

FEDERAL FALLOUT | 'Going to have a huge impact': Behavioral health professionals sound alarm on potential funding cuts

By Joshua Byers
jbyers@tribdem.com
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Frank Janakovic, Alternative Community Resource Program (ACRP) president and CEO, stands outside the organization's corporate office building on Market Street in downtown Johnstown on Thursday, June 5, 2025.
By Thomas Slusser
tslusser@tribdem.com

JOHNSTOWN, Pa. – Behavioral health providers are sounding the alarm regarding proposed federal cuts and the impact they may have on those who need those services.

Funding cuts could mean a decrease in Medicaid spending by more than \$720 billion over the next 10 years, as outlined in the U.S. House-passed proposed spending bill.

If Medicaid funding is changed, that could lead to roughly 7.6 million more people being uninsured, according to health care policy group KFF. Mental health grants for school districts could also be affected.

For Johnstown mental health provider Alternative Community Resource Program, cuts could lead to a decrease in operations or limiting services, ACRP President and Executive Director Frank Janakovic said.

ACRP provides 18 programs to youths in six counties, including Cambria and Somerset, with more than 270 employees. Those programs range from intensive behavioral health services and outpatient psychiatric clinics to early intervention, blended case management, family-based mental health services and in-school supports.

For the past 35 years, the program has offered assistance to the community. Janakovic said 80% to 85% of the organization's annual budget comes from Medicaid and Medicare, with the remainder made up of grants and contracts with school districts.

In 2024, ACRP served more than 6,000 people.

That's why Janakovic is concerned with the proposed slashes in federal funding. "That's going to have a huge impact, not only on ACRP ... but the people that most need it," Janakovic said.

He added that cuts would affect not just individuals, but families, too.

'Lifeline for many'

Janakovic said Medicaid is the largest payer of mental health services and substance use disorder care in the country.

The nation is still reeling from an overdose crisis as demand for behavioral health services continues to rise, especially among youth.

"Changes to our Medicaid program could jeopardize access to life-saving behavioral health care and worsen the already devastating mental health, suicide, addiction and overdose crises in rural, suburban and urban communities across Pennsylvania," according to the Pennsylvania Department of Human Services [website](#).

"Families facing serious mental health challenges or addiction could see their loved ones lose critical access to treatment and recovery supports that save lives."

Proposed adjustments may also affect "working families who are a part of the behavioral health workforce by creating more turbulence for an essential field – impacts that can extend across our economy," the department said.

According to the National Health Law Program, up to 35% of people enrolled in Medicaid have mental health conditions and more than 20% have moderate to severe conditions.

Editor's note: Federal Fallout is a Tribune-Democrat news series addressing the potential local impact of funding cuts.