

119TH CONGRESS  
1ST SESSION

# H. R. 2223

To authorize the Secretary of Health and Human Services to make loans, loan guarantees, and grants for purchasing, planning, constructing, or renovating pediatric or adult mental health treatment facilities and pediatric or adult substance use disorder treatment facilities, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2025

Ms. SALINAS (for herself and Ms. BALINT) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To authorize the Secretary of Health and Human Services to make loans, loan guarantees, and grants for purchasing, planning, constructing, or renovating pediatric or adult mental health treatment facilities and pediatric or adult substance use disorder treatment facilities, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Building Capacity for  
5       Care Act”.

1 **SEC. 2. LOANS AND LOAN GUARANTEES.**

2 Part P of title III of the Public Health Service Act  
3 is amended by inserting after section 399V–7 of such Act  
4 (42 U.S.C. 280g–17) the following:

5 **“SEC. 399V–8. LOANS, LOAN GUARANTEES, AND GRANTS**  
6 **FOR PURCHASING, PLANNING, CON-**  
7 **STRUCTING, OR RENOVATING ELIGIBLE FA-**  
8 **CILITIES FOR PEDIATRIC OR ADULT MENTAL**  
9 **HEALTH AND SUBSTANCE USE DISORDER**  
10 **SERVICES.**

11 “(a) IN GENERAL.—The Secretary may—

12 “(1) make loans, loan guarantees, or grants to  
13 eligible entities for the purpose of—

14 “(A) purchasing, constructing, or ren-  
15 ovating, including planning the purchase, con-  
16 struction, or renovation of, a pediatric or adult  
17 mental health treatment facility or a pediatric  
18 or adult substance use disorder treatment facil-  
19 ity;

20 “(B) improving digital infrastructure, tele-  
21 health capabilities, or other patient care infra-  
22 structure at such a facility; or

23 “(C) adding, or converting beds to, adult,  
24 adolescent, or pediatric psychiatric and sub-  
25 stance use inpatient beds at such a facility; and

1 “(2) subject to subsection (f), make loans and  
2 loan guarantees for refinancing loans that were  
3 made for such purpose to an eligible entity.

4 “(b) ELIGIBLE ENTITIES.—An entity shall be eligible  
5 to receive a loan, loan guarantee, or grant under this sec-  
6 tion if—

7 “(1) such entity is a public, private for-profit,  
8 and private not-for-profit—

9 “(A) hospital, including a general acute  
10 hospital, psychiatric hospital, critical access  
11 hospital, rural emergency hospital, sole commu-  
12 nity hospital, children’s hospital, or other hos-  
13 pital as specified by the Secretary;

14 “(B) substance use disorder treatment fa-  
15 cility;

16 “(C) mental health treatment facility;

17 “(D) facility that employs licensed mental  
18 health and substance use disorder professionals,  
19 such as child and adult psychiatrists, child and  
20 adult psychologists, advanced practice nurses,  
21 social workers, licensed professional counselors,  
22 or other licensed professionals that provide  
23 mental health or substance use disorder services  
24 to pediatric or adult patients;

1           “(E) alliance of hospitals or facilities listed  
2           in any of subparagraphs (A), (B), (C), or (D);  
3           and

4           “(F) health care facility, as determined by  
5           the Secretary; and

6           “(2) such entity proposes to purchase, con-  
7           struct, or renovate a pediatric or adult mental health  
8           treatment facility, or a pediatric or adult substance  
9           use disorder treatment facility, that will—

10           “(A) increase the number of pediatric, ado-  
11           lescent, or adult psychiatric beds or pediatric,  
12           adolescent, or adult substance use disorder beds  
13           in a county that has insufficient psychiatric or  
14           substance use disorder treatment bed capacity;

15           “(B) provide mental health or substance  
16           use disorder services in a high-need rural or  
17           underresourced community;

18           “(C) provide multiple services across the  
19           continuum of mental health or substance use  
20           disorder care; or

21           “(D) have the capacity to provide inte-  
22           grated or specialized mental health and sub-  
23           stance use disorder care for complex cases or  
24           patients with medical co-morbidities.

1       “(c) APPLICATION.—An eligible entity seeking a loan,  
2 loan guarantee, or grant under this section shall submit  
3 to the Secretary an application at such time and in such  
4 manner as the Secretary may specify. Such application  
5 shall contain the proposal of the entity to purchase, con-  
6 struct, or renovate a pediatric or adult mental health  
7 treatment facility, or a pediatric or adult substance use  
8 disorder treatment facility (as described in subsection  
9 (b)(2)) and such other information as the Secretary may  
10 specify.

11       “(d) GEOGRAPHIC PREFERENCE FOR GRANTS.—In  
12 making grants under this section, the Secretary shall give  
13 preference to eligible entities located in—

14               “(1) a mental health professional shortage area,  
15 as designated under section 332;

16               “(2) a county (or a municipality, if not con-  
17 tained within any county) where the mean drug  
18 overdose death rate per 100,000 people over the past  
19 3 years for which official data is available from the  
20 State, is higher than the most recent available na-  
21 tional average overdose death rate per 100,000 peo-  
22 ple, as reported by the Centers for Disease Control  
23 and Prevention; or

24               “(3) a county (or a municipality, if not con-  
25 tained within any county) where the mean suicide

1 rate per 100,000 people over the past 3 years for  
2 which official data is available from the State, is  
3 higher than the most recent available national aver-  
4 age suicide rate per 100,000 people, as reported by  
5 the Centers for Disease Control and Prevention.

6 “(e) TERMS AND CONDITIONS.—Loans and loan  
7 guarantees under this section shall be made on such terms  
8 and conditions as the Secretary may prescribe, subject to  
9 the provisions of this section including the following:

10 “(1) The Secretary may allow credit to a pro-  
11 spective borrower only where—

12 “(A) it is necessary to increase the number  
13 of psychiatric or substance use disorder treat-  
14 ment facilities to enhance the public’s access to  
15 a comprehensive continuum of mental health  
16 and substance use disorder services; and

17 “(B) a credit subsidy is the most efficient  
18 way to achieve such increase (on a borrower-by-  
19 borrower basis).

20 “(2) The final maturity of loans made or guar-  
21 anteed under this section shall not exceed a period  
22 of 20 years, or the period of 50 percent of the useful  
23 life of any physical asset to be financed by the loan,  
24 whichever is less, as determined by the Secretary.

1           “(3) The Secretary may not make a loan guar-  
2           antee under this section, with respect to any bor-  
3           rower, in excess of 80 percent of any potential loss  
4           on the loan.

5           “(4) The Secretary may not make any loan or  
6           loan guarantee under this section if the loan will be  
7           subordinated—

8                   “(A) to another debt contracted by the  
9                   borrower; or

10                   “(B) to any other claims against the bor-  
11                   rower in the case of default.

12           “(5) The Secretary may not make any loan  
13           guarantee under this section unless the Secretary  
14           determines that—

15                   “(A) the lender is responsible; and

16                   “(B) adequate provision is made for serv-  
17                   icing the loan on reasonable terms and pro-  
18                   tecting the financial interest of the United  
19                   States.

20           “(6) The Secretary may not make any loan  
21           guarantee under this section if the income from the  
22           loan will be excluded from gross income for purposes  
23           of chapter 1 of the Internal Revenue Code of 1986.

24           “(7) The Secretary may not make any loan or  
25           loan guarantee under this section unless—

1           “(A) the loan and interest supplements on  
2           any loan guarantee will be at an interest rate  
3           that is set by reference to a benchmark interest  
4           rate on marketable Treasury securities with a  
5           similar maturity to the loan being made or  
6           guaranteed; and

7           “(B) the minimum interest rate on the  
8           loan—

9                   “(i) will be no less than the estimated  
10           cost to the Government of making the loan  
11           plus 1 percent, with the goal of keeping  
12           the interest rate below the interest rate of  
13           a comparable and competitive private sec-  
14           tor benchmark financial instrument; and

15                   “(ii) will be adjusted, as determined  
16           by the Secretary, every quarter to take ac-  
17           count of changes in the interest rate of the  
18           benchmark financial instrument.

19           “(8) The Secretary may not make any loan or  
20           loan guarantee under this section unless—

21                   “(A) fees or premiums on the loan or loan  
22           guarantee and corresponding insurance cov-  
23           erage will be set at levels that minimize the cost  
24           to the Government (as defined in section 502(5)  
25           of the Federal Credit Reform Act of 1990) of



1 insuring such loan or loan guarantee, while sup-  
2 porting achievement of enhancing the public's  
3 access to a comprehensive continuum of mental  
4 health and substance use disorder services, in-  
5 cluding increasing the number of inpatient psy-  
6 chiatric and substance use disorder bed counts  
7 in areas with insufficient bed capacity;

8 “(B) the minimum guarantee fee or insur-  
9 ance premium imposed by the Government will  
10 be no less than the level sufficient to cover all  
11 of the estimated costs to the Government of the  
12 expected default claims, plus one percent; and

13 “(C) loan guarantee fees imposed by the  
14 Government will be reviewed every six months  
15 to ensure that the fees imposed on new loan  
16 guarantees are at a level sufficient to satisfy  
17 subparagraph (B) based on the most recent es-  
18 timates of such costs.

19 “(9) The provisions of any loan guarantee  
20 under this section shall state that the guarantee is  
21 conclusive evidence that—

22 “(A) the guarantee has been properly ob-  
23 tained;

24 “(B) the underlying loan qualified for the  
25 guarantee; and

1           “(C) except in the case of fraud or mate-  
2           rial misrepresentation by the holder of the loan,  
3           the guarantee will be presumed to be valid,  
4           legal, and enforceable.

5           “(10) The Secretary may not make any loan or  
6           loan guarantee under this section unless—

7                   “(A) the borrower finances at least 25 per-  
8                   cent of the funded project from other sources;  
9                   and

10                   “(B) the borrower uses funds that were  
11                   not derived from Federal loans or loan guaran-  
12                   tees to pay the fees or premiums on the loan or  
13                   loan guarantee under this section.

14           “(11) The Secretary—

15                   “(A) shall prescribe explicit standards for  
16                   use in periodically assessing the credit risk of  
17                   new and existing direct loans and guaranteed  
18                   loans; and

19                   “(B) shall not make a loan or loan guar-  
20                   antee under this section unless the Secretary  
21                   finds that there is a reasonable assurance of re-  
22                   payment.

23           “(f) LIMITATION ON REFINANCING.—The authority  
24           vested by subsection (a)(2)—

1           “(1) authorizes making loans and loan guaran-  
2           tees only for refinancing loans that are entered into  
3           on or before the date that is 24 months before the  
4           date of enactment of the Mental, Behavioral, and  
5           Substance Use Disorder Treatment Infrastructure  
6           and Capacity Act; and

7           “(2) terminates on the date that is 24 months  
8           after such date of enactment.

9           “(g) PAYMENT OF LOSSES.—

10           “(1) DEFAULT ON GUARANTEED LOANS.—If, as  
11           a result of a default by a borrower under a loan  
12           guaranteed under this section, after the holder  
13           thereof has made such further collection efforts and  
14           instituted such enforcement proceedings as the Sec-  
15           retary may require, the Secretary determines that  
16           the holder has suffered a loss—

17           “(A) the Secretary shall pay to such holder  
18           75 percent of such loss, as specified in the  
19           guarantee contract;

20           “(B) upon making any such payment, the  
21           Secretary shall be subrogated to all the rights  
22           of the recipient of the payment; and

23           “(C) the Secretary shall be entitled to re-  
24           cover from the borrower the amount of any pay-

1           ments made pursuant to the guarantee con-  
2           tract.

3           “(2) REQUIRED ENFORCE OF FEDERAL  
4           RIGHTS.—The Attorney General of the United  
5           States shall take such action as may be appropriate  
6           to enforce any right accruing to the United States  
7           as a result of the issuance of any guarantee under  
8           this section.

9           “(3) FORBEARANCE.—Nothing in this section  
10          precludes any forbearance for the benefit of the bor-  
11          rower of a loan that is made or guaranteed under  
12          this section which is agreed upon by the parties to  
13          the loan and approved by the Secretary, provided  
14          that budget authority for any resulting cost to the  
15          Government (as defined in section 502(5) of the  
16          Federal Credit Reform Act of 1990) is available.

17          “(h) DEFINITIONS.—In this section:

18                 “(1) The term ‘children’s hospital’ means a  
19                 hospital that predominantly serves patients under  
20                 the age of 18.

21                 “(2) The term ‘critical access hospital’ has the  
22                 meaning given to such term in section 1861(mm) of  
23                 the Social Security Act.

24                 “(3) The term ‘mental health treatment facil-  
25                 ity’—

1 “(A) includes—

2 “(i) a child or adult outpatient facility  
3 that provides—

4 “(I) intensive outpatient services;

5 “(II) partial hospitalization serv-  
6 ices;

7 “(III) crisis intervention and sta-  
8 bilization; or

9 “(IV) other mental, behavioral,  
10 or emotional health services deemed  
11 appropriate by the Secretary;

12 “(ii) a hospital (including a general  
13 acute hospital, a psychiatric hospital, a  
14 critical access hospital, a rural emergency  
15 hospital, a sole community hospital, a chil-  
16 dren’s hospital, or other type of hospital as  
17 specified by the Secretary) that—

18 “(I) provides acute, short-term  
19 inpatient psychiatric treatment serv-  
20 ices or outpatient services; and

21 “(II) may include a military serv-  
22 ices program to meet the needs of ac-  
23 tive and retired military  
24 servicemembers; and

1 “(iii) a facility within or near an  
2 emergency department for providing dis-  
3 charge planning and instructions to emer-  
4 gency department patients in need of men-  
5 tal health or substance use disorder treat-  
6 ment and transfer to an appropriate men-  
7 tal health or substance use disorder treat-  
8 ment care setting; and

9 “(B) excludes a facility that provide long-  
10 term inpatient care.

11 “(4) The term ‘substance use disorder treat-  
12 ment facility’—

13 “(A) includes—

14 “(i) a child or adult outpatient facility  
15 that provides outpatient substance use dis-  
16 order services; and

17 “(ii) a hospital (including a general  
18 acute hospital, a psychiatric hospital, a  
19 critical access hospital, a rural emergency  
20 hospital, a sole community hospital, a chil-  
21 dren’s hospital, or other type of hospital as  
22 specified by the Secretary) that—

23 “(I) provides acute, short-term  
24 inpatient substance use disorder treat-

1                   ment services or outpatient services;  
2                   and

3                   “(II) may include a military serv-  
4                   ices program to meet the needs of ac-  
5                   tive and retired military  
6                   servicemembers; and

7                   “(B) excludes any facility described in  
8                   paragraph (1)(B).

9                   “(5) The term ‘psychiatric hospital’ has the  
10                  meaning given to such term in section 1861(f) of the  
11                  Social Security Act.

12                  “(6) The term ‘rural emergency hospital’ has  
13                  the meaning given to such term in section  
14                  1861(kkk) of the Social Security Act.

15                  “(7) The term ‘sole community hospital’ has  
16                  the meaning given to such term in section  
17                  1886(d)(5)(D)(iii) of the Social Security Act.

18                  “(i) FUNDING.—

19                  “(1) LIMITATIONS FOR LOANS AND LOAN GUAR-  
20                  ANTEES.—The Secretary may provide loans and loan  
21                  guarantees under this section—

22                         “(A) only to the extent or in the amounts  
23                         provided in advance in appropriation Acts; and

24                         “(B) totaling not more than \$200,000,000  
25                         for each of fiscal years 2025 through 2029.

1           “(2) AUTHORIZATION OF APPROPRIATIONS FOR  
2           GRANTS.—There is authorized to be appropriated to  
3           the Secretary to make grants under this section  
4           \$200,000,000 for each of fiscal years 2025 through  
5           2029.”.

6   **SEC. 3. MENTAL HEALTH AND SUBSTANCE USE TREAT-**  
7                           **MENT TRUST FUND.**

8           (a) ESTABLISHMENT.—There is established in the  
9           Treasury of the United States a trust fund to be known  
10          as the Mental Health and Substance Use Treatment Trust  
11          Fund (in this section referred to as the “Trust Fund”).

12          (b) DEPOSITS.—There are hereby authorized to be  
13          appropriated to the Trust Fund, to remain available until  
14          expended, amounts equivalent to any revenues from the  
15          program of loans and loan guarantees under section  
16          399V–8 of the Public Health Service Act, as added by sec-  
17          tion 2, that exceed the costs of carrying out such program.

18          (c) USE OF FUND.—Amounts in the Trust Fund  
19          shall be available, as provided by appropriation Acts, for  
20          block grants for community mental health services under  
21          subpart I of part B of title XIX of the Public Health Serv-  
22          ice Act (42 U.S.C. 300x et seq.).

○