



Trump Administration Slashes, Then Restores, Mental Health and Substance Use Grants

Grants to hundreds of organizations, including many serving people with HIV and hepatitis C, were restored after protest from legislators and advocates.

January 16, 2026 By [Liz Highleyman](#)

The Trump administration this week rescinded nearly \$2 billion in grants for mental health and substance use services funded through the Substance Abuse and Mental Health Services Administration (SAMHSA). But grant recipients and advocates barely had time to digest the news before the Department of Health and Human Services (DHHS) backtracked and restored the cuts late on Wednesday.

While DHHS did not issue a press release announcing the cuts or their rationale, several grant recipients told reporters that they had received letters late Tuesday night saying their funding was cancelled because their work did not align with agency priorities.

After decades of bipartisan support, SAMHSA abruptly issued letters and actions cancelling Congressionally-appropriated grants for lifesaving mental health and substance use programs.

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— Mental Health America (@MentalHealthAm) [January](#)

[14, 2026](#)

The grants, awarded to some 2,000 organizations in red as well as blue states, covered areas such as medication-assisted treatment for opioid addiction, peer recovery support, overdose prevention, harm reduction, suicide prevention and services for homeless people and those leaving prison. Several were specifically for services for people living with or at risk for HIV or hepatitis C.

In July, President Donald Trump [issued an executive order](#), Ending Crime and Disorder on American Streets, that called for involuntary commitment of people experiencing homelessness, mental illness and substance use disorders, and directed SAMHSA to not fund harm reduction or safe drug consumption efforts. Like many federal health agencies, SAMHSA—which is currently without a permanent leader—has seen a dramatic reduction in its staff and budget.

[STAT reported](#) that agency staff were not aware of the cuts, which were not planned in consultation with the staff or announced internally, according to a high-level source at SAMHSA.

The cuts were roundly criticized by professional organizations, legislators and advocates. A hundred members of the House of Representatives—including some Republicans—issued a letter to Health and Human Services Secretary Robert F. Kennedy Jr. condemning the cuts and demanding justification for them.

“The abrupt termination of Substance Abuse and Mental Health Services Administration grants supporting mental health and substance use services for people with HIV and hepatitis C in communities across America will have far-reaching health and economic consequences,” Anna Person, MD, chair of the HIV Medicine Association, said in [statement](#). “Eroding our country’s mental health and substance use prevention and treatment infrastructure will lead to a dramatic rise in HIV and hepatitis C transmissions and many more HIV and hepatitis C outbreaks. The withdrawal of this funding puts people’s lives at risk and will lead to a dramatic rise in health care costs as more people require HIV and hepatitis C treatment. We call for the immediate reinstatement of all of the SAMHSA grants.”

“Overnight cuts to thousands of programs nationwide are nothing short of catastrophic, placing millions of Americans with unmet mental health and substance use disorder needs at even greater risk,” American Psychiatric Association president Theresa Miskimen Rivera, MD, said in a [separate statement](#).

After the outcry, DHHS walked back the cuts less than 24 hours later. Opponents of the cuts welcomed restoration of the grants, but criticized the administration’s attempted end run around Congress, which has authority over federal spending.

“These are cuts [Secretary Kennedy] should not have issued in the first place. He must be cautious when making decisions that will impact Americans’ health,” House Appropriations Committee Rep.

Rosa DeLauro (D-Connecticut) said in a [statement](#). “Our policy must be thoughtful—not haphazard and chaotic. This episode has only created uncertainty and confusion for families and healthcare providers. I hope this reversal serves as a lesson learned. Congress holds the power of the purse, and the Secretary must follow the law.”

“The Save HIV Funding campaign applauds the rapid response of stakeholders and members of Congress across the country who prioritize access to effective substance use and mental health services,” Maxx Boykin said in [a statement on behalf of the coalition](#). “We appreciate the administration’s quick reversal, but let’s be clear: these services are essential to preventing HIV and supporting people living with HIV and many others. We will never back down from defending these and other HIV services.”