

In the Senate of the United States,

December 8, 2006.

Resolved, That the bill from the House of Representatives (H.R. 6164) entitled “An Act to amend title IV of the Public Health Service Act to revise and extend the authorities of the National Institutes of Health, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 *This Act may be cited as the “National Institutes of*

3 *Health Reform Act of 2006”.*

TITLE I—NIH REFORM**SEC. 101. ORGANIZATION OF NATIONAL INSTITUTES OF HEALTH.**

(a) *IN GENERAL.*—Section 401 of the Public Health Service Act (42 U.S.C. 281) is amended to read as follows:

“SEC. 401. ORGANIZATION OF NATIONAL INSTITUTES OF HEALTH.

“(a) *RELATION TO PUBLIC HEALTH SERVICE.*—The National Institutes of Health is an agency of the Service.

“(b) *NATIONAL RESEARCH INSTITUTES AND NATIONAL CENTERS.*—The following agencies of the National Institutes of Health are national research institutes or national centers:

“(1) *The National Cancer Institute.*

“(2) *The National Heart, Lung, and Blood Institute.*

“(3) *The National Institute of Diabetes and Digestive and Kidney Diseases.*

“(4) *The National Institute of Arthritis and Musculoskeletal and Skin Diseases.*

“(5) *The National Institute on Aging.*

“(6) *The National Institute of Allergy and Infectious Diseases.*

“(7) *The National Institute of Child Health and Human Development.*

1 “(8) *The National Institute of Dental and*
2 *Craniofacial Research.*

3 “(9) *The National Eye Institute.*

4 “(10) *The National Institute of Neurological Dis-*
5 *orders and Stroke.*

6 “(11) *The National Institute on Deafness and*
7 *Other Communication Disorders.*

8 “(12) *The National Institute on Alcohol Abuse*
9 *and Alcoholism.*

10 “(13) *The National Institute on Drug Abuse.*

11 “(14) *The National Institute of Mental Health.*

12 “(15) *The National Institute of General Medical*
13 *Sciences.*

14 “(16) *The National Institute of Environmental*
15 *Health Sciences.*

16 “(17) *The National Institute of Nursing Re-*
17 *search.*

18 “(18) *The National Institute of Biomedical Im-*
19 *aging and Bioengineering.*

20 “(19) *The National Human Genome Research*
21 *Institute.*

22 “(20) *The National Library of Medicine.*

23 “(21) *The National Center for Research Re-*
24 *sources.*

1 “(22) *The John E. Fogarty International Center*
2 *for Advanced Study in the Health Sciences.*

3 “(23) *The National Center for Complementary*
4 *and Alternative Medicine.*

5 “(24) *The National Center on Minority Health*
6 *and Health Disparities.*

7 “(25) *Any other national center that, as an*
8 *agency separate from any national research institute,*
9 *was established within the National Institutes of*
10 *Health as of the day before the date of the enactment*
11 *of the National Institutes of Health Reform Act of*
12 *2006.*

13 “(c) *DIVISION OF PROGRAM COORDINATION, PLAN-*
14 *NING, AND STRATEGIC INITIATIVES.—*

15 “(1) *IN GENERAL.—Within the Office of the Di-*
16 *rector of the National Institutes of Health, there shall*
17 *be a Division of Program Coordination, Planning,*
18 *and Strategic Initiatives (referred to in this sub-*
19 *section as the ‘Division’).*

20 “(2) *OFFICES WITHIN DIVISION.—*

21 “(A) *OFFICES.—The following offices are*
22 *within the Division: The Office of AIDS Re-*
23 *search, the Office of Research on Women’s*
24 *Health, the Office of Behavioral and Social*
25 *Sciences Research, the Office of Disease Preven-*

1 *tion, the Office of Dietary Supplements, the Of-*
2 *ice of Rare Diseases, and any other office lo-*
3 *cated within the Office of the Director of NIH as*
4 *of the day before the date of the enactment of the*
5 *National Institutes of Health Reform Act of*
6 *2006. In addition to such offices, the Director of*
7 *NIH may establish within the Division such ad-*
8 *ditional offices or other administrative units as*
9 *the Director determines to be appropriate.*

10 “(B) *AUTHORITIES.*—*Each office in the*
11 *Division—*

12 *“(i) shall continue to carry out the au-*
13 *thorities that were in effect for the office be-*
14 *fore the date of enactment referred to in*
15 *subparagraph (A); and*

16 *“(ii) shall, as determined appropriate*
17 *by the Director of NIH, support the Divi-*
18 *sion with respect to the authorities described*
19 *in section 402(b)(7).*

20 “(d) *ORGANIZATION.*—

21 “(1) *NUMBER OF INSTITUTES AND CENTERS.*—*In*
22 *the National Institutes of Health, the number of na-*
23 *tional research institutes and national centers may*
24 *not exceed a total of 27, including any such institutes*
25 *or centers established under authority of paragraph*

1 (2) or under authority of this title as in effect on the
2 day before the date of the enactment of the National
3 Institutes of Health Reform Act of 2006.”.

4 (b) *ADDITIONAL PROVISIONS REGARDING ORGANIZA-*
5 *TION.—Section 401 of the Public Health Service Act, as*
6 *added by subsection (a) of this section, is amended—*

7 (1) *in subsection (d), by adding at the end the*
8 *following:*

9 “(3) *REORGANIZATION OF OFFICE OF DIREC-*
10 *TOR.—Notwithstanding subsection (c), the Director of*
11 *NIH may, after a series of public hearings, and with*
12 *the approval of the Secretary, reorganize the offices*
13 *within the Office of the Director, including the addi-*
14 *tion, removal, or transfer of functions of such offices,*
15 *and the establishment or termination of such offices,*
16 *if the Director determines that the overall manage-*
17 *ment and operation of programs and activities con-*
18 *ducted or supported by such offices would be more ef-*
19 *fectively carried out under such a reorganization.*

20 “(4) *INTERNAL REORGANIZATION OF INSTITUTES*
21 *AND CENTERS.—Notwithstanding any conflicting pro-*
22 *visions of this title, the director of a national research*
23 *institute or a national center may, after a series of*
24 *public hearings and with the approval of the Director*
25 *of NIH, reorganize the divisions, centers, or other ad-*

1 *ministrative units within such institute or center, in-*
2 *cluding the addition, removal, or transfer of functions*
3 *of such units, and the establishment or termination of*
4 *such units, if the director of such institute or center*
5 *determines that the overall management and oper-*
6 *ation of programs and activities conducted or sup-*
7 *ported by such divisions, centers, or other units would*
8 *be more efficiently carried out under such a reorga-*
9 *nization.”; and*

10 (2) *by adding after subsection (d) the following:*

11 *“(e) SCIENTIFIC MANAGEMENT REVIEW BOARD FOR*
12 *PERIODIC ORGANIZATIONAL REVIEWS.—*

13 *“(1) IN GENERAL.—Not later than 60 days after*
14 *the date of the enactment of the National Institutes of*
15 *Health Reform Act of 2006, the Secretary shall estab-*
16 *lish an advisory council within the National Insti-*
17 *tutes of Health to be known as the Scientific Manage-*
18 *ment Review Board (referred to in this subsection as*
19 *the ‘Board’).*

20 *“(2) DUTIES.—*

21 *“(A) REPORTS ON ORGANIZATIONAL*
22 *ISSUES.—The Board shall provide advice to the*
23 *appropriate officials under subsection (d) regard-*
24 *ing the use of the authorities established in para-*
25 *graphs (2), (3), and (4) of such subsection to re-*

1 *organize the National Institutes of Health (re-*
2 *ferred to in this subsection as ‘organizational au-*
3 *thorities’). Not less frequently than once each 7*
4 *years, the Board shall—*

5 *“(i) determine whether and to what ex-*
6 *tent the organizational authorities should be*
7 *used; and*

8 *“(ii) issue a report providing the rec-*
9 *ommendations of the Board regarding the*
10 *use of the authorities and the reasons under-*
11 *lying the recommendations.*

12 *“(B) CERTAIN RESPONSIBILITIES REGARD-*
13 *ING REPORTS.—The activities of the Board with*
14 *respect to a report under subparagraph (A) shall*
15 *include the following:*

16 *“(i) Reviewing the research portfolio of*
17 *the National Institutes of Health (referred*
18 *to in this subsection as ‘NIH’) in order to*
19 *determine the progress and effectiveness and*
20 *value of the portfolio and the allocation*
21 *among the portfolio activities of the re-*
22 *sources of NIH.*

23 *“(ii) Determining pending scientific*
24 *opportunities, and public health needs, with*

1 *respect to research within the jurisdiction of*
2 *NIH.*

3 “(iii) *For any proposal for organiza-*
4 *tional changes to which the Board gives sig-*
5 *nificant consideration as a possible rec-*
6 *ommendation in such report—*

7 “(I) *analyzing the budgetary and*
8 *operational consequences of the pro-*
9 *posed changes;*

10 “(II) *taking into account histor-*
11 *ical funding and support for research*
12 *activities at national research insti-*
13 *tutes and centers that have been estab-*
14 *lished recently relative to national re-*
15 *search institutes and centers that have*
16 *been in existence for more than two*
17 *decades;*

18 “(III) *estimating the level of re-*
19 *sources needed to implement the pro-*
20 *posed changes;*

21 “(IV) *assuming the proposed*
22 *changes will be made and making a*
23 *recommendation for the allocation of*
24 *the resources of NIH among the na-*

1 *tional research institutes and national*
2 *centers; and*

3 “(V) *analyzing the consequences*
4 *for the progress of research in the areas*
5 *affected by the proposed changes.*

6 “(C) *CONSULTATION.—In carrying out sub-*
7 *paragraph (A), the Board shall consult with—*

8 “(i) *the heads of national research in-*
9 *stitutes and national centers whose directors*
10 *are not members of the Board;*

11 “(ii) *other scientific leaders who are of-*
12 *ficers or employees of NIH and are not*
13 *members of the Board;*

14 “(iii) *advisory councils of the national*
15 *research institutes and national centers;*

16 “(iv) *organizations representing the*
17 *scientific community; and*

18 “(v) *organizations representing pa-*
19 *tients.*

20 “(3) *COMPOSITION OF BOARD.—The Board shall*
21 *consist of the Director of NIH, who shall be a perma-*
22 *nent nonvoting member on an ex officio basis, and an*
23 *odd number of additional members, not to exceed 21,*
24 *all of whom shall be voting members. The voting*
25 *members of the Board shall be the following:*

1 “(A) Not fewer than 9 officials who are di-
2 rectors of national research institutes or national
3 centers. The Secretary shall designate such offi-
4 cials for membership and shall ensure that the
5 group of officials so designated includes directors
6 of—

7 “(i) national research institutes whose
8 budgets are substantial relative to a major-
9 ity of the other institutes;

10 “(ii) national research institutes whose
11 budgets are small relative to a majority of
12 the other institutes;

13 “(iii) national research institutes that
14 have been in existence for a substantial pe-
15 riod of time without significant organiza-
16 tional change under subsection (d);

17 “(iv) as applicable, national research
18 institutes that have undergone significant
19 organization changes under such subsection,
20 or that have been established under such
21 subsection, other than national research in-
22 stitutes for which such changes have been in
23 place for a substantial period of time; and

24 “(v) national centers.

1 “(B) *Members appointed by the Secretary*
2 *from among individuals who are not officers or*
3 *employees of the United States. Such members*
4 *shall include—*

5 “(i) *individuals representing the inter-*
6 *ests of public or private institutions of high-*
7 *er education that have historically received*
8 *funds from NIH to conduct research; and*

9 “(ii) *individuals representing the in-*
10 *terests of private entities that have received*
11 *funds from NIH to conduct research or that*
12 *have broad expertise regarding how the Na-*
13 *tional Institutes of Health functions, exclu-*
14 *sive of private entities to which clause (i)*
15 *applies.*

16 “(4) *CHAIR.—The Chair of the Board shall be se-*
17 *lected by the Secretary from among the members of*
18 *the Board appointed under paragraph (3)(B). The*
19 *term of office of the Chair shall be 2 years.*

20 “(5) *MEETINGS.—*

21 “(A) *IN GENERAL.—The Board shall meet*
22 *at the call of the Chair or upon the request of the*
23 *Director of NIH, but not fewer than 5 times with*
24 *respect to issuing any particular report under*
25 *paragraph (2)(A). The location of the meetings of*

1 *the Board is subject to the approval of the Direc-*
2 *tor of NIH.*

3 “(B) *PARTICULAR FORUMS.*—*Of the meet-*
4 *ings held under subparagraph (A) with respect*
5 *to a report under paragraph (2)(A)—*

6 “(i) *one or more shall be directed to-*
7 *ward the scientific community to address*
8 *scientific needs and opportunities related to*
9 *proposals for organizational changes under*
10 *subsection (d), or as the case may be, re-*
11 *lated to a proposal that no such changes be*
12 *made; and*

13 “(ii) *one or more shall be directed to-*
14 *ward consumer organizations to address the*
15 *needs and opportunities of patients and*
16 *their families with respect to proposals re-*
17 *ferred to in clause (i).*

18 “(C) *AVAILABILITY OF INFORMATION FROM*
19 *FORUMS.*—*For each meeting under subparagraph*
20 *(B), the Director of NIH shall post on the Inter-*
21 *net site of the National Institutes of Health a*
22 *summary of the proceedings.*

23 “(6) *COMPENSATION; TERM OF OFFICE.*—*The*
24 *provisions of subsections (b)(4) and (c) of section 406*
25 *apply with respect to the Board to the same extent*

1 *and in the same manner as such provisions apply*
2 *with respect to an advisory council referred to in such*
3 *subsections, except that the reference in such sub-*
4 *section (c) to 4 years regarding the term of an ap-*
5 *pointed member is deemed to be a reference to 5*
6 *years.*

7 “(7) *REPORTS.—*

8 “(A) *RECOMMENDATIONS FOR CHANGES.—*

9 *Each report under paragraph (2)(A) shall be*
10 *submitted to—*

11 “(i) *the Committee on Energy and*
12 *Commerce and the Committee on Appro-*
13 *priations of the House of Representatives;*

14 “(ii) *the Committee on Health, Edu-*
15 *cation, Labor, and Pensions and the Com-*
16 *mittee on Appropriations of the Senate;*

17 “(iii) *the Secretary; and*

18 “(iv) *officials with organizational au-*
19 *thorities, other than any such official who*
20 *served as a member of the Board with re-*
21 *spect to the report involved.*

22 “(B) *AVAILABILITY TO PUBLIC.—The Direc-*
23 *tor of NIH shall post each report under para-*
24 *graph (2) on the Internet site of the National In-*
25 *stitutes of Health.*

1 “(C) *REPORT ON BOARD ACTIVITIES.*—Not
2 *later than 18 months after the date of the enact-*
3 *ment of the National Institutes of Health Reform*
4 *Act of 2006, the Board shall submit to the com-*
5 *mittees specified in subparagraph (A) a report*
6 *describing the activities of the Board.*

7 “(f) *ORGANIZATIONAL CHANGES PER RECOMMENDA-*
8 *TION OF SCIENTIFIC MANAGEMENT REVIEW BOARD.*—

9 “(1) *IN GENERAL.*—With respect to an official
10 *who has organizational authorities within the mean-*
11 *ing of subsection (e)(2)(A), if a recommendation to*
12 *the official for an organizational change is made in*
13 *a report under such subsection, the official shall, ex-*
14 *cept as provided in paragraphs (2), (3), and (4) of*
15 *this subsection, make the change in accordance with*
16 *the following:*

17 “(A) *Not later than 100 days after the re-*
18 *port is submitted under subsection (e)(7)(A), the*
19 *official shall initiate the applicable public proc-*
20 *ess required in subsection (d) toward making the*
21 *change.*

22 “(B) *The change shall be fully implemented*
23 *not later than the expiration of the 3-year period*
24 *beginning on the date on which such process is*
25 *initiated.*

1 “(2) *INAPPLICABILITY TO CERTAIN REORGANIZA-*
2 *TIONS.—Paragraph (1) does not apply to a rec-*
3 *ommendation made in a report under subsection*
4 *(e)(2)(A) if the recommendation is for—*

5 “(A) *an organizational change under sub-*
6 *section (d)(2) that constitutes the establishment,*
7 *termination, or consolidation of one or more na-*
8 *tional research institutes or national centers; or*

9 “(B) *an organizational change under sub-*
10 *section (d)(3).*

11 “(3) *OBJECTION BY DIRECTOR OF NIH.—*

12 “(A) *IN GENERAL.—Paragraph (1) does not*
13 *apply to a recommendation for an organiza-*
14 *tional change made in a report under subsection*
15 *(e)(2)(A) if, not later than 90 days after the re-*
16 *port is submitted under subsection (e)(7)(A), the*
17 *Director of NIH submits to the committees speci-*
18 *fied in such subsection a report providing that*
19 *the Director objects to the change, which report*
20 *includes the reasons underlying the objection.*

21 “(B) *SCOPE OF OBJECTION.—For purposes*
22 *of subparagraph (A), an objection by the Direc-*
23 *tor of NIH may be made to the entirety of a rec-*
24 *ommended organizational change or to 1 or more*
25 *aspects of the change. Any aspect of a change not*

1 *objected to by the Director in a report under sub-*
2 *paragraph (A) shall be implemented in accord-*
3 *ance with paragraph (1).*

4 “(4) *CONGRESSIONAL REVIEW.*—*An organiza-*
5 *tional change under subsection (d)(2) that is initiated*
6 *pursuant to paragraph (1) shall be carried out by*
7 *regulation in accordance with the procedures for sub-*
8 *stantive rules under section 553 of title 5, United*
9 *States Code. A rule under the preceding sentence shall*
10 *be considered a major rule for purposes of chapter 8*
11 *of such title (relating to congressional review of agen-*
12 *cy rulemaking).*

13 “(g) *DEFINITIONS.*—*For purposes of this title:*

14 “(1) *The term ‘Director of NIH’ means the Di-*
15 *rector of the National Institutes of Health.*

16 “(2) *The terms ‘national research institute’ and*
17 *‘national center’ mean an agency of the National In-*
18 *stitutes of Health that is—*

19 “(A) *listed in subsection (b) and not termi-*
20 *nated under subsection (d)(2)(A); or*

21 “(B) *established by the Director of NIH*
22 *under such subsection.*

23 “(h) *REFERENCES TO NIH.*—*For purposes of this*
24 *title, a reference to the National Institutes of Health in-*
25 *cludes its agencies.”.*

1 (c) *CONFORMING AMENDMENTS.*—*Title IV of the Pub-*
2 *lic Health Service Act (42 U.S.C. 281 et seq.) is amended—*

3 (1) *by redesignating subpart 3 of part E as sub-*
4 *part 19;*

5 (2) *by transferring subpart 19, as so redesign-*
6 *ated, to part C of such title IV;*

7 (3) *by inserting subpart 19, as so redesignated,*
8 *after subpart 18 of such part C; and*

9 (4) *in subpart 19, as so redesignated—*

10 (A) *by redesignating section 485B as section*
11 *464z-1;*

12 (B) *by striking “National Center for*
13 *Human Genome Research” each place such term*
14 *appears and inserting “National Human Ge-*
15 *nome Research Institute”;* and

16 (C) *by striking “Center” each place such*
17 *term appears and inserting “Institute”.*

18 **SEC. 102. AUTHORITY OF DIRECTOR OF NIH.**

19 (a) *SECRETARY ACTING THROUGH THE DIRECTOR.*—
20 *Section 402(b) of the Public Health Service Act (42 U.S.C.*
21 *282(b)) is amended—*

22 (1) *by redesignating paragraph (14) as para-*
23 *graph (22);*

24 (2) *by striking paragraphs (12) and (13);*

1 (3) by redesignating paragraphs (4) through (11)
2 as paragraphs (14) through (21);

3 (4) in paragraph (21) (as so redesignated), by
4 inserting “and” after the semicolon at the end;

5 (5) in the matter after and below paragraph (22)
6 (as so redesignated), by striking “paragraph (6)” and
7 inserting “paragraph (16)”; and

8 (6) by striking “the Secretary” in the matter
9 preceding paragraph (1) and all that follows through
10 paragraph (1) and inserting the following: “the Sec-
11 retary, acting through the Director of NIH—

12 “(1) shall carry out this title, including being re-
13 sponsible for the overall direction of the National In-
14 stitutes of Health and for the establishment and im-
15 plementation of general policies respecting the man-
16 agement and operation of programs and activities
17 within the National Institutes of Health;”.

18 (b) *ADDITIONAL AUTHORITIES*.—Section 402(b) of the
19 *Public Health Service Act*, as amended by subsection (a)
20 of this section, is amended by striking paragraphs (2) and
21 (3) and inserting the following:

22 “(2) shall coordinate and oversee the operation of
23 the national research institutes, national centers, and
24 administrative entities within the National Institutes
25 of Health;

1 “(3) shall, in consultation with the heads of the
2 national research institutes and national centers, be
3 responsible for program coordination across the na-
4 tional research institutes and national centers, in-
5 cluding conducting priority-setting reviews, to ensure
6 that the research portfolio of the National Institutes
7 of Health is balanced and free of unnecessary duplica-
8 tion, and takes advantage of collaborative, cross-cut-
9 ting research;

10 “(4) shall assemble accurate data to be used to
11 assess research priorities, including information to
12 better evaluate scientific opportunity, public health
13 burdens, and progress in reducing health disparities;

14 “(5) shall ensure that scientifically based stra-
15 tegic planning is implemented in support of research
16 priorities as determined by the agencies of the Na-
17 tional Institutes of Health;

18 “(6) shall ensure that the resources of the Na-
19 tional Institutes of Health are sufficiently allocated
20 for research projects identified in strategic plans;

21 “(7)(A) shall, through the Division of Program
22 Coordination, Planning, and Strategic Initiatives—

23 “(i) identify research that represents impor-
24 tant areas of emerging scientific opportunities,
25 rising public health challenges, or knowledge

1 *gaps that deserve special emphasis and would*
2 *benefit from conducting or supporting additional*
3 *research that involves collaboration between 2 or*
4 *more national research institutes or national*
5 *centers, or would otherwise benefit from strategic*
6 *coordination and planning;*

7 *“(ii) include information on such research*
8 *in reports under section 403; and*

9 *“(iii) in the case of such research supported*
10 *with funds referred to in subparagraph (B)—*

11 *“(I) require as appropriate that pro-*
12 *posals include milestones and goals for the*
13 *research;*

14 *“(II) require that the proposals include*
15 *timeframes for funding of the research; and*

16 *“(III) ensure appropriate consider-*
17 *ation of proposals for which the principal*
18 *investigator is an individual who has not*
19 *previously served as the principal investi-*
20 *gator of research conducted or supported by*
21 *the National Institutes of Health;*

22 *“(B) may, with respect to funds reserved under*
23 *section 402A(c)(1) for the Common Fund, allocate*
24 *such funds to the national research institutes and na-*

1 *tional centers for conducting and supporting research*
2 *that is identified under subparagraph (A); and*

3 *“(C) may assign additional functions to the Di-*
4 *vision in support of responsibilities identified in sub-*
5 *paragraph (A), as determined appropriate by the Di-*
6 *rector;*

7 *“(8) shall, in coordination with the heads of the*
8 *national research institutes and national centers, en-*
9 *sure that such institutes and centers—*

10 *“(A) preserve an emphasis on investigator-*
11 *initiated research project grants, including with*
12 *respect to research involving collaboration be-*
13 *tween 2 or more such institutes or centers; and*

14 *“(B) when appropriate, maximize investi-*
15 *gator-initiated research project grants in their*
16 *annual research portfolios;*

17 *“(9) shall ensure that research conducted or sup-*
18 *ported by the National Institutes of Health is subject*
19 *to review in accordance with section 492 and that,*
20 *after such review, the research is reviewed in accord-*
21 *ance with section 492A(a)(2) by the appropriate advi-*
22 *sory council under section 406 before the research pro-*
23 *posals are approved for funding;*

1 “(10) shall have authority to review and approve
2 the establishment of all centers of excellence rec-
3 ommended by the national research institutes;

4 “(11)(A) shall oversee research training for all of
5 the national research institutes and National Re-
6 search Service Awards in accordance with section
7 487; and

8 “(B) may conduct and support research
9 training—

10 “(i) for which fellowship support is not pro-
11 vided under section 487; and

12 “(ii) that does not consist of residency
13 training of physicians or other health profes-
14 sionals;

15 “(12) may, from funds appropriated under sec-
16 tion 402A(b), reserve funds to provide for research on
17 matters that have not received significant funding rel-
18 ative to other matters, to respond to new issues and
19 scientific emergencies, and to act on research opportu-
20 nities of high priority;

21 “(13) may, subject to appropriations Acts, collect
22 and retain registration fees obtained from third par-
23 ties to defray expenses for scientific, educational, and
24 research-related conferences;”.

1 (c) *CERTAIN AUTHORITIES.*—Section 402 of the Public
2 *Health Service Act (42 U.S.C. 282) is amended—*

3 (1) *by striking subsections (i) and (l); and*

4 (2) *by redesignating subsections (j) and (k) as*
5 *subsections (i) and (j), respectively.*

6 (d) *ADVISORY COUNCIL FOR DIRECTOR OF NIH.*—Sec-
7 *tion 402 of the Public Health Service Act, as amended by*
8 *subsection (c) of this section, is amended by adding after*
9 *subsection (j) the following subsection:*

10 “(k) *COUNCIL OF COUNCILS.*—

11 “(1) *ESTABLISHMENT.*—Not later than 90 days
12 *after the date of the enactment of the National Insti-*
13 *tutes of Health Reform Act of 2006, the Director of*
14 *NIH shall establish within the Office of the Director*
15 *an advisory council to be known as the ‘Council of*
16 *Councils’ (referred to in this subsection as the ‘Coun-*
17 *cil’) for the purpose of advising the Director on mat-*
18 *ters related to the policies and activities of the Divi-*
19 *sion of Program Coordination, Planning, and Stra-*
20 *tegic Initiatives, including making recommendations*
21 *with respect to the conduct and support of research*
22 *described in subsection (b)(7).*

23 “(2) *MEMBERSHIP.*—

24 “(A) *IN GENERAL.*—The Council shall be
25 *composed of 27 members selected by the Director*

1 of NIH with approval from the Secretary from
2 among the list of nominees under subparagraph
3 (C).

4 “(B) *CERTAIN REQUIREMENTS.*—In select-
5 ing the members of the Council, the Director of
6 NIH shall ensure—

7 “(i) the representation of a broad
8 range of disciplines and perspectives; and

9 “(ii) the ongoing inclusion of at least
10 1 representative from each national research
11 institute whose budget is substantial relative
12 to a majority of the other institutes.

13 “(C) *NOMINATION.*—The Director of NIH
14 shall maintain an updated list of individuals
15 who have been nominated to serve on the Coun-
16 cil, which list shall consist of the following:

17 “(i) For each national research insti-
18 tute and national center, 3 individuals
19 nominated by the head of such institute or
20 center from among the members of the advi-
21 sory council of the institute or center, of
22 which—

23 “(I) two shall be scientists; and

24 “(II) one shall be from the general
25 public or shall be a leader in the field

1 of public policy, law, health policy, ec-
2 onomics, or management.

3 “(ii) For each office within the Divi-
4 sion of Program Coordination, Planning,
5 and Strategic Initiatives, 1 individual nom-
6 inated by the head of such office.

7 “(iii) Members of the Council of Public
8 Representatives.

9 “(3) TERMS.—

10 “(A) IN GENERAL.—The term of service for
11 a member of the Council shall be 6 years, except
12 as provided in subparagraphs (B) and (C).

13 “(B) TERMS OF INITIAL APPOINTEES.—Of
14 the initial members selected for the Council, the
15 Director of NIH shall designate—

16 “(i) nine for a term of 6 years;

17 “(ii) nine for a term of 4 years; and

18 “(iii) nine for a term of 2 years.

19 “(C) VACANCIES.—Any member appointed
20 to fill a vacancy occurring before the expiration
21 of the term for which the member’s predecessor
22 was appointed shall be appointed only for the re-
23 mainder of that term. A member may serve after
24 the expiration of that member’s term until a suc-
25 cessor has taken office.”.

1 (e) *REVIEW BY ADVISORY COUNCILS OF RESEARCH*
2 *PROPOSALS.*—Section 492A(a)(2) of the Public Health
3 Service Act (42 U.S.C. 289a–1(a)(2)) is amended by insert-
4 ing before the period the following: “, and unless a majority
5 of the voting members of the appropriate advisory council
6 under section 406, or as applicable, of the advisory council
7 under section 402(k), has recommended the proposal for ap-
8 proval”.

9 (f) *CONFORMING AMENDMENTS.*—

10 (1) *PUBLIC HEALTH SERVICE ACT.*—The Public
11 Health Service Act (42 U.S.C. 201 et seq.) is
12 amended—

13 (A) in section 402(a), by striking “Director
14 of the National Institutes of Health” and all that
15 follows through “who shall” and inserting “Di-
16 rector of NIH who shall”; and

17 (B) in sections 405(c)(3)(A),
18 452(c)(1)(E)(i), and 492(a)(2), by striking the
19 term “402(b)(6)” each place such term appears
20 and inserting “402(b)(16)”.

21 (2) *FEDERAL FOOD, DRUG, AND COSMETIC*
22 *ACT.*—Section 561(c) of the Federal Food, Drug, and
23 Cosmetic Act (21 U.S.C. 360bbb) is amended in the
24 matter following paragraph (7) by striking
25 “402(j)(3)” and inserting “402(i)(3)”.

1 (g) *RULE OF CONSTRUCTION REGARDING AUTHORI-*
 2 *TIES OF NATIONAL RESEARCH INSTITUTES AND NATIONAL*
 3 *CENTERS.*—*This Act and the amendments made by this Act*
 4 *may not be construed as affecting the authorities of the na-*
 5 *tional research institutes and national centers that were in*
 6 *effect under the Public Health Service Act on the day before*
 7 *the date of the enactment of this Act, subject to the authori-*
 8 *ties of the Secretary of Health and Human Services and*
 9 *the Director of NIH under section 401 of the Public Health*
 10 *Service Act (as amended by section 101 of this Act). For*
 11 *purposes of the preceding sentence, the terms “national re-*
 12 *search institute”, “national center”, and “Director of NIH”*
 13 *have the meanings given such terms in such section 401.*

14 **SEC. 103. AUTHORIZATION OF APPROPRIATIONS.**

15 (a) *FUNDING.*—*Title IV of the Public Health Service*
 16 *Act (42 U.S.C. 281 et seq.) is amended by inserting after*
 17 *section 402 the following:*

18 **“SEC. 402A. AUTHORIZATION OF APPROPRIATIONS.**

19 “(a) *IN GENERAL.*—*For the purpose of carrying out*
 20 *this title, there are authorized to be appropriated—*

21 “(1) \$30,331,309,000 for fiscal year 2007;

22 “(2) \$32,831,309,000 for fiscal year 2008; and

23 “(3) such sums as may be necessary for fiscal
 24 year 2009.

1 “(b) *OFFICE OF THE DIRECTOR.*—Of the amount au-
2 thORIZED to be appropriated under subsection (a) for a fiscal
3 year, there are authorized to be appropriated for programs
4 and activities under this title carried out through the Office
5 of the Director of NIH such sums as may be necessary for
6 each of the fiscal years 2007 through 2009.

7 “(c) *TRANS-NIH RESEARCH.*—

8 “(1) *COMMON FUND.*—

9 “(A) *ACCOUNT.*—For the purpose of alloca-
10 tions under section 402(b)(7)(B) (relating to re-
11 search identified by the Division of Program Co-
12 ordination, Planning, and Strategic Initiatives),
13 there is established an account to be known as
14 the Common Fund.

15 “(B) *RESERVATION.*—

16 “(i) *IN GENERAL.*—Of the total
17 amount appropriated under subsection (a)
18 for fiscal year 2007 or any subsequent fiscal
19 year, the Director of NIH shall reserve an
20 amount for the Common Fund, subject to
21 any applicable provisions in appropriations
22 Acts.

23 “(ii) *MINIMUM AMOUNT.*—For each fis-
24 cal year, the percentage constituted by the
25 amount reserved under clause (i) relative to

1 the total amount appropriated under sub-
2 section (a) for such year may not be less
3 than the percentage constituted by the
4 amount so reserved for the preceding fiscal
5 year relative to the total amount appro-
6 priated under subsection (a) for such pre-
7 ceding fiscal year, subject to any applicable
8 provisions in appropriations Acts.

9 “(C) COMMON FUND STRATEGIC PLANNING
10 REPORT.—Not later than June 1, 2007, and
11 every 2 years thereafter, the Secretary, acting
12 through the Director of NIH, shall submit a re-
13 port to the Congress containing a strategic plan
14 for funding research described in section
15 402(b)(7)(A)(i) (including personnel needs)
16 through the Common Fund. Each such plan shall
17 include the following:

18 “(i) An estimate of the amounts deter-
19 mined by the Director of NIH to be appro-
20 priate for maximizing the potential of such
21 research.

22 “(ii) An estimate of the amounts deter-
23 mined by the Director of NIH to be suffi-
24 cient only for continuing to fund research
25 activities previously identified by the Divi-

1 *sion of Program Coordination, Planning,*
2 *and Strategic Initiatives.*

3 “(iii) *An estimate of the amounts de-*
4 *termined by the Director of NIH to be nec-*
5 *essary to fund research described in section*
6 *402(b)(7)(A)(i)—*

7 *“(I) that is in addition to the re-*
8 *search activities described in clause*
9 *(ii); and*

10 *“(II) for which there is the most*
11 *substantial need.*

12 “(D) *EVALUATION.—During the 6-month*
13 *period following the end of the first fiscal year*
14 *for which the total amount reserved under sub-*
15 *paragraph (B) is equal to 5 percent of the total*
16 *amount appropriated under subsection (a) for*
17 *such fiscal year, the Secretary, acting through*
18 *the Director of NIH, in consultation with the ad-*
19 *visory council established under section 402(k),*
20 *shall submit recommendations to the Congress*
21 *for changes regarding amounts for the Common*
22 *Fund.*

23 “(2) *TRANS-NIH RESEARCH REPORTING.—*

24 *“(A) LIMITATION.—With respect to the total*
25 *amount appropriated under subsection (a) for*

1 *fiscal year 2008 or any subsequent fiscal year, if*
2 *the head of a national research institute or na-*
3 *tional center fails to submit the report required*
4 *by subparagraph (B) for the preceding fiscal*
5 *year, the amount made available for the institute*
6 *or center for the fiscal year involved may not ex-*
7 *ceed the amount made available for the institute*
8 *or center for fiscal year 2006.*

9 *“(B) REPORTING.—Not later than January*
10 *1, 2008, and each January 1st thereafter—*

11 *“(i) the head of each national research*
12 *institute or national center shall submit to*
13 *the Director of NIH a report on the amount*
14 *made available by the institute or center for*
15 *conducting or supporting research that in-*
16 *volves collaboration between the institute or*
17 *center and 1 or more other national re-*
18 *search institutes or national centers; and*

19 *“(ii) the Secretary shall submit a re-*
20 *port to the Congress identifying the percent-*
21 *age of funds made available by each na-*
22 *tional research institute and national center*
23 *with respect to such fiscal year for con-*
24 *ducting or supporting research described in*
25 *clause (i).*

1 “(C) *DETERMINATION.*—For purposes of de-
2 termining the amount or percentage of funds to
3 be reported under subparagraph (B), any
4 amounts made available to an institute or center
5 under section 402(b)(7)(B) shall be included.

6 “(D) *VERIFICATION OF AMOUNTS.*—Upon
7 receipt of each report submitted under subpara-
8 graph (B)(i), the Director of NIH shall review
9 and, in cases of discrepancy, verify the accuracy
10 of the amounts specified in the report.

11 “(E) *WAIVER.*—At the request of any na-
12 tional research institute or national center, the
13 Director of NIH may waive the application of
14 this paragraph to such institute or center if the
15 Director finds that the conduct or support of re-
16 search described in subparagraph (B)(i) is in-
17 consistent with the mission of such institute or
18 center.

19 “(d) *TRANSFER AUTHORITY.*—Of the total amount ap-
20 propriated under subsection (a) for a fiscal year, the Direc-
21 tor of NIH may (in addition to the reservation under sub-
22 section (c)(1) for such year) transfer not more than 1 per-
23 cent for programs or activities that are authorized in this
24 title and identified by the Director to receive funds pursu-
25 ant to this subsection. In making such transfers, the Direc-

1 *tor may not decrease any appropriation account under sub-*
 2 *section (a) by more than 1 percent.*

3 “(e) *RULE OF CONSTRUCTION.*—*This section may not*
 4 *be construed as affecting the authorities of the Director of*
 5 *NIH under section 401.”*

6 (b) *ELIMINATION OF OTHER AUTHORIZATIONS OF AP-*
 7 *PROPRIATIONS.*—*Title IV of the Public Health Service Act*
 8 *(42 U.S.C. 281 et seq.) is amended—*

9 (1) *by striking the first sentence of paragraph*
 10 *(5) of section 402(i) (as redesignated by section*
 11 *102(b));*

12 (2) *by striking subsection (e) of section 403A;*

13 (3) *by striking subsection (c) of section 404B;*

14 (4) *by striking subsection (h) of section 404E;*

15 (5) *by striking subsection (d) of section 404F;*

16 (6) *by striking subsection (e) of section 404G;*

17 (7) *by striking subsection (d) of section 409A;*

18 (8) *in section 409B—*

19 (A) *in subsection (a), by striking “under*
 20 *subsection (e)” and inserting “to carry out this*
 21 *section”;* and

22 (B) *by striking subsection (e);*

23 (9) *by striking subsection (e) of section 409C;*

24 (10) *in section 409D—*

25 (A) *by striking subsection (d); and*

- 1 *(B) by redesignating subsection (e) as sub-*
2 *section (d);*
- 3 *(11) by striking subsection (e) of section 409E;*
4 *(12) by striking subsection (c) of section 409F;*
5 *(13) in section 409H, by striking—*
- 6 *(A) paragraph (3) of subsection (a);*
7 *(B) paragraph (3) of subsection (b);*
8 *(C) paragraph (5) of subsection (c); and*
9 *(D) paragraph (4) of subsection (d);*
- 10 *(14) by striking subsection (d) of section 409I;*
11 *(15) by striking section 417B;*
12 *(16) by striking subsection (g) of section 417C;*
13 *(17) in section 417D, by striking—*
- 14 *(A) paragraph (3) of subsection (a); and*
15 *(B) paragraph (3) of subsection (b);*
- 16 *(18) by striking subsection (d) of section 424A;*
17 *(19) by striking subsection (c) of section 424B;*
18 *(20) by striking section 425;*
19 *(21) by striking subsection (d) of section 434A;*
20 *(22) by striking subsection (d) of section 441A;*
21 *(23) by striking subsection (c) of section 442A;*
22 *(24) in section 445H—*
- 23 *(A) by striking subsection (b); and*
24 *(B) in subsection (a), by striking “(a)”;*
- 25 *(25) by striking subsection (d) of section 445I;*

- 1 (26) *by striking section 445J;*
2 (27) *in section 447A—*
3 *(A) by striking subsection (b); and*
4 *(B) in subsection (a), by striking “(a)”;*
5 (28) *by striking subsection (d) of section 447B;*
6 (29) *by striking subsection (g) in section 452A;*
7 (30) *by striking paragraph (7) in section*
8 *452E(b);*
9 (31) *in section 452G—*
10 *(A) by striking subsection (b); and*
11 *(B) in subsection (a), by striking “(a) EN-*
12 *HANCED SUPPORT.—”;*
13 (32) *by striking subsection (d) of section 464H;*
14 (33) *by striking subsection (d) of section 464L;*
15 (34) *by striking paragraph (4) of section*
16 *464N(c);*
17 (35) *by striking subsection (e) of section 464P;*
18 (36) *by striking subsection (f) of section 464R;*
19 (37) *by striking subsection (d) of section 464z;*
20 (38) *in section 467—*
21 *(A) by striking the first sentence;*
22 *(B) by striking “for such buildings and fa-*
23 *ilities” and inserting “for suitable and adequate*
24 *buildings and facilities for use of the Library”;*
25 *and*

1 (C) by striking “The amounts authorized to
2 be appropriated by this section include” and in-
3 serting “Amounts appropriated to carry out this
4 section may be used for”;

5 (39) by striking section 468;

6 (40) in section 481A—

7 (A) in the matter preceding subparagraph

8 (A) of subsection (c)(2)—

9 (i) by striking the term “under sub-
10 section (i)(1)” and inserting “to carry out
11 this section”; and

12 (ii) by striking “under such sub-
13 section” and inserting “to carry out this
14 section”; and

15 (B) by striking subsection (i);

16 (41) in subsection (a) of section 481B, by strik-
17 ing “under section 481A(h)” and inserting “to carry
18 out section 481A”;

19 (42) by striking subsection (c) in the section
20 481C that relates to general clinical research centers;

21 (43) by striking subsection (e) in section 485C;

22 (44) by striking subsection (l) in section 485E;

23 (45) by striking subsection (h) in section 485F;

24 (46) by striking subsection (e) in section 485G;

25 (47) by striking subsection (d) of section 487;

1 *of all the national research institutes and national centers.*
2 *The electronic system shall be searchable by a variety of*
3 *codes, such as the type of research grant, the research entity*
4 *managing the grant, and the public health area of interest.*
5 *When permissible, the Secretary, acting through the Direc-*
6 *tor of NIH, shall provide information on relevant literature*
7 *and patents that are associated with research activities of*
8 *the National Institutes of Health.*

9 **“SEC. 403. BIENNIAL REPORTS OF DIRECTOR OF NIH.**

10 *“(a) IN GENERAL.—The Director of NIH shall submit*
11 *to the Congress on a biennial basis a report in accordance*
12 *with this section. The first report shall be submitted not*
13 *later than 1 year after the date of the enactment of the Na-*
14 *tional Institutes of Health Reform Act of 2006. Each such*
15 *report shall include the following information:*

16 *“(1) An assessment of the state of biomedical and*
17 *behavioral research.*

18 *“(2) A description of the activities conducted or*
19 *supported by the agencies of the National Institutes of*
20 *Health and policies respecting the programs of such*
21 *agencies.*

22 *“(3) Classification and justification for the pri-*
23 *orities established by the agencies, including a stra-*
24 *tegic plan and recommendations for future research*
25 *initiatives to be carried out under section 402(b)(7)*

1 *through the Division of Program Coordination, Plan-*
2 *ning, and Strategic Initiatives.*

3 *“(4) A catalog of all the research activities of the*
4 *agencies, prepared in accordance with the following:*

5 *“(A) The catalog shall, for each such*
6 *activity—*

7 *“(i) identify the agency or agencies in-*
8 *volved;*

9 *“(ii) state whether the activity was*
10 *carried out directly by the agencies or was*
11 *supported by the agencies and describe to*
12 *what extent the agency was involved; and*

13 *“(iii) identify whether the activity was*
14 *carried out through a center of excellence.*

15 *“(B) In the case of clinical research, the*
16 *catalog shall, as appropriate, identify study pop-*
17 *ulations by demographic variables and other*
18 *variables that contribute to research on minority*
19 *health and health disparities.*

20 *“(C) Research activities listed in the catalog*
21 *shall include, where applicable, the following:*

22 *“(i) Epidemiological studies and longi-*
23 *tudinal studies.*

24 *“(ii) Disease registries, information*
25 *clearinghouses, and other data systems.*

1 “(iii) *Public education and informa-*
2 *tion campaigns.*

3 “(iv) *Training activities, including—*

4 “(I) *National Research Service*
5 *Awards and Clinical Transformation*
6 *Science Awards;*

7 “(II) *graduate medical education*
8 *programs, including information on*
9 *the number and type of graduate de-*
10 *grees awarded during the period in*
11 *which the programs received funding*
12 *under this title;*

13 “(III) *investigator-initiated*
14 *awards for postdoctoral training;*

15 “(IV) *a breakdown by demo-*
16 *graphic variables and other appro-*
17 *prate categories; and*

18 “(V) *an evaluation and compari-*
19 *son of outcomes and effectiveness of*
20 *various training programs.*

21 “(v) *Clinical trials, including a break-*
22 *down of participation by study populations*
23 *and demographic variables and such other*
24 *information as may be necessary to dem-*
25 *onstrate compliance with section 492B (re-*

1 *garding inclusion of women and minorities*
2 *in clinical research).*

3 *“(vi) Translational research activities*
4 *with other agencies of the Public Health*
5 *Service.*

6 *“(5) A summary of the research activities*
7 *throughout the agencies, which summary shall be or-*
8 *ganized by the following categories, where applicable:*

9 *“(A) Cancer.*

10 *“(B) Neurosciences.*

11 *“(C) Life stages, human development, and*
12 *rehabilitation.*

13 *“(D) Organ systems.*

14 *“(E) Autoimmune diseases.*

15 *“(F) Genomics.*

16 *“(G) Molecular biology and basic science.*

17 *“(H) Technology development.*

18 *“(I) Chronic diseases, including pain and*
19 *palliative care.*

20 *“(J) Infectious diseases and bioterrorism.*

21 *“(K) Minority health and health dispari-*
22 *ties.*

23 *“(L) Such additional categories as the Di-*
24 *rector determines to be appropriate.*

1 “(6) *A review of each entity receiving funding*
2 *under this title in its capacity as a center of excel-*
3 *lence (in this paragraph referred to as a ‘center of ex-*
4 *cellence’), including the following:*

5 “(A) *An evaluation of the performance and*
6 *research outcomes of each center of excellence.*

7 “(B) *Recommendations for promoting co-*
8 *ordination of information among the centers of*
9 *excellence.*

10 “(C) *Recommendations for improving the*
11 *effectiveness, efficiency, and outcomes of the cen-*
12 *ters of excellence.*

13 “(D) *If no additional centers of excellence*
14 *have been funded under this title since the pre-*
15 *vious report under this section, an explanation*
16 *of the reasons for not funding any additional*
17 *centers.*

18 “(b) *REQUIREMENT REGARDING DISEASE-SPECIFIC*
19 *RESEARCH ACTIVITIES.—In a report under subsection (a),*
20 *the Director of NIH, when reporting on research activities*
21 *relating to a specific disease, disorder, or other adverse*
22 *health condition, shall—*

23 “(1) *present information in a standardized for-*
24 *mat;*

1 *and Drugs a report that identifies each clinical trial that*
2 *is registered during such calendar year in the databank of*
3 *information established under section 402(i).*

4 “(c) *HUMAN TISSUE SAMPLES.*—*On an annual basis,*
5 *the Director of NIH shall submit to the Congress a report*
6 *that describes how the National Institutes of Health and*
7 *its agencies store and track human tissue samples.*

8 “(d) *FIRST REPORT.*—*The first report under sub-*
9 *sections (a), (b), and (c) shall be submitted not later than*
10 *1 year after the date of the enactment of the National Insti-*
11 *tutes of Health Reform Act of 2006.*

12 **“SEC. 403B. ANNUAL REPORTING TO PREVENT FRAUD AND**
13 **ABUSE.**

14 “(a) *WHISTLEBLOWER COMPLAINTS.*—

15 “(1) *IN GENERAL.*—*On an annual basis, the Di-*
16 *rector of NIH shall submit to the Inspector General*
17 *of the Department of Health and Human Services,*
18 *the Secretary, the Committee on Energy and Com-*
19 *merce and the Committee on Appropriations of the*
20 *House of Representatives, and the Committee on*
21 *Health, Education, Labor, and Pensions and the*
22 *Committee on Appropriations of the Senate a report*
23 *summarizing the activities of the National Institutes*
24 *of Health relating to whistleblower complaints.*

1 “(2) *CONTENTS.*—*For each whistleblower com-*
2 *plaint pending during the year for which a report is*
3 *submitted under this subsection, the report shall iden-*
4 *tify the following:*

5 “(A) *Each agency of the National Institutes*
6 *of Health involved.*

7 “(B) *The status of the complaint.*

8 “(C) *The resolution of the complaint to*
9 *date.*

10 “(b) *EXPERTS AND CONSULTANTS.*—*On an annual*
11 *basis, the Director of NIH shall submit to the Inspector*
12 *General of the Department of Health and Human Services,*
13 *the Secretary, the Committee on Energy and Commerce and*
14 *the Committee on Appropriations of the House of Rep-*
15 *resentatives, and the Committee on Health, Education,*
16 *Labor, and Pensions and the Committee on Appropriations*
17 *of the Senate a report that—*

18 “(1) *identifies the number of experts and consult-*
19 *ants, including any special consultants, whose serv-*
20 *ices are obtained by the National Institutes of Health*
21 *or its agencies;*

22 “(2) *specifies whether such services were obtained*
23 *under section 207(f), section 402(d), or other author-*
24 *ity;*

1 “(3) describes the qualifications of such experts
2 and consultants;

3 “(4) describes the need for hiring such experts
4 and consultants; and

5 “(5) if such experts and consultants make finan-
6 cial disclosures to the National Institutes of Health or
7 any of its agencies, specifies the income, gifts, assets,
8 and liabilities so disclosed.

9 “(c) *FIRST REPORT.*—The first report under sub-
10 sections (a) and (b) shall be submitted not later than 1 year
11 after the date of the enactment of the National Institutes
12 of Health Reform Act of 2006.

13 **“SEC. 403C. ANNUAL REPORTING REGARDING TRAINING OF**
14 **GRADUATE STUDENTS FOR DOCTORAL DE-**
15 **GREES.**

16 “(a) *IN GENERAL.*—Each institution receiving an
17 award under this title for the training of graduate students
18 for doctoral degrees shall annually report to the Director
19 of NIH, with respect to each degree-granting program at
20 such institution—

21 “(1) the percentage of students admitted for
22 study who successfully attain a doctoral degree; and

23 “(2) for students described in paragraph (1), the
24 average time between the beginning of graduate study
25 and the receipt of a doctoral degree.

1 “(3) *PROVISION OF INFORMATION TO APPLI-*
2 *CANTS.—Each institution described in subsection (a)*
3 *shall provide to each student submitting an applica-*
4 *tion for a program of graduate study at such institu-*
5 *tion the information described in paragraphs (1) and*
6 *(2) of such subsection with respect to the program or*
7 *programs to which such student has applied.”.*

8 **(b) STRIKING OF OTHER REPORTING REQUIREMENTS**
9 **FOR NIH.—**

10 **(1) PUBLIC HEALTH SERVICE ACT; TITLE IV.—**
11 *Title IV of the Public Health Service Act, as amended*
12 *by section 103(b) of this Act, is amended—*

13 **(A) in section 404E(b)—**

14 *(i) by amending paragraph (3) to read*
15 *as follows:*

16 “(3) *COORDINATION OF CENTERS.—The Director*
17 *of NIH shall, as appropriate, provide for the coordi-*
18 *nation of information among centers under para-*
19 *graph (1) and ensure regular communication between*
20 *such centers.”; and*

21 *(ii) by striking subsection (f) and re-*
22 *designating subsection (g) as subsection (f);*

23 **(B) in section 404F(b)(1), by striking sub-**
24 **paragraphs (F) and (G);**

25 **(C) by striking section 407;**

1 (D) in section 409C(b), by striking para-
2 graph (4) and redesignating paragraphs (5) and
3 (6) as paragraphs (4) and (5), respectively;

4 (E) in section 409E, by striking subsection
5 (d);

6 (F) in section 417C, by striking subsection
7 (f);

8 (G) in section 424B(a)—

9 (i) in paragraph (1), by adding “and”
10 after the semicolon at the end;

11 (ii) in paragraph (2), by striking “;
12 and” and inserting a period; and

13 (iii) by striking paragraph (3);

14 (H) in section 429, by striking subsections
15 (c) and (d);

16 (I) in section 442, by striking subsection (j)
17 and redesignating subsection (k) as subsection
18 (j);

19 (J) in section 464D, by striking subsection
20 (j);

21 (K) in section 464E, by striking subsection
22 (e);

23 (L) in section 464T, by striking subsection
24 (e);

1 (M) in section 481A, by striking subsection

2 (h);

3 (N) in section 485E, by striking subsection

4 (k);

5 (O) in section 485H—

6 (i) by striking “(a)” and all that fol-

7 lows through “The Secretary,” and insert-

8 ing “The Secretary,”; and

9 (ii) by striking subsection (b); and

10 (P) in section 494—

11 (i) by striking “(a) If the Secretary”

12 and inserting “If the Secretary”; and

13 (ii) by striking subsection (b).

14 (2) PUBLIC HEALTH SERVICE ACT; OTHER PRO-

15 VISIONS.—The Public Health Service Act (42 U.S.C.

16 201 et seq.) is amended—

17 (A) in section 399E, by striking subsection

18 (e);

19 (B) in section 1122—

20 (i) by striking “(a) From the sums”

21 and inserting “From the sums”; and

22 (ii) by striking subsections (b) and (c);

23 (C) by striking section 2301;

1 (D) in section 2354, by striking subsection
2 (b) and redesignating subsection (c) as subsection
3 (b);

4 (E) in section 2356, by striking subsection
5 (e) and redesignating subsections (f) and (g) as
6 subsections (e) and (f), respectively; and

7 (F) in section 2359(b)—

8 (i) by striking paragraph (2);

9 (ii) by striking “ (b) EVALUATION AND
10 REPORT” and all that follows through “Not
11 later than 5 years” and inserting “ (b)
12 EVALUATION.—Not later than 5 years”;

13 (iii) by redesignating subparagraphs
14 (A) through (C) as paragraphs (1) through
15 (3), respectively; and

16 (iv) by moving each of paragraphs (1)
17 through (3) (as so redesignated) 2 ems to
18 the left.

19 (3) OTHER ACTS.—Provisions of Federal law are
20 amended as follows:

21 (A) Section 7 of Public Law 97-414 is
22 amended—

23 (i) in subsection (a)—

24 (I) in paragraph (2), by inserting
25 “and” at the end;

1 (II) in paragraph (3), by striking
2 “; and” and inserting a period; and

3 (III) by striking paragraph (4);
4 and

5 (ii) in subsection (b), by striking the
6 last sentence of paragraph (3).

7 (B) Title III of Public Law 101–557 (42
8 U.S.C. 242q et seq.) is amended by striking sec-
9 tion 304 and redesignating section 305 and 306
10 as sections 304 and 305, respectively.

11 (C) Section 4923 of Public Law 105–33 is
12 amended by striking subsection (b).

13 (D) Public Law 106–310 is amended by
14 striking section 105.

15 (E) Section 1004 of Public Law 106–310 is
16 amended by striking subsection (d).

17 (F) Section 3633 of Public Law 106–310
18 (as amended by section 2502 of Public Law 107–
19 273) is repealed.

20 (G) Public Law 106–525 is amended by
21 striking section 105.

22 (H) Public Law 107–84 is amended by
23 striking section 6.

1 (I) *Public Law 108–427 is amended by*
2 *striking section 3 and redesignating sections 4*
3 *and 5 as sections 3 and 4, respectively.*

4 **SEC. 105. CERTAIN DEMONSTRATION PROJECTS.**

5 (a) *BRIDGING THE SCIENCES.*—

6 (1) *IN GENERAL.*—*From amounts to be appro-*
7 *priated under section 402A(b) of the Public Health*
8 *Service Act, the Secretary of Health and Human*
9 *Services, acting through the Director of NIH, (in this*
10 *subsection referred to as the “Secretary”) in consulta-*
11 *tion with the Director of the National Science Foun-*
12 *ation, the Secretary of Energy, and other agency*
13 *heads when necessary, may allocate funds for the na-*
14 *tional research institutes and national centers to*
15 *make grants for the purpose of improving the public*
16 *health through demonstration projects for biomedical*
17 *research at the interface between the biological, behav-*
18 *ioral, and social sciences and the physical, chemical,*
19 *mathematical, and computational sciences.*

20 (2) *GOALS, PRIORITIES, AND METHODS; INTER-*
21 *AGENCY COLLABORATION.*—*The Secretary shall estab-*
22 *lish goals, priorities, and methods of evaluation for*
23 *research under paragraph (1), and shall provide for*
24 *interagency collaboration with respect to such re-*

1 search. In developing such goals, priorities, and meth-
2 ods, the Secretary shall ensure that—

3 (A) the research reflects the vision of inno-
4 vation and higher risk with long-term payoffs;
5 and

6 (B) the research includes a wide spectrum
7 of projects, funded at various levels, with varying
8 timeframes.

9 (3) *PEER REVIEW.*—A grant may be made under
10 paragraph (1) only if the application for the grant
11 has undergone technical and scientific peer review
12 under section 492 of the Public Health Service Act
13 (42 U.S.C. 289a) and has been reviewed by the advi-
14 sory council under section 402(k) of such Act (as
15 added by section 102(c) of this Act) or has been re-
16 viewed by an advisory council composed of represent-
17 atives from appropriate scientific disciplines who can
18 fully evaluate the applicant.

19 (b) *HIGH-RISK, HIGH-REWARD RESEARCH.*—

20 (1) *IN GENERAL.*—From amounts to be appro-
21 priated under section 402A(b) of the Public Health
22 Service Act, the Secretary, acting through the Direc-
23 tor of NIH, may allocate funds for the national re-
24 search institutes and national centers to make awards
25 of grants or contracts or to engage in other trans-

1 *actions for demonstration projects for high-impact,*
2 *cutting-edge research that fosters scientific creativity*
3 *and increases fundamental biological understanding*
4 *leading to the prevention, diagnosis, and treatment of*
5 *diseases and disorders. The head of a national re-*
6 *search institute or national center may conduct or*
7 *support such high-impact, cutting-edge research (with*
8 *funds allocated under the preceding sentence or other-*
9 *wise available for such purpose) if the institute or*
10 *center gives notice to the Director of NIH beforehand*
11 *and submits a report to the Director of NIH on an*
12 *annual basis on the activities of the institute or cen-*
13 *ter relating to such research.*

14 (2) *SPECIAL CONSIDERATION.*—*In carrying out*
15 *the program under paragraph (1), the Director of*
16 *NIH shall give special consideration to coordinating*
17 *activities with national research institutes whose*
18 *budgets are substantial relative to a majority of the*
19 *other institutes.*

20 (3) *ADMINISTRATION OF PROGRAM.*—*Activities*
21 *relating to research described in paragraph (1) shall*
22 *be designed by the Director of NIH or the head of a*
23 *national research institute or national center, as ap-*
24 *plicable, to enable such research to be carried out with*
25 *maximum flexibility and speed.*

1 (4) *PUBLIC-PRIVATE PARTNERSHIPS.*—*In pro-*
2 *viding for research described in paragraph (1), the*
3 *Director of NIH or the head of a national research*
4 *institute or national center, as applicable, shall seek*
5 *to facilitate partnerships between public and private*
6 *entities and shall coordinate when appropriate with*
7 *the Foundation for the National Institutes of Health.*

8 (5) *PEER REVIEW.*—*A grant for research de-*
9 *scribed in paragraph (1) may be made only if the ap-*
10 *plication for the grant has undergone technical and*
11 *scientific peer review under section 492 of the Public*
12 *Health Service Act (42 U.S.C. 289a) and has been re-*
13 *viewed by the advisory council under section 402(k)*
14 *of such Act (as added by section 102(c) of this Act).*

15 (c) *REPORT TO CONGRESS.*—*Not later than the end*
16 *of fiscal year 2009, the Secretary, acting through the Direc-*
17 *tor of NIH, shall conduct an evaluation of the activities*
18 *under this section and submit a report to the Congress on*
19 *the results of such evaluation.*

20 (d) *DEFINITIONS.*—*For purposes of this section, the*
21 *terms “Director of NIH” , “national research institute”,*
22 *and “national center” have the meanings given such terms*
23 *in section 401 of the Public Health Service Act.*

1 **SEC. 106. ENHANCING THE CLINICAL AND TRANSLATIONAL**
2 **SCIENCE AWARD.**

3 (a) *IN GENERAL.*—*In administering the Clinical and*
4 *Translational Science Award, the Director of NIH shall es-*
5 *tablish a mechanism to preserve independent funding and*
6 *infrastructure for pediatric clinical research centers by—*

7 (1) *allowing the appointment of a secondary*
8 *principal investigator under a single Clinical and*
9 *Translational Science Award, such that a pediatric*
10 *principal investigator may be appointed with direct*
11 *authority over a separate budget and infrastructure*
12 *for pediatric clinical research; or*

13 (2) *otherwise securing institutional independence*
14 *of pediatric clinical research centers with respect to*
15 *finances, infrastructure, resources, and research agen-*
16 *da.*

17 (b) *REPORT.*—*As part of the biennial report under sec-*
18 *tion 403 of the Public Health Service Act, the Director of*
19 *NIH shall provide an evaluation and comparison of out-*
20 *comes and effectiveness of training programs under sub-*
21 *section (a).*

22 (c) *DEFINITION.*—*For purposes of this section, the*
23 *term “Director of NIH” has the meaning given such term*
24 *in section 401 of the Public Health Service Act.*

1 **SEC. 107. FOUNDATION FOR THE NATIONAL INSTITUTES OF**
2 **HEALTH.**

3 *Section 499 of the Public Health Service Act (42*
4 *U.S.C. 290b) is amended—*

5 *(1) in subsection (d)—*

6 *(A) in paragraph (1)—*

7 *(i) by amending subparagraph (D)(ii)*
8 *to read as follows:*

9 *“(ii) Upon the appointment of the ap-*
10 *pointed members of the Board under clause*
11 *(i)(II), the terms of service as members of*
12 *the Board of the ex officio members of the*
13 *Board described in clauses (i) and (ii) of*
14 *subparagraph (B) shall terminate. The ex*
15 *officio members of the Board described in*
16 *clauses (iii) and (iv) of subparagraph (B)*
17 *shall continue to serve as ex officio members*
18 *of the Board.”; and*

19 *(ii) in subparagraph (G), by inserting*
20 *“appointed” after “that the number of”;*

21 *(B) by amending paragraph (3)(B) to read*
22 *as follows:*

23 *“(B) Any vacancy in the membership of the*
24 *appointed members of the Board shall be filled in*
25 *accordance with the bylaws of the Foundation es-*
26 *tablished in accordance with paragraph (6), and*

1 shall not affect the power of the remaining ap-
2 pointed members to execute the duties of the
3 Board.”; and

4 (C) in paragraph (5), by inserting “ap-
5 pointed” after “majority of the”;

6 (2) in subsection (j)—

7 (A) in paragraph (2), by striking
8 “(d)(2)(B)(i)(II)” and inserting “(d)(6)”;

9 (B) in paragraph (4)—

10 (i) in subparagraph (A), by inserting
11 “, including an accounting of the use of
12 amounts transferred under subsection (l)”
13 before the period at the end; and

14 (ii) by striking subparagraph (C) and
15 inserting the following:

16 “(C) The Foundation shall make copies of
17 each report submitted under subparagraph (A)
18 available—

19 “(i) for public inspection, and shall
20 upon request provide a copy of the report to
21 any individual for a charge that shall not
22 exceed the cost of providing the copy; and

23 “(ii) to the appropriate committees of
24 Congress.”; and

1 (C) in paragraph (10), by striking “of
2 Health.” and inserting “of Health and the Na-
3 tional Institutes of Health may accept transfers
4 of funds from the Foundation.”; and

5 (3) by striking subsection (l) and inserting the
6 following:

7 “(l) FUNDING.—From amounts appropriated to the
8 National Institutes of Health, for each fiscal year, the Di-
9 rector of NIH shall transfer not less than \$500,000 and not
10 more than \$1,250,000 to the Foundation.”.

11 **SEC. 108. MISCELLANEOUS AMENDMENTS.**

12 (a) CERTAIN AUTHORITIES OF THE SECRETARY.—

13 (1) IN GENERAL.—Section 401 of the Public
14 Health Service Act, as added and amended by section
15 101, is amended in subsection (d) by inserting after
16 paragraph (1) a subsection that is identical to section
17 401(c) of such Act as in effect on the day before the
18 date of the enactment of this Act. The subsection so
19 inserted is amended—

20 (A) by striking “(c)(1) The Secretary may”
21 and inserting the following:

22 “(2) REORGANIZATION OF INSTITUTES.—

23 “(A) IN GENERAL.—The Secretary may”;

24 (B) by striking “(A) the Secretary deter-
25 mines” and inserting the following:

1 “(i) the Secretary determines”;

2 (C) by striking “(B) the additional” and
3 inserting the following:

4 “(ii) the additional”; and

5 (D) by striking “(2) The Secretary may”
6 and inserting the following:

7 “(B) *ADDITIONAL AUTHORITY.*—The Sec-
8 retary may”.

9 (2) *CONFORMING AMENDMENTS.*—Section
10 401(d)(2) of the *Public Health Service Act*, as des-
11 ignated by paragraph (1) of this subsection, is
12 amended—

13 (A) in subparagraph (A)(ii), by striking
14 “subparagraph (A)” and inserting “clause (i)”;
15 and

16 (B) by striking “Labor and Human Re-
17 sources” each place such term appears and in-
18 serting “Health, Education, Labor, and Pen-
19 sions”.

20 (b) *CERTAIN RESEARCH CENTERS.*—Section 414 of the
21 *Public Health Service Act* (42 U.S.C. 285a–3) is amended
22 by adding at the end the following subsection:

23 “(d) Research centers under this section may not be
24 considered centers of excellence for purposes of section
25 402(b)(10).”.

1 **SEC. 109. APPLICABILITY.**

2 *This title and the amendments made by this title apply*
 3 *only with respect to amounts appropriated for fiscal year*
 4 *2007 or subsequent fiscal years.*

5 **TITLE II—MISCELLANEOUS**
 6 **PROVISIONS**

7 **SEC. 201. REDISTRIBUTION OF CERTAIN UNUSED SCHIP AL-**
 8 **LOTMENTS FOR FISCAL YEARS 2004 AND 2005**
 9 **TO REDUCE FUNDING SHORTFALLS FOR FIS-**
 10 **CAL YEAR 2007.**

11 *(a) REDISTRIBUTION OF CERTAIN UNUSED SCHIP*
 12 *ALLOTMENTS.—Section 2104 of the Social Security Act (42*
 13 *U.S.C. 1397dd) is amended by adding at the end the fol-*
 14 *lowing new subsection:*

15 *“(h) SPECIAL RULES TO ADDRESS FISCAL YEAR 2007*
 16 *SHORTFALLS.—*

17 *“(1) REDISTRIBUTION OF UNUSED FISCAL YEAR*
 18 *2004 ALLOTMENTS.—*

19 *“(A) IN GENERAL.—Notwithstanding sub-*
 20 *section (f) and subject to subparagraphs (C) and*
 21 *(D), with respect to months beginning during fis-*
 22 *cal year 2007, the Secretary shall provide for a*
 23 *redistribution under such subsection from the al-*
 24 *lotments for fiscal year 2004 under subsection*
 25 *(b) that are not expended by the end of fiscal*
 26 *year 2006, to a shortfall State described in sub-*

1 *paragraph (B), such amount as the Secretary de-*
2 *termines will eliminate the estimated shortfall*
3 *described in such subparagraph for such State*
4 *for the month.*

5 “(B) *SHORTFALL STATE DESCRIBED.*—*For*
6 *purposes of this paragraph, a shortfall State de-*
7 *scribed in this subparagraph is a State with a*
8 *State child health plan approved under this title*
9 *for which the Secretary estimates, subject to*
10 *paragraph (4)(B) and on a monthly basis using*
11 *the most recent data available to the Secretary*
12 *as of such month, that the projected expenditures*
13 *under such plan for such State for fiscal year*
14 *2007 will exceed the sum of—*

15 “(i) *the amount of the State’s allot-*
16 *ments for each of fiscal years 2005 and*
17 *2006 that was not expended by the end of*
18 *fiscal year 2006; and*

19 “(ii) *the amount of the State’s allot-*
20 *ment for fiscal year 2007.*

21 “(C) *FUNDS REDISTRIBUTED IN THE ORDER*
22 *IN WHICH STATES REALIZE FUNDING SHORT-*
23 *FALLS.*—*The Secretary shall redistribute the*
24 *amounts available for redistribution under sub-*
25 *paragraph (A) to shortfall States described in*

1 *subparagraph (B) in the order in which such*
2 *States realize monthly funding shortfalls under*
3 *this title for fiscal year 2007. The Secretary shall*
4 *only make redistributions under this paragraph*
5 *to the extent that there are unexpended fiscal*
6 *year 2004 allotments under subsection (b) avail-*
7 *able for such redistributions.*

8 “(D) *PRORATION RULE.*—*If the amounts*
9 *available for redistribution under subparagraph*
10 *(A) for a month are less than the total amounts*
11 *of the estimated shortfalls determined for the*
12 *month under that subparagraph, the amount*
13 *computed under such subparagraph for each*
14 *shortfall State shall be reduced proportionally.*

15 “(2) *FUNDING REMAINDER OF REDUCTION OF*
16 *SHORTFALL FOR FISCAL YEAR 2007 THROUGH REDIS-*
17 *TRIBUTION OF CERTAIN UNUSED FISCAL YEAR 2005*
18 *ALLOTMENTS.*—

19 “(A) *IN GENERAL.*—*Subject to subpara-*
20 *graphs (C) and (D) and paragraph (5)(B), with*
21 *respect to months beginning during fiscal year*
22 *2007 after March 31, 2007, the Secretary shall*
23 *provide for a redistribution under subsection (f)*
24 *from amounts made available for redistribution*
25 *under paragraph (3) to each shortfall State de-*

1 scribed in subparagraph (B), such amount as the
2 Secretary determines will eliminate the esti-
3 mated shortfall described in such subparagraph
4 for such State for the month.

5 “(B) *SHORTFALL STATE DESCRIBED.*—For
6 purposes of this paragraph, a shortfall State de-
7 scribed in this subparagraph is a State with a
8 State child health plan approved under this title
9 for which the Secretary estimates, subject to
10 paragraph (4)(B) and on a monthly basis using
11 the most recent data available to the Secretary
12 as of March 31, 2007, that the projected expendi-
13 tures under such plan for such State for fiscal
14 year 2007 will exceed the sum of—

15 “(i) the amount of the State’s allot-
16 ments for each of fiscal years 2005 and
17 2006 that was not expended by the end of
18 fiscal year 2006;

19 “(ii) the amount, if any, that is to be
20 redistributed to the State in accordance
21 with paragraph (1); and

22 “(iii) the amount of the State’s allot-
23 ment for fiscal year 2007.

24 “(C) *FUNDS REDISTRIBUTED IN THE ORDER*
25 *IN WHICH STATES REALIZE FUNDING SHORT-*

1 *FALLS.—The Secretary shall redistribute the*
2 *amounts available for redistribution under sub-*
3 *paragraph (A) to shortfall States described in*
4 *subparagraph (B) in the order in which such*
5 *States realize monthly funding shortfalls under*
6 *this title for fiscal year 2007. The Secretary shall*
7 *only make redistributions under this paragraph*
8 *to the extent that such amounts are available for*
9 *such redistributions.*

10 “(D) *PRORATION RULE.—If the amounts*
11 *available for redistribution under paragraph (3)*
12 *for a month are less than the total amounts of*
13 *the estimated shortfalls determined for the month*
14 *under subparagraph (A), the amount computed*
15 *under such subparagraph for each shortfall State*
16 *shall be reduced proportionally.*

17 “(3) *TREATMENT OF CERTAIN STATES WITH FIS-*
18 *CAL YEAR 2005 ALLOTMENTS UNEXPENDED AT THE*
19 *END OF THE FIRST HALF OF FISCAL YEAR 2007.—*

20 “(A) *IDENTIFICATION OF STATES.—The*
21 *Secretary, on the basis of the most recent data*
22 *available to the Secretary as of March 31,*
23 *2007—*

24 “(i) *shall identify those States that re-*
25 *ceived an allotment for fiscal year 2005*

1 under subsection (b) which have not ex-
2 pended all of such allotment by March 31,
3 2007; and

4 “(i) for each such State shall
5 estimate—

6 “(I) the portion of such allotment
7 that was not so expended by such date;
8 and

9 “(II) whether the State is de-
10 scribed in subparagraph (B).

11 “(B) STATES WITH FUNDS IN EXCESS OF
12 200 PERCENT OF NEED.—A State described in
13 this subparagraph is a State for which the Sec-
14 retary determines, on the basis of the most recent
15 data available to the Secretary as of March 31,
16 2007, that the total of all available allotments
17 under this title to the State as of such date, is
18 at least equal to 200 percent of the total pro-
19 jected expenditures under this title for the State
20 for fiscal year 2007.

21 “(C) REDISTRIBUTION AND LIMITATION ON
22 AVAILABILITY OF PORTION OF UNUSED ALLOT-
23 MENTS FOR CERTAIN STATES.—

24 “(i) IN GENERAL.—In the case of a
25 State identified under subparagraph (A)(i)

1 that is also described in subparagraph (B),
 2 notwithstanding subsection (e), the applica-
 3 ble amount described in clause (ii) shall not
 4 be available for expenditure by the State on
 5 or after April 1, 2007, and shall be redis-
 6 tributed in accordance with paragraph (2).

7 “(i) *APPLICABLE AMOUNT.*—For pur-
 8 poses of clause (i), the applicable amount
 9 described in this clause is the lesser of—

10 “(I) 50 percent of the amount de-
 11 scribed in subparagraph (A)(ii)(I); or

12 “(II) \$20,000,000.

13 “(4) *SPECIAL RULES.*—

14 “(A) *EXPENDITURES LIMITED TO COVERAGE*
 15 *FOR POPULATIONS ELIGIBLE ON OCTOBER 1,*
 16 *2006.*—A State shall use amounts redistributed
 17 under this subsection only for expenditures for
 18 providing child health assistance or other health
 19 benefits coverage for populations eligible for such
 20 assistance or benefits under the State child
 21 health plan (including under a waiver of such
 22 plan) on October 1, 2006.

23 “(B) *REGULAR FMAP FOR EXPENDITURES*
 24 *FOR COVERAGE OF NONCHILD POPULATIONS.*—To
 25 the extent a State uses amounts redistributed

1 under this subsection for expenditures for pro-
2 viding child health assistance or other health
3 benefits coverage to an individual who is not a
4 child or a pregnant woman, the Federal medical
5 assistance percentage (as defined in the first sen-
6 tence of section 1905(b)) applicable to the State
7 for the fiscal year shall apply to such expendi-
8 tures for purposes of making payments to the
9 State under subsection (a) of section 2105 from
10 such amounts.

11 “(5) *RETROSPECTIVE ADJUSTMENT.*—

12 “(A) *IN GENERAL.*—The Secretary may ad-
13 just the estimates and determinations made
14 under paragraphs (1), (2), and (3) as necessary
15 on the basis of the amounts reported by States
16 not later than November 30, 2007, on CMS
17 Form 64 or CMS Form 21, as the case may be
18 and as approved by the Secretary, but in no case
19 may the applicable amount described in para-
20 graph (3)(C)(ii) exceed the amount determined
21 by the Secretary on the basis of the most recent
22 data available to the Secretary as of March 31,
23 2007.

24 “(B) *FUNDING OF ANY RETROSPECTIVE AD-*
25 *JUSTMENTS ONLY FROM UNEXPENDED 2005 AL-*

1 *LOTMENTS.—Notwithstanding subsections (e)*
2 *and (f), to the extent the Secretary determines it*
3 *necessary to adjust the estimates and determina-*
4 *tions made for purposes of paragraphs (1), (2),*
5 *and (3), the Secretary may use only the allot-*
6 *ments for fiscal year 2005 under subsection (b)*
7 *that remain unexpended through the end of fiscal*
8 *year 2007 for providing any additional amounts*
9 *to States described in paragraph (2)(B) (without*
10 *regard to whether such unexpended allotments*
11 *are from States described paragraph (3)(B)).*

12 *“(C) RULES OF CONSTRUCTION.—Nothing*
13 *in this subsection shall be construed as—*

14 *“(i) authorizing the Secretary to use*
15 *the allotments for fiscal year 2006 or 2007*
16 *under subsection (b) of States described in*
17 *paragraph (3)(B) to provide additional*
18 *amounts to States described in paragraph*
19 *(2)(B) for purposes of eliminating the fund-*
20 *ing shortfall for such States for fiscal year*
21 *2007; or*

22 *“(ii) limiting the authority of the Sec-*
23 *retary to redistribute the allotments for fis-*
24 *cal year 2005 under subsection (b) that re-*
25 *main unexpended through the end of fiscal*

1 year 2007 and are available for redistribu-
2 tion under subsection (f) after the applica-
3 tion of subparagraph (B).

4 “(6) 1-YEAR AVAILABILITY; NO FURTHER REDIS-
5 TRIBUTION.—Notwithstanding subsections (e) and (f),
6 amounts redistributed to a State pursuant to this
7 subsection for fiscal year 2007 shall only remain
8 available for expenditure by the State through Sep-
9 tember 30, 2007, and any amounts of such redistribu-
10 tions that remain unexpended as of such date, shall
11 not be subject to redistribution under subsection (f).
12 Nothing in the preceding sentence shall be construed
13 as limiting the ability of the Secretary to adjust the
14 determinations made under paragraphs (1), (2), and
15 (3) in accordance with paragraph (5).

16 “(7) DEFINITION OF STATE.—For purposes of
17 this subsection, the term ‘State’ means a State that
18 receives an allotment for fiscal year 2007 under sub-
19 section (b).”.

20 (b) EXTENDING AUTHORITY FOR QUALIFYING STATES
21 TO USE CERTAIN FUNDS FOR MEDICAID EXPENDITURES.—
22 Section 2105(g)(1)(A) of such Act (42 U.S.C.
23 1397ee(g)(1)(A)) is amended by striking “or 2005” and in-
24 serting “2005, 2006, or 2007”.

1 (c) *REPORT TO CONGRESS.*—Not later than April 30,
2 2007, the Secretary of Health and Human Services shall
3 submit a report to the Committee on Energy and Commerce
4 of the House of Representatives and the Committee on Fi-
5 nance of the Senate regarding the amounts redistributed to
6 States under section 2104 of the Social Security Act to re-
7 duce funding shortfalls for the State Children’s Health In-
8 surance Program (SCHIP) for fiscal year 2007. Such re-
9 port shall include descriptions and analyses of—

10 (1) *the extent to which such redistributed*
11 *amounts have reduced or eliminated such shortfalls on*
12 *the basis of reports by States submitted to the Sec-*
13 *retary as of April 1, 2007; and*

14 (2) *the effect of the redistribution and limited*
15 *availability of unexpended fiscal year 2005 allotments*
16 *under such program on the States described in section*
17 *2104(h)(3)(B) of the Social Security Act (42 U.S.C.*
18 *1397dd(h)(3)(B)) on the basis of reports by States*
19 *submitted to the Secretary as of such date.*

Attest:

Secretary.

109TH CONGRESS
2^D SESSION

H. R. 6164

AMENDMENT