

Spotlight on Research Fees: Trends in Cost-per-Subject Pricing

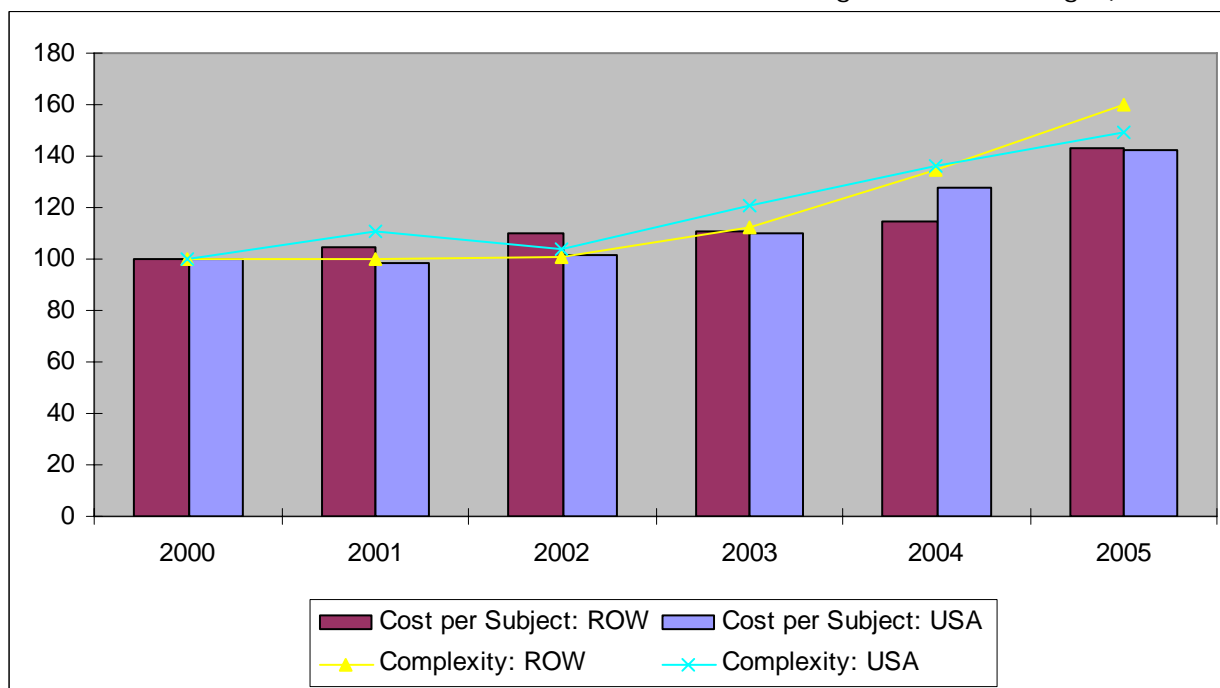
By Lori Shields

From 2000 to 2005, the price that sponsors pay U.S. research sites per subject for Phase II and III trials increased by 42%. During the same period, the complexity of these clinical studies, as measured by the total number of procedures performed, increased by 49%. Comparatively, the rest of the world (ROW), excluding the U.S., saw costs increase by 43% and complexity by 60%. In absolute dollars, the price per procedure in the U.S. decreased by 4.4%, compared to 10.3% in ROW. In inflation-adjusted dollars, the price per procedure decreased by 15.6% in the U.S and by 20.8% in ROW.¹

Given the increasing competition from research sites in low-cost developing countries, this trend will probably not reverse, but may flatten. It is not clear that U.S. sites can continue to reduce their prices unless sponsors partner with them to increase their efficiency.

Index of Adjusted Mean Cost per Subject vs. Study Complexity²

(Phase II and Phase III Industry-Sponsored Pharmaceutical and Biotechnology Studies at U.S. and ROW research sites in U.S. Dollars, including Overhead Charges)



Data has been statistically adjusted with MCA (Multiple Classification Analysis, a robust form of ANOVA: Analysis of Variance) for variation due to phase, therapeutic area, year, country and type of site.

References

1. Inflation rate source: International Country Risk Guide (ICRG), The PRS Group, Inc.

2. Data source: Fast Track Systems' PICAS[®]/Grants Manager[™] clinical trial cost database, using data from over 100,000 signed clinical trial agreements

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