| AN  | IENDMENT NO Calendar No  |
|-----|--|
| Pu  | rpose: In the nature of a substitute.  |
| IN  | THE SENATE OF THE UNITED STATES—117th Cong., 2d Sess.  |
|     | S. 2076  |
| То  | establish a program to develop antimicrobial innovations targeting the most challenging pathogens and most threatening infections. |
| R   | eferred to the Committee on and ordered to be printed  |
|     | Ordered to lie on the table and to be printed  |
| A   | MENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by  |
| Viz | :  |
| 1   | Strike all after the enacting clause and insert the fol-   |
| 2   | lowing:  |
| 3   | SECTION 1. SHORT TITLE.  |
| 4   | This Act may be cited as the "Pioneering Anti-   |
| 5   | microbial Subscriptions To End Up surging Resistance   |
| 6   | Act of 2022" or the "PASTEUR Act".   |
| 7   | SEC. 2. DEVELOPING ANTIMICROBIAL INNOVATIONS.  |
| 8   | Title III of the Public Health Service Act (42 U.S.C.  |
| 9   | 241 et seq.) is amended by adding at the end the fol-  |
| 10  | lowing:  |
|     |  |

| 1  | "PART W—DEVELOPING ANTIMICROBIAL                           |
|----|--|
| 2  | INNOVATIONS  |
| 3  | "SEC. 39900. ESTABLISHMENT OF COMMITTEE; SUBSCRIP-         |
| 4  | TION MODEL; ADVISORY GROUP.                                |
| 5  | "(a) In General.—Not later than 60 days after the          |
| 6  | date of enactment of this part, the Secretary shall estab- |
| 7  | lish a Committee on Critical Need Antimicrobials and ap-   |
| 8  | point members to the Committee.                            |
| 9  | "(b) Members.—   |
| 10 | "(1) In general.—The Committee shall con-                  |
| 11 | sist of at least one representative from each of the       |
| 12 | National Institute of Allergy and Infectious Dis-          |
| 13 | eases, the Centers for Disease Control and Preven-         |
| 14 | tion, the Biomedical Advanced Research and Devel-          |
| 15 | opment Authority, the Food and Drug Administra-            |
| 16 | tion, the Centers for Medicare & Medicaid Services,        |
| 17 | the Veterans Health Administration, and the De-            |
| 18 | partment of Defense.                                       |
| 19 | "(2) Chair.—The Secretary shall appoint one                |
| 20 | of the members of the Committee to serve as the            |
| 21 | Chair of the Committee.                                    |
| 22 | "(c) Duties.—Not later than 1 year after the ap-           |
| 23 | pointment of all initial members of the Committee, the     |
| 24 | Secretary, in collaboration with the Committee, and in     |
| 25 | consultation with the Critical Need Antimicrobials Advi-   |

1 sory Group established under subsection (g), shall do the 2 following:

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"(1) Develop a list of infections and patient types for which new antimicrobial drug development is needed, taking into account patient factors, organisms, sites of infection, and type of infections for which there is an unmet medical need, findings from the most recent report entitled 'Antibiotic Resistance Threats in the United States' issued by the Centers for Disease Control and Prevention, or an anticipated unmet medical need, including a potential global health security threat. For the list developed under this paragraph, the Secretary, in collaboration with the Committee, may use the infection list in such most recent report for up to 3 years following the date of enactment of this part and subsequently update the list under this paragraph in accordance with subsection (e).

"(2) Develop regulations, in accordance with subsection (d), outlining favored characteristics of critical need antimicrobial drugs, that are evidence based, clinically focused, and designed to improve patient outcomes in treating the infections described in paragraph (1), and establishing criteria for how each such characteristic or combinations of multiple

| 1  | characteristics will adjust the monetary value of a  |
|----|--|
| 2  | subscription contract awarded under subsection (f)   |
| 3  | or section 39900–2. The favored characteristics      |
| 4  | shall be weighed for purposes of such monetary       |
| 5  | value such that meeting certain characteristics, or  |
| 6  | meeting more than one such characteristic, increases |
| 7  | the monetary value. Such favored characteristics of  |
| 8  | an antimicrobial drug shall include—                 |
| 9  | "(A) treating infections and patients on             |
| 10 | the list under paragraph (1);                        |
| 11 | "(B) improving clinical and patient out-             |
| 12 | comes for patients with multi-drug-resistant in-     |
| 13 | fections;  |
| 14 | "(C) being a first-approved antimicrobial            |
| 15 | drug that has the evidence of addressing unmet       |
| 16 | medical needs for the treatment of a serious or      |
| 17 | life-threatening infection, and, to a lesser ex-     |
| 18 | tent, second and third drugs that treat such in-     |
| 19 | fections;  |
| 20 | "(D) route of administration, especially             |
| 21 | through oral administration;                         |
| 22 | "(E)(i) containing no active moiety (as de-          |
| 23 | fined by the Secretary in section 314.3 of title     |
| 24 | 21, Code of Federal Regulations (or any suc-         |
| 25 | cessor regulations)) that has been approved in       |
|    |  |

| 1  | any other application under section 505(b) of      |
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| 2  | the Federal Food, Drug, and Cosmetic Act or        |
| 3  | intending to be the subject of a new biological    |
| 4  | product license application under section          |
| 5  | 351(a);  |
| 6  | "(ii) being a member of a new class of             |
| 7  | drugs with a novel target and novel mode of ac-    |
| 8  | tion that are distinctly different from the target |
| 9  | or mode of any antimicrobial drug approved         |
| 10 | under section 505 of such Act or licensed under    |
| 11 | section 351, including reduced toxicity;           |
| 12 | "(iii) not being affected by cross-resistance      |
| 13 | to any antimicrobial drug approved under such      |
| 14 | section 505 or licensed under such section 351;    |
| 15 | "(F) improving patient outcomes for an in-         |
| 16 | fection through a novel chemical scaffold or       |
| 17 | mechanism of action;                               |
| 18 | "(G) having received a transitional sub-           |
| 19 | scription contract under subsection (f); and       |
| 20 | "(H) any other characteristic the Sec-             |
| 21 | retary, in collaboration with the Committee, de-   |
| 22 | termines necessary.                                |
| 23 | "(d) Regulations.—                                 |
| 24 | "(1) IN GENERAL.—Not later than 1 year after       |
| 25 | the appointment of the initial members of the Com- |

| 1  | mittee, the Secretary shall issue proposed regula-     |
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| 2  | tions which shall include—                             |
| 3  | "(A) a process by which the sponsors can               |
| 4  | apply for an antimicrobial drug to become a            |
| 5  | critical need antimicrobial drug under section         |
| 6  | 39900–1;   |
| 7  | "(B) how subscription contracts under                  |
| 8  | such section shall be established and paid;            |
| 9  | "(C) the favored characteristics under sub-            |
| 10 | section (c)(2), how such characteristics will be       |
| 11 | weighed, and the minimum number and kind of            |
| 12 | favored characteristics needed for an anti-            |
| 13 | microbial drug to be designated a critical need        |
| 14 | antimicrobial drug; and                                |
| 15 | "(D) other elements of the subscription                |
| 16 | contract process, in accordance with this part.        |
| 17 | "(2) Development of final regula-                      |
| 18 | TIONS.—Before finalizing the regulations under         |
| 19 | paragraph (1), the Secretary shall solicit public com- |
| 20 | ment and hold public meetings for the period begin-    |
| 21 | ning on the date on which the proposed regulations     |
| 22 | are issued and ending on the date that is 120 days     |
| 23 | after such date of issuance. The Secretary shall fi-   |
| 24 | nalize and publish such regulations not later than     |

1 120 days after the close of such period of public 2 comment and meetings. 3 "(3) Subscription contract office.—Not 4 later than 6 months after the date of enactment of 5 this part, the Secretary shall propose an agency or 6 office in the Department of Health and Human 7 Services to manage the establishment and payment 8 of subscription contracts awarded under section 9 39900–2, including eligibility, requirements, and 10 contract amounts. The Secretary shall solicit public 11 comment and finalize the agency or office no later 12 than 45 days following the proposed agency or of-13 fice. Such agency or office shall be referred to as the 14 'Subscription Contract Office'. 15 "(e) List of Infections and Patient Types.— 16 The Secretary, in collaboration with the Committee, shall 17 update the list of infections and patient types under sub-18 section (c)(1) at least every 2 years. 19 "(f) Transitional Subscription Contracts.— 20 "(1) In general.—Not earlier than 30 days 21 after the date of enactment of this part and ending 22 on the date that the Secretary finalizes the subscrip-23 tion contract regulations under subsection (d), the 24 Secretary may use up to \$1,000,000,000 of the 25 amount appropriated under section 39900–4(a) to

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engage in transitional subscription contracts of up to 3 years in length with antimicrobial developers, as determined by the Secretary, that have developed antimicrobial drugs treating infections listed in the most recent report entitled 'Antibiotic Resistance Threats in the United States' issued by the Centers for Disease Control and Prevention, and may include antimicrobial drugs that are qualified infectious disease products (as defined in section 505E(g) of the Federal Food, Drug, and Cosmetic Act), innovative biological products, or innovative drugs that achieve improved clinical and patient outcomes through immunomodulation. Such a contract may authorize the contractor to use funds made available under the contract for completion of postmarketing clinical studies, manufacturing, and other preclinical and clinical efforts. "(2) Requirements.— "(A) IN GENERAL.—The Secretary, through the office described in paragraph (4), may enter into a contract under paragraph (1)— "(i) if the Secretary determines that

the antimicrobial drug is intended to treat

an infection and improves patient outcomes

| 1  | for which there is an unmet clinical need,    |
|----|---|
| 2  | an anticipated clinical need, or drug resist- |
| 3  | ance;   |
| 4  | "(ii) subject to terms including—             |
| 5  | "(I) that the Secretary shall                 |
| 6  | cease any payment installments under          |
| 7  | a transitional subscription contract if       |
| 8  | the sponsor does not—                         |
| 9  | "(aa) ensure commercial and                   |
| 10 | Federal availability of the anti-             |
| 11 | microbial drug within 30 days of              |
| 12 | receiving first payment under the             |
| 13 | contract;                                     |
| 14 | "(bb) identify, track, and                    |
| 15 | publicly report drug resistance               |
| 16 | data, patient outcomes, and                   |
| 17 | trends using available data re-               |
| 18 | lated to the antimicrobial drug;              |
| 19 | "(cc) develop and implement                   |
| 20 | education and communications                  |
| 21 | strategies, including communica-              |
| 22 | tions for individuals with limited            |
| 23 | English proficiency and individ-              |
| 24 | uals with disabilities, for health            |
| 25 | care professionals and patients               |

| 1  | about appropriate use of the       |
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| 2  | antimicrobial drug;                |
| 3  | "(dd) submit a plan for reg-       |
| 4  | istering the antimicrobial drug in |
| 5  | additional countries where an      |
| 6  | unmet medical need exists, which   |
| 7  | such plan may be consistent with   |
| 8  | the Stewardship and Access Plan    |
| 9  | (SAP) Development Guide            |
| 10 | (2021);                            |
| 11 | "(ee) subject to subpara-          |
| 12 | graph (B), ensure a reliable drug  |
| 13 | supply chain, thus leading to an   |
| 14 | interruption of the supply of the  |
| 15 | antimicrobial drug in the United   |
| 16 | States for more than 60 days; or   |
| 17 | "(ff) make meaningful              |
| 18 | progress toward completion of      |
| 19 | Food and Drug Administration-      |
| 20 | required postmarketing studies,    |
| 21 | including such studies that are    |
| 22 | evidence based; and                |
| 23 | "(II) other terms as determined    |
| 24 | by the Secretary; and              |
| 25 | "(iii) if—                         |

| 1  | "(I) a phase 3 clinical study has                     |
|----|---|
| 2  | been initiated for the antimicrobial                  |
| 3  | drug; or  |
| 4  | "(II) the antimicrobial drug has                      |
| 5  | been approved under section 505(c) of                 |
| 6  | the Federal Food, Drug, and Cos-                      |
| 7  | metic Act or licensed under section                   |
| 8  | 351(a).   |
| 9  | "(B) WAIVER.—The requirement under                    |
| 10 | subparagraph (A)(ii)(I)(ee) may be waived in          |
| 11 | the case that an emergency prohibits access to        |
| 12 | a reliable drug supply chain.                         |
| 13 | "(3) Transitional Guidance.—Not later                 |
| 14 | than 120 days after the appointment of the initial    |
| 15 | members of the Committee, the Secretary shall         |
| 16 | issue, in consultation with the Committee, transi-    |
| 17 | tional guidance outlining the antimicrobial drugs     |
| 18 | that are eligible for transitional subscription con-  |
| 19 | tracts under paragraph (1), the requirements to       |
| 20 | enter into a transitional subscription contract under |
| 21 | paragraph (2), and the process by which drug devel-   |
| 22 | opers can enter into transitional subscription con-   |
| 23 | tracts with the Secretary under this subsection.      |
| 24 | "(4) Payment office and mechanism.—Not                |
| 25 | later than 30 days after the date of enactment of     |

| 1  | this part, the Secretary shall determine the agency  |
|----|--|
| 2  | or office in the Department of Health and Human      |
| 3  | Services that will manage the transitional subscrip- |
| 4  | tion contracts, including eligibility, requirements, |
| 5  | and contract amounts, during the period described    |
| 6  | in paragraph (1).                                    |
| 7  | "(g) Critical Need Antimicrobial Advisory            |
| 8  | Group.—  |
| 9  | "(1) In general.—Not later than 30 days              |
| 10 | after the appointment of all initial members of the  |
| 11 | Committee, the Secretary, in collaboration with the  |
| 12 | Committee, shall establish a Critical Need Anti-     |
| 13 | microbial Advisory Group (referred to in this sub-   |
| 14 | section as the 'Advisory Group') and appoint mem-    |
| 15 | bers to the Advisory Group.                          |
| 16 | "(2) Members.—The members of the Advisory            |
| 17 | Group shall include—                                 |
| 18 | "(A) not fewer than 6 individuals who                |
| 19 | are—   |
| 20 | "(i) infectious disease specialists; or              |
| 21 | "(ii) other health experts with exper-               |
| 22 | tise in researching antimicrobial resistance,        |
| 23 | health economics, or commercializing anti-           |
| 24 | microbial drugs; and                                 |
| 25 | "(B) not fewer than 5 patient advocates.             |

1 "(3) CHAIR.—The Secretary shall appoint one 2 of the members of the Advisory Group to serve as 3 the Chair. 4 "(4) Conflicts of interest.—In appointing 5 members under paragraph (2), the Secretary shall 6 ensure that no member receives compensation in any 7 manner from a commercial or for-profit entity that 8 develops antimicrobials or that might benefit from 9 antimicrobial development. 10 "(5) APPLICABILITY OF FACA.—Except as oth-11 erwise provided in this subsection, the Federal Advi-12 sory Committee Act shall apply to the Advisory 13 Group. 14 "SEC. 3990-1. CRITICAL NEED ANTIMICROBIAL DRUG AP-15 PLICATION AND PAYMENT THROUGH SUB-16 SCRIPTION CONTRACTS. 17 "(a) IN GENERAL.— 18 "(1) Submission of request.—The sponsor 19 of an application under section 505(b) of the Fed-20 eral Food, Drug, and Cosmetic Act or section 351(a) 21 for an antimicrobial drug may request that the Sec-22 retary designate the drug as a critical need anti-23 microbial. A request for such designation may be 24 submitted after the Secretary grants for such drug 25 an investigational new drug exemption under section

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505(i) of the Federal Food, Drug, and Cosmetic Act or section 351(a)(3), and shall be submitted not later than 5 years after the date of approval under section 505(c) of the Federal Food, Drug, and Cosmetic Act or licensure under section 351(a).

"(2) Content of Request.—A request under paragraph (1) shall include information, such as clinical, preclinical and postmarketing data, evidence of patient outcomes, a list of the favorable characteristics described in section 399OO(c)(2), and any other material that the Secretary in consultation with the Committee requires.

"(3) Review by Secretary.—The Secretary shall promptly review all requests for designation submitted under this subsection, assess all required application components, and determine if the antimicrobial drug is likely to meet the favorable characteristics identified in the application upon the completion of clinical development. After review, the Secretary shall approve or deny each request for designation not later than 90 days after receiving a request. If the Secretary approves a request, it shall publish the value of the contract that the critical need antimicrobial developer would be eligible to receive if such developer successfully demonstrates

that the drug meets the maximum value of the favored characteristics listed in the application.

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- "(4) Length of Designation Period.—A designation granted under this section shall be in effect for a period of 10 years after the date that the designation is approved, and shall remain in effect for such period even if the infection treated by such drug is later removed from the list of infections under section 39900(c)(1).
- "(5) Subsequent reviews.—No sooner than
  2 years after a designation approval or denial under
  subsection (3), the sponsor may request a subsequent review to re-evaluate the value of a contract
  to include any new information.
- 15 "(b) Development of Designated Drugs.—If a critical need antimicrobial designation is granted during 16 clinical development of an antimicrobial drug, the Sec-17 retary may work with the sponsor to maximize the oppor-18 19 tunity for the sponsor to successfully demonstrate that the 20 antimicrobial drug possesses the favored characteristics of 21 high-monetary valued products identified under section 22 39900(c)(2).
- 23 "(c) Appropriate Use of Critical Need Anti-24 microbial.—

| 1  | "(1) In General.—The sponsor of an anti-                |
|----|---|
| 2  | microbial drug that receives designation under sub-     |
| 3  | section (a) shall within 90 days of such designation    |
| 4  | submit to the Secretary a plan for appropriate use      |
| 5  | of diagnostics, in order for the Secretary and Com-     |
| 6  | mittee to consider such plan in developing clinical     |
| 7  | guidelines. An appropriate use plan—                    |
| 8  | "(A) shall include—                                     |
| 9  | "(i) the appropriate use of the drug                    |
| 10 | and   |
| 11 | "(ii) the appropriate use of diagnostic                 |
| 12 | tools, where available, such as diagnostic              |
| 13 | testing for biomarkers related to anti-                 |
| 14 | microbial-resistant pathogens and dem-                  |
| 15 | onstrating improved infection diagnosis                 |
| 16 | and benefit with the drug, or other tar-                |
| 17 | geted diagnostic approaches, to inform use              |
| 18 | of the drug; and  |
| 19 | "(B) may be developed in partnership with               |
| 20 | the Secretary, infectious disease experts, diag-        |
| 21 | nostic experts or developers, laboratory experts        |
| 22 | or another entity.                                      |
| 23 | "(2) Consultation.—The Secretary shall con-             |
| 24 | sult with relevant professional societies and the Crit- |
| 25 | ical Need Antimicrobial Advisory Group established      |

under section 399OO(g) to ensure that clinical guidelines issued by the Secretary under paragraph (3), with respect to an antimicrobial drug designated under subsection (a), includes the use of appropriate diagnostic approaches, taking into consideration the diagnostic plan submitted by a sponsor under paragraph (1).

"(3) Publication of clinical guidelines.—
Not later than 1 year after the Secretary makes the first designation under subsection (a), and not less than every 3 years thereafter, the Secretary shall publish clinical guidelines in consultation with relevant professional societies with respect to each antimicrobial drug that has been approved or licensed as described in subsection (a)(1) and that has been designated under subsection (a), which guidelines shall set forth the evidence-based recommendations for prescribing the drug, in accordance with the evidence in submissions of the sponsor under paragraph (1) and after consultation under paragraph (2), as appropriate.

## 22 "SEC. 3990–2. SUBSCRIPTION CONTRACTS.

23 "(a) Application for a Subscription Con-

24 TRACT.—

| 1  | "(1) SUBMISSION OF APPLICATIONS.—After ap                |
|----|--|
| 2  | proval under section 505(c) of the Federal Food          |
| 3  | Drug, and Cosmetic Act or licensure under section        |
| 4  | 351(a), the sponsor of an antimicrobial drug des         |
| 5  | ignated as a critical need antimicrobial under section   |
| 6  | 399OO-1 may submit an application for a subscrip         |
| 7  | tion contract with the Secretary, under a procedure      |
| 8  | established by the Secretary.                            |
| 9  | "(2) REVIEW OF APPLICATIONS.—The Sec                     |
| 10 | retary shall, in consultation with the Committee—        |
| 11 | "(A) review all applications for subscrip                |
| 12 | tion contracts under paragraph (1) and assess            |
| 13 | all required application components;                     |
| 14 | "(B) determine the extent to which the                   |
| 15 | critical need antimicrobial meets the favored            |
| 16 | characteristics identified under section                 |
| 17 | 399OO(c)(2), and deny any application for a              |
| 18 | drug that meets none of such characteristics             |
| 19 | and  |
| 20 | "(C) assign a monetary value to the con                  |
| 21 | tract based on the regulations developed under           |
| 22 | section 399OO(d).  |
| 23 | "(b) Criteria.—To qualify for a subscription con         |
| 24 | tract under this section, the sponsor of an antimicrobia |

| 1  | drug designated as a critical need antimicrobial shall agree |
|----|--|
| 2  | to—  |
| 3  | "(1) ensure commercial and Federal availability              |
| 4  | of the antimicrobial drug within 30 days of receiving        |
| 5  | first payment under the contract, and sufficient sup-        |
| 6  | ply for susceptibility device manufacturers;                 |
| 7  | "(2) identify, track, and publicly report drug               |
| 8  | resistance data, patient outcomes, and trends using          |
| 9  | available data related to the antimicrobial drug;            |
| 10 | "(3) develop and implement education and com-                |
| 11 | munications strategies, including communications             |
| 12 | for individuals with limited English proficiency and         |
| 13 | individuals with disabilities, for health care profes-       |
| 14 | sionals and patients about appropriate use of the            |
| 15 | antimicrobial drug;  |
| 16 | "(4) submit an appropriate use assessment to                 |
| 17 | the Secretary, Committee, Food and Drug Adminis-             |
| 18 | tration, and Centers for Disease Control and Pre-            |
| 19 | vention every 2 years regarding use of the anti-             |
| 20 | microbial drug, including how the drug is being mar-         |
| 21 | keted;   |
| 22 | "(5) submit a plan for registering the drug in               |
| 23 | additional countries where an unmet medical need             |
| 24 | exists;  |

| 1  | "(6) ensure a reliable drug supply chain, where        |
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| 2  | any interruption to the supply chain will not last for |
| 3  | more than 60 days in the United States;                |
| 4  | "(7) complete any postmarketing studies re-            |
| 5  | quired by the Food and Drug Administration in a        |
| 6  | timely manner;   |
| 7  | "(8) produce the drug at a reasonable volume           |
| 8  | determined with the Secretary to ensure patient ac-    |
| 9  | cess to the drug;                                      |
| 10 | "(9) price the drug at a price that is not lower       |
| 11 | than a comparable generic drug;                        |
| 12 | "(10) abide by the manufacturing and environ-          |
| 13 | mental best practices in the supply chain for the      |
| 14 | control of discharge of antimicrobial active pharma-   |
| 15 | ceutical ingredients to ensure minimal discharge       |
| 16 | into, or contamination of, the environment by anti-    |
| 17 | microbial agents or products as a result of the man-   |
| 18 | ufacturing process; and                                |
| 19 | "(11) abide by other terms as the Secretary            |
| 20 | may require.   |
| 21 | "(c) Amount and Terms of Contracts.—                   |
| 22 | "(1) Amounts.—A subscription contract under            |
| 23 | this section shall be for the sale to the Secretary of |
| 24 | any quantity of the antimicrobial drug needed over     |
| 25 | the term of the contract under paragraph (2), at an    |
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agreed upon price, for a total projected amount determined by the Secretary that is not less than \$750,000,000 and not more than \$3,000,000,000, adjusted for inflation, accounting for the favored characteristic or combination of favored characteristics of the drug, including improved patient outcomes, as determined by the Secretary, in consultation with the Committee, under subsection (a)(2), and shall be allocated from the amount made available under section 39900–4(a). Not later than 6 months after the subscription contract is granted under subsection (a), the Secretary shall provide payments for purchased drugs in installments established by the Secretary in consultation with the sponsor of the antimicrobial drug and in accordance with subsection (d)(3). Funds received by the sponsor shall be used to support criteria qualification under subsection (b), the completion of postmarketing clinical studies, manufacturing, other preclinical and clinical activities, or other activities agreed to by the Secretary and sponsor in the contract.

"(2) Terms.—

24 "(A) Initial term.—The initial term of a 25 contract under this subsection shall be no less

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than 5 years or greater than the greater of 10 years or the remaining period of time during which the sponsor has patent protections or a remaining exclusivity period with respect to the antimicrobial drug in the United States, as listed in the publication of the Food and Drug Administration entitled 'Approved Drug Products with Therapeutic Equivalence Evaluations'. Payments may be in equal annual installments with the option to redeem 50 percent of the last year's reimbursement in year 1 of the contract in order to offset costs of establishing manufacturing capacity, or another subscription arrangement to which the Secretary and sponsor agree. Subscription contracts shall remain in effect for such period even if the infection treated by such antimicrobial drug is later removed from the list of infections under section 39900(c)(1).

"(B) EXTENSION OF CONTRACTS.—The Secretary may extend a subscription contract with a sponsor under this subsection beyond the initial contract period. A single contract extension may be in effect not later than the date on which all periods of exclusivity granted by the

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Food and Drug Administration expire and shall be in an amount not to exceed \$25,000,000 per year. All other terms of an extended contract shall be the same as the terms of the initial contract. The total amount of funding used on such contract extensions shall be no more than \$1,000,000,000, and shall be allocated from the amount made available under section 39900-4. "(C) Modification of contracts.—The Secretary or sponsor, 1 year after the start of the contract period under this subsection and every 2 years thereafter, may request a modification of the amount of the contract based on information that adjusts favored characteristics in section 39900(c)(2). "(3) Adjustment.—In the case of an antimicrobial drug that received a transitional subscription contract under section 39900(f), the amount of a subscription contract for such drug under this section shall be reduced by the amount of the transitional subscription contract under such section 39900(f) for such drug. "(4) Contracts for generic AND BIO-SIMILAR VERSIONS.—Notwithstanding any other provision in this part, the Secretary may award a

1 subscription contract under this section to a manu-2 facturer of a generic or biosimilar version of an anti-3 microbial drug for which a subscription contract has 4 been awarded under this section. Such contracts 5 shall be awarded in accordance with a procedure, in-6 cluding for determining the terms and amounts of 7 such contracts, established by the Secretary. "(d) Annual Antimicrobial Drug Sponsor Rev-8 ENUE LIMITATIONS.— 10 "(1) In general.—Pursuant to a contract en-11 tered into under this section, during the term of such a contract, the annual net revenue from sales 12 13 of the applicable antimicrobial drug for beneficiaries 14 or enrollees in Federal health care programs shall be 15 subtracted from the annual payment installments 16 determined in the subscription contract. The Sec-17 retary shall coordinate with the relevant agencies of 18 the Federal Government to carry out this subsection 19 in a manner that ensures minimal disruption to how 20 a health care provider currently acquires applicable 21 antimicrobial drugs. "(2) Regulations.—To carry out this sub-22 23 section, the Secretary shall promulgate regulations 24 to identify the Federal health care programs applica-25 ble under this section and to establish the method-

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ology and data collection requirements necessary to determine the amount to be subtracted from any contract. Any methodology established for the collection of data and calculation of the amount to be subtracted from any contract shall take into account any legally mandated or voluntary discounts and rebates provided by the manufacturer of the applicable antimicrobial drug to the government programs that pay for such drugs subject to a contract agreement entered into pursuant to subsection (c)(2).

## "(3) Definitions.—In this subsection:

"(A) APPLICABLE ANTIMICROBIAL DRUG.—The term 'applicable antimicrobial drug' means an antimicrobial drug for which the sponsor of such drug receives a subscription contract under subsection (a).

"(B) FEDERAL HEALTH CARE PROGRAM.—
The term 'Federal health care program' has the meaning given such term in section 1128B(f) of the Social Security Act, except that, for purposes of this subsection, such term includes the health insurance program under chapter 89 of title 5, United States Code.

| 1  | (e) FAILURE TO ADHERE TO TERMS.—The Sec-                 |
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| 2  | retary shall cease any payment installments under a con- |
| 3  | tract under this section if—                             |
| 4  | "(1) the sponsor—  |
| 5  | "(A) permanently withdraws the anti-                     |
| 6  | microbial drug from the market in the United             |
| 7  | States;  |
| 8  | "(B) fails to meet criteria under subsection             |
| 9  | (b); or  |
| 10 | "(C) does not complete a postmarket study                |
| 11 | required by the Food and Drug Administration             |
| 12 | during the length of the term of the contract;           |
| 13 | "(2) the annual international and private insur-         |
| 14 | ance market revenues with respect to an anti-            |
| 15 | microbial drug (not counting any subscription reve-      |
| 16 | nues from any source pursuant to a contract under        |
| 17 | this section or other international or private entities) |
| 18 | exceed 5 times the average annual amount of the          |
| 19 | subscription contract paid by the Secretary as cer-      |
| 20 | tified by the sponsor annually; or                       |
| 21 | "(3) if the total revenue of the sponsor from            |
| 22 | government programs that pay for drugs subject to        |
| 23 | a contract agreement entered into pursuant to sub-       |
| 24 | section (c)(2), for a year exceeds the amount of the     |

1 subscription contract paid by the Secretary for that 2 year. 3 "(f) Private Payer and International Payer Participation.—The Secretary shall make efforts to in-5 crease the participation of domestic private payors and international payors in subscription contracts or other 6 types of value-based arrangements that are similar to the 8 subscription contracts authorized under this section. 9 "SEC. 3990-3. ENCOURAGING APPROPRIATE USE OF ANTI-10 BIOTICS, COMBATING RESISTANCE, AND IM-11 PROVING PATIENT OUTCOMES. "(a) Establishment of Health Facility Grant 12 13 Program.— 14 "(1) IN GENERAL.—Not later than 1 year after 15 the date of enactment of this part, the Secretary and 16 the Director of the Centers for Disease Control and 17 Prevention shall coordinate with the Administrator 18 of the Health Resources and Services Administra-19 tion, the Administrator of the Centers for Medicare 20 & Medicaid Services, the National Coordinator for 21 Health Information Technology, and other relevant 22 agencies, to establish a grant program under the 23 Centers for Disease Control and Prevention to sup-24 port hospital, skilled nursing facility, and other inpa-25 tient facility efforts—

1 "(A) to judiciously use antimicrobial drugs, 2 such as by establishing or implementing appro-3 priate use programs, including infectious dis-4 ease telehealth programs, using appropriate di-5 agnostic tools, partnering with academic hos-6 pitals, increasing health care-associated infec-7 tion reporting, and monitoring antimicrobial re-8 sistance and patient outcomes; and 9 "(B) to participate in the National 10 Healthcare Safety Network Antimicrobial Use 11 and Resistance Module or the Emerging Infec-12 tions Program Healthcare-Associated Infections 13 Community Interface activity of the Centers for 14 Disease Control and Prevention or a similar re-15 porting program, as specified by the Secretary, 16 relating to antimicrobial drugs. 17 "(2)Prioritization.—In awarding grants 18 under paragraph (1), the Secretary shall prioritize 19 hospitals or skilled nursing facilities without an ex-20 isting program to judiciously use antimicrobial 21 drugs, subsection (d) hospitals (as defined in sub-22 paragraph (B) of section 1886(d)(2) of the Social 23 Security Act that are located in rural areas (as de-24 fined in subparagraph (D) of such section), critical 25 access hospitals (as defined in section 1861(mm)(1)

| 1  | of such Act), hospitals serving Tribal-populations, |
|----|---|
| 2  | and safety-net hospitals.                           |
| 3  | "(3) Funding.—Of the amounts appropriated           |
| 4  | under section 39900–4, the Secretary shall reserve  |
| 5  | \$500,000,000 to carry out this subsection.         |
| 6  | "(b) Surveillance and Reporting of Antibiotic       |
| 7  | USE, RESISTANCE, AND PATIENT OUTCOMES.—             |
| 8  | "(1) In General.—The Secretary, acting              |
| 9  | through the Director of the Centers for Disease     |
| 10 | Control and Prevention, shall use the National      |
| 11 | Healthcare Safety Network and other appropriate     |
| 12 | surveillance systems to assess—                     |
| 13 | "(A) appropriate conditions, patient out-           |
| 14 | comes, and measures causally related to anti-       |
| 15 | bacterial resistance, including types of infec-     |
| 16 | tions, the causes for infections, the types of pa-  |
| 17 | tients with infections, and whether infections      |
| 18 | are acquired in a community or hospital setting,    |
| 19 | increased lengths of hospital stay, increased       |
| 20 | costs, and rates of mortality; and                  |
| 21 | "(B) changes in bacterial resistance to             |
| 22 | antimicrobial drugs in relation to patient out-     |
| 23 | comes, including changes in percent resistance,     |
| 24 | prevalence of antibiotic-resistant infections,      |
| 25 | rates of patient survival, patient symptoms and     |

function in their daily lives, and other such changes.

"(2) Antibiotic use data.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall work with Federal agencies (including the Department of Veterans Affairs, the Department of Defense, the Department of Homeland Security, the Bureau of Prisons, the Indian Health Service, and the Centers for Medicare & Medicaid Services), private vendors, health care organizations, pharmacy benefit managers, and other entities as appropriate to obtain reliable and comparable human antibiotic drug consumption data (including, as available and appropriate, volume antibiotic distribution data and antibiotic use data, including prescription data) by State or metropolitan areas.

"(3) Antibiotic resistance trend and patient outcomes data and encourage adoption of the Antibiotic Use and Resistance Module within the National Healthcare Safety Network among all health

care facilities across the continuum of care, includ-

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2 ing, as appropriate, acute care hospitals, dialysis fa-3 cilities, nursing homes, ambulatory surgical centers, 4 and other ambulatory health care settings in which 5 antimicrobial drugs are routinely prescribed. The 6 Secretary shall seek to collect such data from elec-7 tronic medication administration reports and labora-8 tory systems to produce the reports described in 9 paragraph (4). "(4) Public availability of data.—The 10 11 Secretary, acting through the Director of the Cen-12 ters for Disease Control and Prevention, shall, for 13 the purposes of improving the monitoring of impor-14 tant trends in patient outcomes in relation to anti-15 bacterial resistance— "(A) make the data derived from surveil-16 17 lance under this subsection publicly available 18 through reports issued on a regular basis that 19 is not less than annually; and 20 "(B) examine opportunities to make such 21 data available in near real time. 22 "SEC. 3990-4. APPROPRIATIONS. 23 "(a) IN GENERAL.—To carry out this part, there are hereby appropriated to the Secretary, out of amounts in

- 1 the Treasury not otherwise appropriated, \$6,000,000,000,
- 2 for fiscal year 2023, to remain available until expended.
- 3 "(b) Emergency Designation.—
- 4 "(1) IN GENERAL.—The amounts provided by
- 5 this section are designated as an emergency require-
- 6 ment pursuant to section 4(g) of the Statutory Pay-
- 7 As-You-Go Act of 2010.
- 8 "(2) Designation in Senate.—In the Senate,
- 9 this section is designated as an emergency require-
- ment pursuant to section 4112(a) of H. Con. Res.
- 11 71 (115th Congress), the concurrent resolution on
- the budget for fiscal year 2018.

## 13 "SEC. 3990-5. STUDIES AND REPORTS.

- 14 "(a) IN GENERAL.—Not later than 6 years after the
- 15 date of enactment of this part, the Comptroller General
- 16 of the United States shall complete a study on the effec-
- 17 tiveness of this part in developing priority antimicrobial
- 18 drugs and improving patient outcomes. Such study shall
- 19 examine the indications for, usage of, development of re-
- 20 sistance with respect to, and private and societal value of
- 21 critical need antimicrobial drugs, and the impact of the
- 22 programs under this part on patient outcomes and mar-
- 23 kets of critical need antimicrobial drugs. The Comptroller
- 24 General shall report to the Committee on Health, Edu-
- 25 cation, Labor, and Pensions of the Senate and the Com-

mittee on Energy and Commerce of the House of Rep-2 resentatives on the findings of such study. 3 "(b) Antibiotic Use in the United States; An-NUAL REPORTS.—The Director of the Centers for Disease 5 Control and Prevention shall, each year, update the report entitled 'Antibiotic Use in the United States' to include updated information on progress and opportunities with 8 respect to data, programs, and resources for prescribers 9 to promote appropriate use of antimicrobial drugs. 10 "(c) Report on Antimicrobial Prophylactics.— Not later than 3 years after the date of enactment of this part, the Director of the Centers for Disease Control and 12 Prevention shall publish a report on antimicrobial prophy-14 lactics. 15 "SEC. 3990-6. DEFINITIONS. 16 "In this part— 17 "(1) the term 'antimicrobial drug'— 18 "(A) means, subject to subparagraph (B), 19 a product that is— 20 "(i) a drug that directly inhibits rep-21 lication of or kills bacteria or fungi rel-22 evant to the proposed indication at con-23 centrations likely to be attainable in hu-24 mans to achieve the intended therapeutic 25 effect; or

| 1  | "(ii) a biological product that acts di-           |
|----|--|
| 2  | rectly on bacteria or fungi or on the sub-         |
| 3  | stances produced by such bacteria or fungi;        |
| 4  | and  |
| 5  | "(B) does not include—                             |
| 6  | "(i) a drug that achieves the effect de-           |
| 7  | scribed by subparagraph (A)(i) only at a           |
| 8  | concentration that cannot reasonably be            |
| 9  | studied in humans because of its antici-           |
| 10 | pated toxicity; or                                 |
| 11 | "(ii) a vaccine; and                               |
| 12 | "(2) the term 'Committee' means the Com-           |
| 13 | mittee on Critical Need Antimicrobials established |
| 14 | under section 39900.".                             |