

103^D CONGRESS
2^D SESSION

H. R. 4260

To improve and protect the health of all Americans through an increase in the funding available for health research that holds the promise of the prevention, cure and treatment for disease and disability.

IN THE HOUSE OF REPRESENTATIVES

APRIL 20, 1994

Mr. COYNE (for himself, Mr. RICHARDSON, Mr. UPTON, Mr. COOPER, Mr. FRANK of Massachusetts, Mr. McDERMOTT, Mr. DURBIN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LEACH, Mr. MORAN, Mr. UNDERWOOD, Mr. FORD of Tennessee, Mrs. LOWEY, Mr. HOBSON, and Mrs. MORELLA) introduced the following bill; which was referred jointly to the Committees on Energy and Commerce, Ways and Means, Government Operations, and Rules

A BILL

To improve and protect the health of all Americans through an increase in the funding available for health research that holds the promise of the prevention, cure and treatment for disease and disability.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Research Act
5 of 1994”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds the following:

3 (1) Nearly 4 of 5 peer reviewed research
4 projects deemed worthy of funding by the National
5 Institutes of Health are not funded.

6 (2) Less than 2 percent of the nearly one tril-
7 lion dollars our Nation spends on health care is de-
8 voted to health research, while the defense industry
9 spends 15 percent of its budget on research.

10 (3) Public opinion surveys have shown that
11 Americans want more Federal resources put into
12 health research and support by having a portion of
13 their health insurance premiums set aside for this
14 purpose.

15 (4) Ample evidence exists to demonstrate that
16 health research has improved the quality of health
17 care in the United States. Advances such as the de-
18 velopment of vaccines, the cure of many childhood
19 cancers, drugs that effectively treat a host of dis-
20 eases and disorders, a process to protect our Na-
21 tion's blood supply from the HIV virus, progress
22 against cardiovascular disease including heart attack
23 and stroke, and new strategies for the early detec-
24 tion and treatment of diseases such as colon, breast,
25 and prostate cancer clearly demonstrates the bene-
26 fits of health research.

1 (5) Among the most effective methods to con-
2 trol health care costs are prevention and cure of dis-
3 ease and disability, thus, health research which holds
4 the promise of cure and prevention of disease and
5 disability is a critical component of any comprehen-
6 sive health care reform plan.

7 (6) The state of our Nation's research facilities
8 at the National Institutes of Health and at univer-
9 sities is deteriorating significantly. Renovation and
10 repair of these facilities are badly needed to main-
11 tain and improve the quality of research.

12 (7) Because the Omnibus Budget Reconciliation
13 Act of 1993 freezes discretionary spending for the
14 next 5 years, the Nation's investment in health re-
15 search through the National Institutes of Health is
16 likely to decline in real terms unless corrective legis-
17 lative action is taken.

18 (8) A health research fund is needed to main-
19 tain our Nation's commitment to health research
20 and to increase the percentage of approved projects
21 which receive funding at the National Institutes of
22 Health to at least 33 percent.

23 **SEC. 3. NATIONAL FUND FOR HEALTH RESEARCH.**

24 (a) ESTABLISHMENT.—There is established in the
25 Treasury of the United States an account, to be known

1 as the “National Fund for Health Research” (hereafter
2 referred to in this section as the “Fund”), consisting of
3 such amounts as are transferred to the Fund under sub-
4 section (b) and any interest earned on investment of
5 amounts in the Fund.

6 (b) TRANSFERS TO FUND.—

7 (1) IN GENERAL.—The Secretary of the Treas-
8 ury shall transfer to the Fund an amount equal to
9 the amounts designated under paragraph (2) and re-
10 ceived in the Treasury.

11 (2) AMOUNTS.—

12 (A) IN GENERAL.—With respect to each
13 calendar year beginning with the first full cal-
14 endar year during which a comprehensive
15 health care reform program utilizing a regional
16 and corporate health alliance structure has been
17 implemented, each such alliance shall set aside
18 and transfer to the Treasury of the United
19 States the applicable amount under subpara-
20 graph (B) and under section 6097 of the Inter-
21 nal Revenue Code of 1986.

22 (B) APPLICABLE AMOUNT.—The applicable
23 amount under this subparagraph with respect
24 to a regional or corporate alliance shall be equal
25 to—

1 (i) with respect to the first full cal-
2 endar year described in subparagraph (A),
3 .25 percent of all health premiums received
4 by the alliance for such year;

5 (ii) with respect to the second cal-
6 endar year described in subparagraph (A),
7 .50 percent of all health premiums received
8 by the alliance for such year;

9 (iii) with respect to the third calendar
10 year described in subparagraph (A), .75
11 percent of all health premiums received by
12 the alliance for such year; and

13 (iv) with respect to the fourth and
14 succeeding calendar years described in sub-
15 paragraph (A), 1 percent of all health pre-
16 miums received by the alliance for such
17 year.

18 (3) DESIGNATION OF OVERPAYMENTS AND CON-
19 TRIBUTIONS.—

20 (A) IN GENERAL.—Subchapter A of chap-
21 ter 61 of the Internal Revenue Code of 1986
22 (relating to returns and records) is amended by
23 adding at the end the following new part:

1 **“PART IX—DESIGNATION OF OVERPAYMENTS**
2 **AND CONTRIBUTIONS FOR THE NATIONAL**
3 **FUND FOR HEALTH RESEARCH**

“Sec. 6097. Amounts for the National Fund for Health Research.

4 **“SEC. 6097. AMOUNTS FOR THE NATIONAL FUND FOR**
5 **HEALTH RESEARCH.**

6 “(a) IN GENERAL.—Every individual (other than a
7 nonresident alien) may designate that—

8 “(1) a portion (not less than \$1) of any over-
9 payment of the tax imposed by chapter 1 for the
10 taxable year, and

11 “(2) a cash contribution (not less than \$1),
12 be paid over to the National Fund for Health Research
13 established under section 3 of the Health Research Act
14 of 1994. In the case of a joint return of a husband and
15 wife, each spouse may designate one-half of any such over-
16 payment of tax (not less than \$2).

17 “(b) MANNER AND TIME OF DESIGNATION.—Any
18 designation under subsection (a) may be made with re-
19 spect to any taxable year only at the time of filing the
20 original return of the tax imposed by chapter 1 for such
21 taxable year. Such designation shall be made either on the
22 1st page of the return or on the page bearing the tax-
23 payer’s signature.

24 “(c) OVERPAYMENTS TREATED AS REFUNDED.—For
25 purposes of this section, any overpayment of tax des-

1 igned under subsection (a) shall be treated as being re-
2 funded to the taxpayer as of the last day prescribed for
3 filing the return of tax imposed by chapter 1 (determined
4 with regard to extensions) or, if later, the date the return
5 is filed.

6 “(d) DESIGNATED AMOUNTS NOT DEDUCTIBLE.—
7 No amount designated pursuant to subsection (a) shall be
8 allowed as a deduction under section 170 or any other sec-
9 tion for any taxable year.

10 “(e) TERMINATION.—This section shall not apply to
11 taxable years beginning in a calendar year after a deter-
12 mination by the Secretary that the sum of all designations
13 under subsection (a) for taxable years beginning in the
14 second and third calendar years preceding the calendar
15 year is less than \$5,000,000.”.

16 (B) CLERICAL AMENDMENT.—The table of
17 parts for subchapter A of chapter 61 of such
18 Code is amended by adding at the end the fol-
19 lowing new item:

“Part IX. Designation of overpayments and contributions for the
National Fund for Health Research.”.

20 (C) EFFECTIVE DATE.—The amendments
21 made by this paragraph shall apply to taxable
22 years beginning after December 31, 1993.

23 (c) EXPENDITURES FROM FUND.—

1 “(1) 2 percent of such amounts during any fis-
2 cal year to the Office of the Director of the National
3 Institutes of Health to be allocated at the Director’s
4 discretion for the following activities:

5 “(A) for carrying out the responsibilities of
6 the Office of the Director, National Institutes
7 of Health, including the Office of Research on
8 Women’s Health and the Office of Research on
9 Minority Health, the Office of Alternative Medi-
10 cine and the Office of Rare Diseases Research;
11 and

12 “(B) for construction and acquisition of
13 equipment for or facilities of or used by the Na-
14 tional Institutes of Health;

15 “(2) 2 percent of such amounts for transfer to
16 the National Center for Research Resources to carry
17 out section 1502 of the National Institutes of
18 Health Revitalization Act of 1993 concerning Bio-
19 medical and Behavioral Research Facilities;

20 “(3) 1 percent of such amounts during any fis-
21 cal year for carrying out section 301 and part D of
22 title IV with respect to health information commu-
23 nications; and

24 “(4) the remainder of such amounts during any
25 fiscal year to member institutes of the National In-

1 stitutes of Health and Centers in the same propor-
2 tion to the total amount received under this section,
3 as the amount of annual appropriations under ap-
4 propriations Acts for each member institute and
5 Centers for the fiscal year bears to the total amount
6 of appropriations under appropriations Acts for all
7 member institutes and Centers of the National Insti-
8 tutes of Health for the fiscal year.

9 “(b) PLANS OF ALLOCATION.—The amounts trans-
10 ferred under subsection (a) shall be allocated by the Direc-
11 tor of NIH or the various directors of the institutes and
12 centers, as the case may be, pursuant to allocation plans
13 developed by the various advisory councils to such direc-
14 tors, after consultation with such directors.”.

15 (3) ADMINISTRATIVE EXPENSES.—Amounts in
16 the National Fund for Health Research shall be
17 available to pay the administrative expenses of the
18 Department of the Treasury directly allocable to—

19 (A) modifying the individual income tax re-
20 turn forms to carry out section 6097 of the In-
21 ternal Revenue Code of 1986;

22 (B) carrying out this section with respect
23 to such Fund; and

1 (C) processing amounts received under this
2 section and transferring such amounts to such
3 Fund.

4 (4) TRIGGER AND RELEASE OF FUND MON-
5 IES.—No expenditures shall be made pursuant to
6 section 3(c) during any fiscal year in which the an-
7 nual amount appropriated for the National Insti-
8 tutes of Health is less than the amount so appro-
9 priated for the prior fiscal year.

10 (d) BUDGET ENFORCEMENT.—Amounts contained in
11 the National Fund for Health Research shall be excluded
12 from, and shall not be taken into account for purposes
13 of, any budget enforcement procedures under the Congres-
14 sional Budget Act of 1974 or the Balanced Budget Emer-
15 gency Deficit Control Act of 1985.

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