SEC. 1002. NIH INNOVATION FUND.

(a) USE OF INNOVATION FUND.—Section 402(b) of the Public Health Service Act is amended—

(1) in paragraph (23), by striking at the end ''and'';

(2) in paragraph (24), by striking at the end the period and inserting ''; and''; and

(3) by inserting after paragraph (24), the following new paragraph:

''(25) shall, with respect to funds appropriated under section 402A(e) to the NIH Innovation Fund, allocate such funds to the national research institutes and national centers for conducting and supporting innovation fund initiatives identified under paragraph (3) of such section.''.

(b) ESTABLISHMENT OF INNOVATION FUND.—Section 402A of the Public Health Service Act is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

''(e) NIH INNOVATION FUND.—

''(1) ESTABLISHMENT.—For the purpose of allocations under section 402(b)(25), there is established a fund to be known as the NIH Innovation Fund. The Director of NIH shall, with respect to

funds appropriated to the NIH Innovation Fund, allocate such funds to support biomedical research through the funding of basic, translational, and clinical research.

''(2) AMOUNTS MADE AVAILABLE TO FUND.—

''(A) IN GENERAL.—Subject to subparagraph (B), there is authorized to be appropriated, and appropriated, to the NIH Innovation Fund out of any funds in the Treasury not otherwise appropriated, $2,000,000,000 for each of fiscal years 2016 through 2020. The amounts appropriated to the Fund by the preceding sentence shall be in addition to any amounts otherwise made available to the National Institutes of Health.

''(B) AVAILABILITY SUBJECT TO APPROPRIATIONS.—Amounts in the Fund shall not be available except to the extent and in such amounts as are provided in advance in appropriation Acts.

''(C) ALLOCATION OF AMOUNTS.—Of the amounts made available from the NIH Innovation Fund for allocations under section 402(b)(25) for a fiscal year—

''(i) not less than $500,000,000 shall be for the Accelerating Advancement Program under paragraph (5);

''(ii) not less than 35 percent of such amounts remaining after subtracting the allocation for the Accelerating Advancement Program shall be for early stage investigators as defined in subsection (7);

''(iii) not less than 20 percent of such amounts remaining after subtracting the allocation for the Accelerating Advancement Program shall be for high-risk, high-reward research under section 409K; and

''(iv) not more than 10 percent of such amounts (without subtracting the allocation for the Accelerating Advancement Program) shall be for intramural research.

''(D) INAPPLICABILITY OF CERTAIN PROVISIONS.—Amounts in the NIH Innovation Fund shall not be subject to—

''(i) any transfer authority of the Secretary or the Director of NIH under section 241, subsection (c), subsection (d), or any other provision of law (other than section 402(b)(25) and this subsection); or

''(ii) the Nonrecurring expenses fund under section 223 of division G of the Consolidated Appropriations Act, 2008 (42 U.S.C. 3514a).

''(3) AUTHORIZED USES.—Amounts in the NIH Innovation Fund established under paragraph (1) may be used only to conduct or support innovative biomedical research through the following:

''(A) Research in which—

''(i) a principal investigator has a specific project or specific objectives; and

''(ii) funding is tied to pursuit of such project or objectives.

''(B) Research in which—

''(i) a principal investigator has shown promise in biomedical research; and

''(ii) funding is not tied to a specific project or specific objectives.

''(C) Research to be carried out by an early stage investigator (as defined in paragraph (7)).

''(D) Research to be carried out by a small business concern (as defined in section 3 of the Small Business Act).

''(E) The Accelerating Advancement Program under paragraph (5).

''(F) Development and implementation of the strategic plan under paragraph (6).

''(4) COORDINATION.—In funding programs and activities through the NIH Innovation Fund, the Secretary, acting through the Director of NIH, shall—

''(A) ensure coordination among the national research institutes, the national centers, and other departments, agencies, and offices of the Federal Government; and

''(B) minimize unnecessary duplication.

''(5) ACCELERATING ADVANCEMENT PROGRAM.—The Director of NIH shall establish a program, to be known as the Accelerating Advancement Program, under which—

''(A) the Director of NIH partners with national research institutes and national centers to accomplish important biomedical research objectives; and

''(B) for every $1 made available by the Director of NIH to a national research institute or national center for a research project, the institute or center makes $1 available for such

project from funds that are not derived from the NIH Innovation Fund.

''(6) STRATEGIC PLAN.—

''(A) IN GENERAL.—The Director of NIH shall ensure that scientifically based strategic planning is implemented in support of research priorities, including through development, use, and updating of a research strategic plan that—

''(i) is designed to increase the efficient and effective focus of biomedical research in a manner that leverages the best scientific opportunities through a deliberative planning process;

''(ii) identifies areas, to be known as strategic focus areas, in which the resources of the NIH Innovation Fund can contribute to the goals of expanding knowledge to address, and find more effective treatments for, unmet medical needs in the United States, including the areas of—

''(I) biomarkers;

''(II) precision medicine;

''(III) infectious diseases, including pathogens listed as a qualifying

pathogen under section 505E(f) of the Federal Food, Drug, and Cosmetic Act or listed or designated as a tropical disease under section 524 of such Act; and

''(IV) antibiotics;

''(iii) includes objectives for each such strategic focus area; and

''(iv) ensures that basic research remains a priority.

''(B) UPDATES AND REVIEWS.—The Director shall review and, as appropriate, update the research strategic plan under subparagraph (A) not less than every 18 months.

''(7) DEFINITION.—In this subsection, the term 'early stage investigator' means an investigator who—

''(A) will be the principal investigator or the program director of the proposed research;

''(B) has never been awarded, or has been awarded only once, a substantial, competing grant by the National Institutes of Health for independent research; and

''(C) is within 10 years of having completed—

''(i) the investigator's terminal degree; or

''(ii) a medical residency (or the equivalent).''.

(c) SUPPLEMENT, NOT SUPPLANT; PROHIBITION AGAINST TRANSFER.—Funds appropriated pursuant to section 402A(e) of the Public Health Service Act, as inserted by subsection (b)—

(1) shall be used to supplement, not supplant, the funds otherwise allocated by the National Institutes of Health for biomedical research; and

(2) notwithstanding any transfer authority in any appropriation Act, shall not be used for any purpose other than allocating funds for conducting and supporting innovation fund initiatives as described in section 402(b)(25) of the Public Health Service Act, as added by subsection (a).

Subtitle B—National Institutes of Health Planning and Administration

SEC. 1021. NIH RESEARCH STRATEGIC PLAN.

Section 402 of the Public Health Service Act (42 U.S.C. 282) is amended—

(1) in subsection (b), by amending paragraph (5) to read as follows: