

LATEST VERSION:
Sec. 851, Prohibition on
contracting with certain
biotechnology providers

GRANDFATHERING

This version includes a **five year** grandfathering or “wind down” provision, creating a grace period starting at the **effective date** of the prohibition (see below).

The prohibition will not apply during these five years (plus the time from enactment until the effective date) for a contract or agreement entered into before the effective dates.

COMPANIES

This version **does not list any specific companies** by name.

Instead, the text defines “biotechnology companies of concern” as those listed in the Department of Defense’s 1260H List, or otherwise identified by OMB under a process and criteria laid out in under section (f).

BGI Group and MGI Tech are currently on the 1260H List.

MEDICAID SAFEGUARD

This version clarifies that a drug manufacturer which **cannot enter into a Master Agreement with the VA** because of BIOSECURE’s prohibitions is **still eligible to participate in Medicaid**, provided they otherwise meet requirements for participation.

Implementation Timeline

DoD annually publishes list of Chinese military companies operating in the U.S. (**1260H List**)

OMB follows process in section (f) to **identify biotech companies of concern**

Within 1 Year from Enactment:
OMB must publish an initial list of biotechnology companies of concern, updated annually

Within 180 Days from List Publication:
OMB must issue implementing guidance for the list of biotech companies of concern

Within 1 Year from Implementing Guidance:
FAR Council must revise the Federal Acquisition Regulation

60 Days from FAR Revision:
prohibition takes effect for 1260H List companies

90 Days from FAR Revision:
prohibition takes effect for companies newly listed by OMB and their parent, subsidiary, or successors