

1 **SEC. 1027. NCATS PHASE IIB RESTRICTION.**

2 Section 479 of the Public Health Service Act (42  
3 U.S.C. 287) is amended—

4 (1) prior to making the amendments under  
5 paragraph (2), by striking “IIB” each place it ap-  
6 pears and inserting “III”; and

7 (2) by striking “IIA” each place it appears and  
8 inserting “IIB”.

9 **SEC. 1028. HIGH-RISK, HIGH-REWARD RESEARCH.**

10 Part B of title IV of the Public Health Service Act  
11 (42 U.S.C. 284 et seq.) is amended by adding at the end  
12 the following:

13 **“SEC. 409K. HIGH-RISK, HIGH-REWARD RESEARCH PRO-**  
14 **GRAM.**

15 “The director of each national research institute  
16 shall, as appropriate—

17 “(1) establish programs to conduct or support  
18 research projects that pursue innovative approaches  
19 to major contemporary challenges in biomedical re-  
20 search that involve inherent high risk, but have the  
21 potential to lead to breakthroughs; and

22 “(2) set aside a specific percentage of funding,  
23 to be determined by the Director of NIH for each  
24 national research institute, for such projects.”.