

Topic: Costs of Clinical Trials

Learning Objective/Outcome:

Keywords/Questions	Notes
List the factors that increase the financial costs of clinical trials.	The number of patients, the number of physicians and veterinarians needed to monitor patients, the supplies needed for the trials, the cost of the clinic or facility, and the length of time used in clinical trials.
How many drugs fail for each drug approved for the market?	Approximately 5,000 – 10,000.
How much do pharmaceutical companies spend to test a drug?	Between \$100 – 800 million.
Why is the cost of purchasing new drugs sometimes so high?	The revenue from new drugs must cover the costs of other medications that were tested but did not meet FDA approval.
What are some factors that cause clinical trials to cost a significant amount of time?	Time spent in research, carrying out experimental procedures, and collecting and analyzing data.
How long can some clinical trials last?	15 years.
List the steps in the process of producing a new drug, from pre-clinical trials to Phase IV of clinical trials, and how much time each step takes.	Pre-clinical trials – 4.5 years Phases I – III – 8.5 years FDA approval – 1.5 years Phase IV – Lasts for the duration of the use of the drug.

Summary

Clinical trials are costly to perform because of the financial expense and the length of time they take to complete. For every one drug that makes it to market, 5,000 – 10,000 other drugs fail testing. Each drug can cost between \$100 - 800 million to test, and clinical trials can last as long as 15 years. These costs explain why new drugs are sometime so expensive for buyers.