

**IECRN National Leadership Forum
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IECRN Findings: Financial Practices**

Presenter:

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Mr. DURAKO: So I am going to go on, quickly, into financial practices, since I am running out of time. This, again, is a reminder of the various domains that we are studying. And I will go through, again, a definition, findings, barriers and facilitators, and some best practices.

We actually, as I said, did not do the qualitative interviews for financial practices. So this will be a shorter session.

So what are financial practices? This is a list of the many topics that we covered under financial practices, especially sources of funding, how those funds are used, whether those funds are adequate to conduct the work, and how do people handle their overruns.

So here on this slide, I think I, again, won't highlight all the findings. One of the most important findings is that 73 percent of networks do say they have some secondary funding sources other than their primary funding.

And I think that this is very, very important to the success of clinical research networks to be able to get out and

to actually look for secondary funds to supplement their primary funding sources.

What we found in terms of how CRNs raise money, the vast majority only respond to funding announcements that are put out by sponsors. Very few actually go out and conduct separate marketing or private fund-raising or any other kind of fund-raising activities.

And as I said just a minute ago, the average number of applications is only two to four per year. So I think that there may be some room for clinical research networks to get more aggressive in terms of seeking additional funding to supplement the work that they are doing.

And they have a very high success rate. Fifty percent of all applications are funded. That means that perhaps there is a reason to go out and try some more.

This gives just a little bit of information on general coverage of funding. I am not going to spend much time on this, except that 85 percent do spend some funds on their management and leadership and 83 percent actually do contribute some of their funds to statistical and data management entities, although it is not necessarily sufficient for all the work that they need to do.

An important finding here is that 45 percent of the

networks, and I think that this is primarily in the practice-based research networks, say they are funded on a study-by-study basis. This can make things very difficult and, in fact, within these networks, only 56 percent of them think that the money they get is actually sufficient to cover the costs.

But networks that actually have core funding are better able to go out and supplement the funding from other sources.

So here is an interesting slide, to me. Forty percent of the networks say they have cost overruns all or most of the time. I suppose that is not surprising to anybody.

The real surprising thing is seven percent said they never experience a cost overrun. And I don't know who those networks are, but we need to track them down.

And most of the cost overruns seem to be related to increases in scope as opposed to misestimating the cost in the beginning.

How do people manage their cost overruns? Most of them just absorb their costs. This is, obviously, tough and the primary non-financial incentive is appealing to altruism of the participants and I am sure all of you have been subject to that.

One thing that was interesting is that only one-fifth of the networks said they bill third-party payers for routine

clinical care. Now, part of that may be that some of our networks are not engaged in research that includes clinical care, but I think it still indicates that there may be networks out there who are not really looking at all available sources to support their research endeavors.

So, barriers. The biggest barrier is there is no money tree. Despite rumors to the contrary, funds are generally insufficient to cover all the costs. In some networks, particularly practice-based research networks, there isn't a core infrastructure and that's something I think that we need to change.

Investigators don't have enough protected time to do research and, in particular, usually, there's not funding available to do secondary analysis of the data, which can lead you to being able to maximize the output from your research, as well as be creative in terms of your new research agenda.

Facilitators, I think that I won't spend much time on this. One facilitator is if you work off-campus, often, universities have different and lower indirect cost rates for off-campus facilities, which can reduce the cost of networks, and, of course, being able to collaborate and tap into other awards, particularly things like general clinical research centers, is important in helping a network achieve its research

within a reasonable budget.

Best practices. We heard from some people that they decide what their priorities are. They set their agenda and then they go out and seek money. That can be a good way. You might not get it for everything, but if you really want to do something, determine what it is, tell people, and perhaps you will find money.

And then, of course, combining funds from multiple sources; again, actively seeking secondary sources; centralizing activities; and, looking at ways in the information technology or other fields where you can creatively achieve tasks and save money, for example, Web-based training as opposed to bringing everybody in to a facility like this.

Cost mitigation, I won't spend too much time on this. Centralizing activities; billing third-party payers, when it is appropriate; reducing travel costs for meetings.

And, then, in conclusion, I think I have highlighted these points. Secondary funds are very important. People should be looking for them. I think the CRNs perhaps are not aggressive enough in seeking funding.

Core infrastructure is really essential to being able to allow clinical research networks to function efficiently, and then using sources and cost mitigation are certainly important.

And I think that's the end. I ran a couple minutes over my allotted time.

But we will save questions until the end. We have more presentations. We should have about 15 minutes at the end for questions on all the presentations.

[Applause.]