc.) recently voted to approve legislation providing fiscal year 2026 funding for HHS that does not implement the proposed reorganization. The House and Senate still need to agree on funding for FY 2026, but since appropriations legislation requires at least 60 votes in the Senate, it is unlikely there will be a bipartisan agreement on FY 2026 funding that includes the changes proposed by the Trump administration.

Implications of the Reorganization:

Significant questions remain on HHS' existing statutory authority to implement the reorganizations and will be impacted by the ongoing litigation. It is challenging to anticipate the implications of the reorganization at this time; however, if implemented, it could result in certain functions that currently have their own agency, like older adults and people with disabilities (ACL) and behavioral health (SAMHSA) receiving less attention from HHS leadership. Reorganizations can also provide an opportunity for emphasizing certain health priorities, like addressing chronic diseases. While in some cases, improved coordination could occur, the reorganization could also make it more difficult for certain functions to collaborate, such as environmental health activities in AHA and public health prevention at CDC.

What Can Funders Do:

- Funders and other stakeholders can also bring these concerns to Congress to raise awareness and build support for preserving critical activities and staff functions.
- Funders should watch for additional details from HHS on which offices and activities may be under different leadership or may be prioritized or de-emphasized in the

restructuring. These changes can inform future funding priorities for the department, as well as areas that could have decreased emphasis at the federal level.

- Stakeholders can work with agency staff to identify essential functions that must be preserved—regardless of which agency they fall under—to help prevent them from being lost during a reorganization.

Reductions in Force

HHS' workforce and stakeholders have also been significantly impacted by reductions in staff that are employed by the department. The Trump Administration sent deferred resignation options for employees, terminated employees in a probationary period, and then commenced a reduction-in-force ("RIF" or layoffs) of nearly 10,000 federal employees. The Administration said it intended to reduce total HHS personnel from 82,000 to 62,000 (approximately a 25 percent reduction) through these actions. The termination of probationary employees included individuals who had been recently hired, as well as many individuals who had recently been promoted.

Shortly before commencing the broader RIFs, HHS said the layoffs would impact:

- 18 percent of the CDC,
- 15 percent of the FDA,
- 6 percent of NIH, and
- 4 percent of the CMS.

Many of the layoffs impacted agency functions and programs that the Trump administration proposed for reorganization or eliminated. Reports and social media posts suggest that RIF notices appear to have affected communications, Freedom of Information Act (FOIA) compliance, equal opportunity employment, and policy functions. Other programs related to health equity, minority health, mental health and substance use disorders, and chronic conditions were also reportedly impacted by layoffs. News reports also indicated that the RIFs significantly impacted centers and programs at CDC that focus on chronic diseases, occupational health, injury prevention, and health equity. For example, it was reported that all staff from the CDC Offices of Health Equity, and Smoking and Health were laid off.

Although many staff at CDC's center addressing occupational health were laid off, some of the employees were reinstated, such as some employees that worked on programs related to coal mining research and the World Trade Center Health Program, which provides health care for 9/11 first responders. Beyond the RIFs, CDC leadership has been significantly impacted in recent weeks by the firing of Dr. Susan Monarez, who was the CDC Director for less than a month, and the resignation of four senior career staff at CDC. Dr. Monarez's dismissal was reportedly related to her refusal to approve the recommendations of the Advisory Committee on Immunization Practices (ACIP) and to fire several agency officials as requested by HHS Secretary Robert F.

Kennedy, Jr. Following these departures, Jim O'Neill is the acting CDC Director, in addition to being the HHS Deputy Secretary. These actions are expected to be the subject of congressional oversight, as the Senate confirmed Dr. Monarez to be the CDC Director about a month before she was fired.

The RIFs also impacted staff in HHS regional offices that are being closed. As discussed in the section on the proposed reorganization, HHS regional offices are intended to ensure the Department maintains close contact with state, local, and tribal partners and address the needs of communities and individuals served through HHS programs and policies.

Like the reorganization, the RIFs have been subject to ongoing litigation. On July 8, the Supreme Court overturned a preliminary injunction from the U.S. District Court for the Northern District of California that prevented widespread RIFs within HHS. This order allowed a significant number of RIFs to proceed while litigation on the legality of the action continues in the lower courts. The administration carried out many of the RIFs on July 14.

However, certain RIFs cannot proceed due to a separate injunction, which was issued in July by a U.S. District Court for the District of Rhode Island., The injunction prevents RIFs of employees within the CDC's National Center for HIV, Viral Hepatitis, STD, and Tuberculosis Prevention; the Division of Reproductive Health; the National Institute for Occupational Safety and Health; the Office on Smoking and Health; National Center for Environmental Health, and the National Center on Birth Defects and Developmental Disabilities, as well as the Head Start Office, the Center for Tobacco Products, and ASPE's Division of Data and Technical Analysis. As a result, while many of the RIFs were finalized, some HHS staff remain in limbo.

Implications of Workforce Reductions:

HHS has not released specific information on the impact of the staffing reduction efforts on specific programs and activities, including which staff may have been rehired. For this reason, it is difficult to accurately anticipate the full scope of the impacts on specific activities.

As a result of the workforce reductions, agency staff that grantees have worked with in the past may no longer be employed at the department, and the reduction in the number of staff could result in delays in carrying departmental activities, such as awarding grants, publicly sharing information, holding public meetings, offering technical assistance to grantees, answering grant-related questions, and communicating with stakeholders. The RIFs have also likely resulted in the remaining staff having additional work.

Additionally, many of the impacts of the RIFs may not be immediately felt, such as a loss of staff with public health expertise and experience responding to natural disasters. However, these impacts could be acutely felt during disease outbreaks or emergencies.

What Funders Can Do:

- Opportunities to reinstate staff impacted by RIFs are limited. However, some stakeholders have filed lawsuits. There have also been reports of some staff being re-instated due to impacts on the department's ability to carry out critical functions, such as inspections of food and drug facilities. Funders can share information with the public, media, and policymakers on health care disruptions caused by the RIFs.
- Stakeholders will need to identify new connections to HHS staff involved with grants and waivers and other department activities. Due to the closure of several regional offices, these individuals could also be located further away, making HHS staff less able to make local site visits and less understanding of local conditions and needs.

Conclusion

The Trump administration is taking steps to substantially change the size, scope, and role of the federal government and the funding that it provides to states, local governments, and other partners. Understanding the changes can also help stakeholders navigate HHS priorities and programs, including gaps or delays in federal funding sources impacting partners, as well as potential funding opportunities. Staying abreast of current developments will also allow funders to anticipate the impact of these changes and more effectively express concerns and propose solutions to policymakers at HHS and in Congress during a critical time for impacting organizational, staffing, and funding decisions.