

~~(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.~~  
~~(2) Section 503(b)(3) (21 U.S.C. 353(b)(3)) is amended by striking section 502(d) and".~~  
~~(3) Section 102(9)(A) of the Controlled Substances Act (21 U.S.C. 802(9)(A)) is amended—~~  
~~(A) in clause (i), by striking "(i)"; and~~  
~~(B) by striking "(ii)" and all that follows.~~

**SEC. 127. APPLICATION OF FEDERAL LAW TO PRACTICE OF PHARMACY COMPOUNDING.**

(a) AMENDMENT.—Chapter V is amended by inserting after section 503 (21 U.S.C. 353) the following:

21 USC 353a.

**"SEC. 503A. PHARMACY COMPOUNDING.**

"(a) IN GENERAL.—Sections 501(a)(2)(B), 502(f)(1), and 505 shall not apply to a drug product if the drug product is compounded for an identified individual patient based on the unsolicited receipt of a valid prescription order or a notation, approved by the prescribing practitioner, on the prescription order that a compounded product is necessary for the identified patient, if the drug product meets the requirements of this section, and if the compounding—

"(1) is by—

"(A) a licensed pharmacist in a State licensed pharmacy or a Federal facility, or

"(B) a licensed physician,

on the prescription order for such individual patient made by a licensed physician or other licensed practitioner authorized by State law to prescribe drugs; or

"(2)(A) is by a licensed pharmacist or licensed physician in limited quantities before the receipt of a valid prescription order for such individual patient; and

"(B) is based on a history of the licensed pharmacist or licensed physician receiving valid prescription orders for the compounding of the drug product, which orders have been generated solely within an established relationship between—

"(i) the licensed pharmacist or licensed physician; and

"(ii)(I) such individual patient for whom the prescription order will be provided; or

"(II) the physician or other licensed practitioner who will write such prescription order.

"(b) COMPOUNDED DRUG.—

"(1) LICENSED PHARMACIST AND LICENSED PHYSICIAN.—A drug product may be compounded under subsection (a) if the licensed pharmacist or licensed physician—

"(A) compounds the drug product using bulk drug substances, as defined in regulations of the Secretary published at section 207.3(a)(4) of title 21 of the Code of Federal Regulations—

"(i) that—

"(I) comply with the standards of an applicable United States Pharmacopoeia or National Formulary monograph, if a monograph exists, and the United States Pharmacopoeia chapter on pharmacy compounding;

"(II) if such a monograph does not exist, are drug substances that are components of drugs approved by the Secretary; or

“(III) if such a monograph does not exist and the drug substance is not a component of a drug approved by the Secretary, that appear on a list developed by the Secretary through regulations issued by the Secretary under subsection (d);

“(ii) that are manufactured by an establishment that is registered under section 510 (including a foreign establishment that is registered under section 510(i)); and

“(iii) that are accompanied by valid certificates of analysis for each bulk drug substance;

“(B) compounds the drug product using ingredients (other than bulk drug substances) that comply with the standards of an applicable United States Pharmacopoeia or National Formulary monograph, if a monograph exists, and the United States Pharmacopoeia chapter on pharmacy compounding;

“(C) does not compound a drug product that appears on a list published by the Secretary in the Federal Register of drug products that have been withdrawn or removed from the market because such drug products or components of such drug products have been found to be unsafe or not effective; and

“(D) does not compound regularly or in inordinate amounts (as defined by the Secretary) any drug products that are essentially copies of a commercially available drug product.

“(2) DEFINITION.—For purposes of paragraph (1)(D), the term ‘essentially a copy of a commercially available drug product’ does not include a drug product in which there is a change, made for an identified individual patient, which produces for that patient a significant difference, as determined by the prescribing practitioner, between the compounded drug and the comparable commercially available drug product.

“(3) DRUG PRODUCT.—A drug product may be compounded under subsection (a) only if—

“(A) such drug product is not a drug product identified by the Secretary by regulation as a drug product that presents demonstrable difficulties for compounding that reasonably demonstrate an adverse effect on the safety or effectiveness of that drug product; and

“(B) such drug product is compounded in a State—

“(i) that has entered into a memorandum of understanding with the Secretary which addresses the distribution of inordinate amounts of compounded drug products interstate and provides for appropriate investigation by a State agency of complaints relating to compounded drug products distributed outside such State; or

“(ii) that has not entered into the memorandum of understanding described in clause (i) and the licensed pharmacist, licensed pharmacy, or licensed physician distributes (or causes to be distributed) compounded drug products out of the State in which they are compounded in quantities that do not exceed 5 percent of the total prescription orders dispensed or distributed by such pharmacy or physician.

The Secretary shall, in consultation with the National Association of Boards of Pharmacy, develop a standard memorandum of understanding for use by the States in complying with subparagraph (B)(i).

“(c) ADVERTISING AND PROMOTION.—A drug may be compounded under subsection (a) only if the pharmacy, licensed pharmacist, or licensed physician does not advertise or promote the compounding of any particular drug, class of drug, or type of drug. The pharmacy, licensed pharmacist, or licensed physician may advertise and promote the compounding service provided by the licensed pharmacist or licensed physician.

“(d) REGULATIONS.—

“(1) IN GENERAL.—The Secretary shall issue regulations to implement this section. Before issuing regulations to implement subsections (b)(1)(A)(i)(III), (b)(1)(C), or (b)(3)(A), the Secretary shall convene and consult an advisory committee on compounding unless the Secretary determines that the issuance of such regulations before consultation is necessary to protect the public health. The advisory committee shall include representatives from the National Association of Boards of Pharmacy, the United States Pharmacopoeia, pharmacy, physician, and consumer organizations, and other experts selected by the Secretary.

“(2) LIMITING COMPOUNDING.—The Secretary, in consultation with the United States Pharmacopoeia Convention, Incorporated, shall promulgate regulations identifying drug substances that may be used in compounding under subsection (b)(1)(A)(i)(III) for which a monograph does not exist or which are not components of drug products approved by the Secretary. The Secretary shall include in the regulation the criteria for such substances, which shall include historical use, reports in peer reviewed medical literature, or other criteria the Secretary may identify.

“(e) APPLICATION.—This section shall not apply to—

“(1) compounded positron emission tomography drugs as defined in section 201(ii); or

“(2) radiopharmaceuticals.

“(f) DEFINITION.—As used in this section, the term ‘compounding’ does not include mixing, reconstituting, or other such acts that are performed in accordance with directions contained in approved labeling provided by the product’s manufacturer and other manufacturer directions consistent with that labeling.”

(b) EFFECTIVE DATE.—Section 503A of the Federal Food, Drug, and Cosmetic Act, added by subsection (a), shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act.

~~SEC. 128. REAUTHORIZATION OF CLINICAL PHARMACOLOGY PROGRAM.~~

~~Section 2 of Public Law 102-222 (105 Stat. 1677) is amended—~~

~~(1) in subsection (a), by striking “a grant” and all that follows through “Such grant” and inserting the following: “grants for a pilot program for the training of individuals in clinical pharmacology at appropriate medical schools. Such grants”; and~~