

Industry growth drivers- Why Medications are so expensive?

Increasing Complexity of a Typical Phase 3 Clinical Trial.*

Trial Design Characteristic	2002	2012
Total no. of end points	7	13
Total no. of procedures	106	167
Total no. of eligibility criteria	31	50
Total no. of countries	11	34
Total no. of investigative sites	124	196
Total no. of patients undergoing randomization	729	597
Total no. of data points collected	NA	929,203

* Adapted from Getz³ and the Center for Information and Study on Clinical Research Participation. NA denotes not available.

Medication costs have been rising rapidly in recent years. And not just due to profit-mongering CEOs raising the price of old drugs, like EpiPens. New drugs are coming to market with shockingly high price tags. Sure—the lure of profit plays a role in pharmaceutical pricing decisions. So do policies that forbid the U.S. Medicare program from negotiating drug prices. We cannot expect drug companies to keep prices in check when the largest customer doesn't care what they charge. But there's another factor contributing to high drug prices—the insanely high cost of conducting the kind of trials needed before companies can bring their products to market. It is not unusual for companies to spend more than \$500 million on a single clinical trial. Trials are expensive, in part, because many of the easiest medications to discover have already been discovered. That means new treatments often involve molecules that are more chemically complex than drugs developed a few decades ago. New medications are also expensive because researchers are expected to collect more data from patients than they would have been required to collect a decade ago. [Read More](#)