

# SITE FINANCES

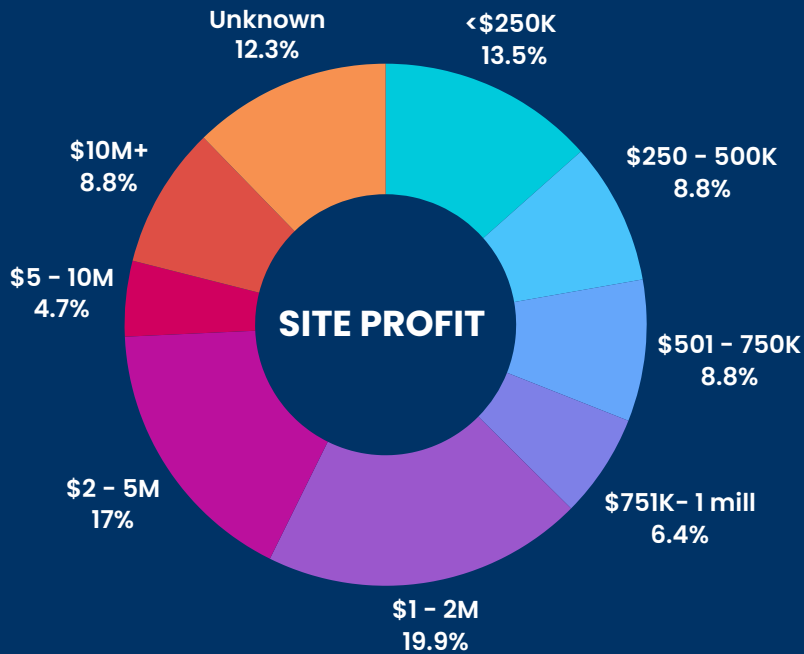
SCRS SITE LANDSCAPE SURVEY, 2023

Sites are at the center of the clinical trial ecosystem and are the main point of contact that manages patient care. However, many sites struggle financially due to how budgets are negotiated and when payments are received.

## SITE PROFIT

Any way sponsors and CROs can better support the sites is ultimately supporting study participants. Maintaining a broad perspective is important when negotiating contracts and budgets with clinical site businesses.

It is unrealistic to compare a site's profit margin to sponsor and CROs. Sites struggle to operate sustainable financial business models and in contrast, margins are incredibly thin.



## SITE OPERATING CAPITAL

Cash flow is the lifeline of sites, as in any business.

Many sites have only a few months of funds, meaning they are only *one* late payment away from exiting the industry.

Tight margins, withheld or late payments, workforce challenges, and rising operational costs all contribute to sites challenges in meeting payroll and expenses.

**SITE FINANCIAL SUSTAINABILITY IS AT RISK:**

**38%** OF SITES EXPERIENCED A DECLINE IN PROFIT IN 2023

**37%** OF SITES HAVE LESS THAN \$1 MILLION IN GROSS REVENUE

# TOP UNDERFUNDED COSTS

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**Clinical research business profitability is greatly impacted by hidden costs. These are the top underfunded costs from sites' perspectives that further add to site sustainability issues:**

## SCREEN FAILURES

88% of sites confirm screen failures are not sufficiently covered. The time and effort to identify, consent and work through study procedures and payments to subject participants is substantial. It is unjust to be paid in portion or not at all if a screen fail cap is encountered. In this example, a site is actually out of money in any payment to vendors, participants and/or employees or physicians for the work performed.



## TRAINING & EDUCATION

Sites are often uncompensated for time spent training on protocol, technology, and implementation. A site can spend 10–20 hours *per person per month* on technology implementation for each trial. With several trials, this equates to multiple hours per week on training and less time for participant visits.



## START-UP COSTS

Starting a study now is more complex due to the amount of different systems and vendors deployed, thus increasing the total cost on the site. Much of this time is not covered and is considered a hidden uncompensated cost.



## RECRUITMENT

Recruitment consists of many ways in which sites find participants for trials, yet often only traditional advertising is covered. Nontraditional methods such as community outreach, data query tools, and social media advertising should be considered as viable options when supporting the sites for recruitment and advertising.



## PRE-SCREENING

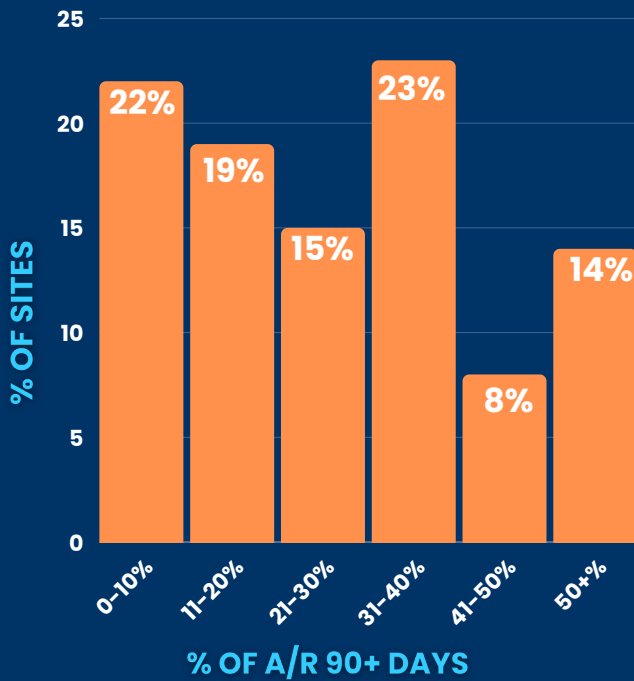
Involves seeing participants to identify study candidates and the time and effort of the site should be considered and compensated.



**Year over year, meeting timely recruitment goals continues to be a core issue. Appropriate funding for screen failures, recruitment activities, and prescreening is paramount to the work a site does. Any negotiation to exclude these items is a disservice to the site and ultimately, study enrollment.**

# PAYMENT TERMS

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## 90+ DAY ACCOUNTS RECEIVABLES

All sites have outstanding payments 90+ days old. 14% of sites have **more than half of their invoices** past due.

With **43%** of sites reporting 3 months or less of operating capital in the bank, we must prioritize paying sites on time.

This delay in paying sites puts them in difficult circumstances to keep their businesses intact:

It is common at sites to hear stories of site owners paying out of retirement funds, holding out on salary adjustments, or laying off team members. A worst case scenario is when a site has to close its doors, which greatly impacts data integrity and patient safety for ongoing trials.

**76%**

OF SITES PREFER MONTHLY PAYMENTS

**30%**

OF SITES RECEIVE QUARTERLY PAYMENTS

**73%**

OF SITES HAVE >5% OF THEIR EARNED REVENUE WITHHELD

## Site Success Impacts Everyone In Research

Sponsors and CROs hold the power and ability to help make a difference!

With the assistance of our trusted partners we can help sites thrive and continue to build out infrastructure to best support clinical trials.

SCRS asks to have these discussions with the right decision makers at each of your respective companies so that we can better support our sites and drive change.



[GET INVOLVED IN THE SCRS SITE PAYMENT INITIATIVE: INFO@MYSCRS.ORG](mailto:info@myscrs.org)