



TEXAS TECH UNIVERSITY  
HEALTH SCIENCES CENTER™  
EL PASO

Office of Sponsored Programs

## Guidelines for Industry Sponsored Clinical Trials

### Introduction and Overview

---

These guidelines specify the process for reviewing, negotiating, and executing an industry-sponsored clinical trial agreement for Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso). These guidelines cover the following: (i) non-disclosure or confidentiality agreements, (ii) industry-sponsored clinical trial agreements, (iii) industry-sponsored clinical trial budgets, and (iv) payment schedules and invoicing of start-up fees.

Note: TTUHSC El Paso policy states that industry-sponsored clinical trials be managed in a manner consistent with institutional accounting, legal, and funds-flow policies.

### SECTION 1: Non-Disclosure/Confidentiality Agreements

---

**Non-Disclosure/Confidentiality Agreements (CDA):** A CDA is a legal document that ensures confidentiality of proprietary information that an industry sponsor reveals to the principal investigator (PI). A signed, study-specific CDA is generally required before an industry sponsor will provide its proprietary information (e.g., a study protocol) to a PI.

**Terms of the CDA:** The terms and conditions of a CDA will be negotiated in accordance with TTUHSC El Paso policies. The Office of Sponsored Programs (OSP) will negotiate with the industry sponsor or Contract Research Organization (CRO) until the agreement is acceptable to both parties. Establishing the terms of the CDA is critically important since these terms most likely will define the provisions for the study-specific industry clinical trial agreement.

**Execution of CDA:** Upon agreement of terms, the CDA will be signed by the PI and by the authorized signing official for TTUHSC El Paso, the Vice President for Research. OSP will submit the partially executed CDA to the industry sponsor or CRO for full execution of the agreement, will obtain a copy for institutional records, and will provide a fully executed copy to the PI.

### SECTION 2: Industry Sponsored Clinical Trial Agreements

---

**Industry Sponsored Clinical Trial Agreement (ISCTA):** Clinical trial agreements are the true legally binding contract for services to be provided for the industry-sponsored clinical trial. They define the specific details of the clinical trial, including but not limited to costs, processes, and outcomes.

ISCTAs must align with the study protocol, must satisfy all regulatory requirements, institutional policies and guidelines, and the industry sponsor's guidelines. In addition, each ISCTA should define all agreed-upon costs. A clear and thorough ISCTA is vital to the success of a clinical trial, and will be an important document for both the institution and the industry sponsor in cases of potential liability or dispute.

Investigators and institutions are both responsible for clinical trials. The FDA requires investigators to sign and submit paperwork providing qualifications and assurances about following procedures and reporting guidelines. Industry Sponsors often require investigators to "acknowledge having read" contracts, and sometimes investigators are asked to sign protocols. Investigators sign IRB forms attesting to their agreement to follow guidelines pertaining to human subjects.

Nevertheless, institutions are ultimately responsible for clinical trials through their fiduciary responsibilities, such as reviewing and signing agreements, setting policies, and managing funds. An institution usually employs the investigators, and the institution sets the policies and procedures for investigators to follow.



TEXAS TECH UNIVERSITY  
HEALTH SCIENCES CENTER™  
EL PASO

Office of Sponsored Programs

**Note:** Since FDA regulations *require* that a pharmaceutical company partners with an independent investigator for the recruitment of subjects, it is also in the best interest of the industry sponsor to reach a mutually satisfactory agreement on ISCTA terms and conditions.

**Responsibilities of Involved Parties in an ISCTA:**

*Institution/OSP:* Responsible for assuring compliance with institutional, federal, state, international regulations and standards, and responsible for negotiating contracts with industry sponsor to insure that all rules and regulations will be followed. Specific responsibilities include the following:

- Reviewing and negotiating of contract terms (often shared by OSP with offices of general counsel and/or risk management)
- Insuring that informed consent and other contract language (e.g. patient injury processes) are aligned with institutional policies
- Oversight of budget to assure accuracy and appropriate costs for the work proposed, and verify that costs are consistent with current pricing structures
- Final approval of contract, including study budgets and payment schedules
- Regulatory requirements at local, state, federal, and international levels
- Institutional signoff by the authorized signing official, the Vice President for Research
- Monitoring and oversight of compliance
- Oversight of audits of study records and financial accounts
- Providing training for study coordinators and other parties

*Principal Investigator (PI):* The PI directs the study and is responsible and accountable for its proper and timely execution. The PI holds final responsibility for the proper identification of procedures, tests, and assessments that are part of an industry sponsored clinical trial, and must differentiate them from standard of care procedures. The PI must be able to explain protocol limits (e.g., latitude for concomitant clinical treatment, strict adherence to protocol, delineation of procedures to be performed), and oversee the records to be maintained as source data for the study. The PI must also understand federal regulations, and conduct a protocol in accordance with them. The PI must adhere to all federal regulations and institutional policies including the following:

- Submit a protocol, investigator brochure, informed consent forms, and other pertinent study documents to our local TTUHSC El Paso IRB for review and approval before a study is initiated.
- Conduct studies in accordance to the signed and approved protocol and submit amendments to the TTUHSC El Paso IRB when such protocols are modified. An investigator will obtain the informed consent or oversee the informed consent process of each human subject being recruited for the clinical trial (21 CFR 312.60).
- Supply investigational drugs, biologics or devices to authorized persons only and maintain appropriate records, including dates, quantities, and use by subjects upon disposition (21 CFR 312.61 and 812.110).
- Maintain adequate and accurate case histories that record all observations, informed consent documents, and other pertinent data on each individual administered an investigational drug or employed as a control (21 CFR 312.62).
- Ensure records are retained for 2 years following the date of IND approval or for 3 years after an investigation is terminated. Electronic files are maintained in iRis for a minimum of three (3) years after final expiration date of the research study (21 CFR 312.62 (c) and the [TTUHSC El Paso Human Research Protection Program Manual](#)).



TEXAS TECH UNIVERSITY  
HEALTH SCIENCES CENTER™  
EL PASO

Office of Sponsored Programs

- Submit a form 1572 to the US Food and Drug Administration (FDA) that documents a commitment to comply with all terms of the protocol (if applicable). Form 1572 also describes the PI's qualifications to conduct a study.
- Submit other required FDA regulated forms based on the research being conducted ([FDA Forms](#)).

**Study Coordinator:** Assists PI in all aspects of the study; usually is the responsible party for ensuring accurate completion of necessary forms for identification of study vs. standard of care costs. The Study Coordinator is also normally responsible for facilitating patient visits, record maintenance, record keeping, electronic form submissions to Industry Sponsor, conducting informed consent, submitting proper documentation to the TTUHSC El Paso IRB and Industry Sponsor and/or CRO. The Study Coordinator will adhere to all federal regulations and institutional policies including the following:

- Conduct all study procedures in accordance with delegation of authority approved by PI
- Perform all study functions in agreement with approved protocol
- Meet with and educate hospital and clinic pharmacy in order to ensure that each patient care event is conducted per approved protocol requirements

**Industry Sponsor:** Includes pharmaceutical or biotechnology companies, institutions, private not-for-profit agencies, or a combination of the above. An industry sponsor is a person or entity that initiates a clinical investigation and takes responsibility for it, but does not actually conduct the investigation. The industry sponsor's role is to approve the trial protocol, the budget and consent forms, to supply funds for the study, and to accept responsibility for all patient injury as a result of trial participation.

**Contract Research Organization (CRO):** A person or organization that has been contracted by the industry sponsor to provide research services support to the pharmaceutical, biotechnology, and medical device industries. A CRO may conduct any or all of the industry sponsor's trial-related duties and functions. Any trial-related duties and functions that have not specifically been transferred to and assumed by a CRO are retained by the industry sponsor.

**Contracts and Grants Accounting:** Implements and documents quality assurance procedures for monitoring expenditures of clinical trial funds, develops policies with respect to residual funds (funds remaining at end of trial), develops closeout policies, and submits financial reports when required.

**Hospital:** Ensures that hospital services used as part of a clinical trial (surgery, radiology, etc.) are coded correctly, assures use of quality control procedures, develops a fee schedule for the charging of clinical trials, and develops processes to assure that each patient care event specified by the protocol is billed to the correct payer. Educates clinical personnel on appropriate billing practices in accordance with federal and state guidelines.

**Clinic Pharmacy:** Stores and maintains investigational drug or device per approved protocol and study pharmacy manual requirements. The clinic pharmacy is responsible for dispensing investigational drugs or devices to authorized study personnel and/or authorized clinical staff in accordance with approved protocol and federal regulations. The clinic pharmacy maintains appropriate records including dates, quantities, temperatures, and use by subjects upon disposition. The clinic pharmacy also destroys or returns all used investigational drug or device containers and all unused drugs or devices in accordance to protocol, industry sponsor operating procedures, and/or institutional and hospital policies and procedures.

**Execution of ISCTA:** OSP will review the ISCTA submitted by the industry sponsor or CRO via the PI or Study Coordinator, and will negotiate with the industry sponsor or CRO. Upon agreement by both parties, OSP will obtain signature from the Vice President for Research, who is the authorized signing official for TTUHSC El Paso. OSP will submit the partially or fully executed ISCTA to the industry sponsor or CRO, will obtain a copy for institutional records, and will provide a fully executed copy to the PI or Study Coordinator.



TEXAS TECH UNIVERSITY  
HEALTH SCIENCES CENTER™  
EL PASO

Office of Sponsored Programs

### **SECTION 3: Clinical Trial Budgets**

---

**Negotiating the Clinical Trial Budget:** An industry sponsor may initially propose a budget amount to be allocated to a clinical trial, or may ask the PI to develop a specific budget for review. In the case of an industry sponsor-defined budget, the proposed amount may or may not be adequate. In most cases, a reasonable agreement can be reached after negotiations so that the budget represents the actual cost of performing the work of the clinical trial. However, on occasion, a PI may need to decline participation in a clinical trial because the budget is inadequate for the work proposed.

Other important aspects in developing a budget agreement are the terms of the payment schedule. The timing of payments should align with the timing of procedures in the study.

Federal guidelines are very specific about the fees and costs that may be included in clinical study budgets. Up-to-date information about the prices and costs of hospital services are also required. Below are a few key items to address early in the budget development and negotiation process.

Key issues during budget development:

- Can the PI recruit enough subjects to complete the trial?
- Does the budget support all the work to be performed? *This can be addressed by reviewing the study overview in the protocol, which usually contains a visit-by-visit schedule of services to be provided.*
- Does the budget reflect a cost per subject that accounts for all costs, rather than just costs per test or procedure?
- Does the budget for a multi-year trial include upward adjustments of costs to account for inflation? *If not, this should be added.*
- Will laboratory tests be analyzed locally or by the industry sponsor? Are the costs for analysis included in the budget (e.g., professional charges for interpretation of ECGs by a cardiologist or MRIs by a radiologist, etc.)?
- Does the budget reflect standard of care test results for clinical research? *This is permissible.*
- Does the budget include billing of subject's health insurance for a test, device, or service that should be paid by the industry sponsor? *This is not permissible.*
- If the PI will be the coordinating center for a multi-site study, the budget will need to account for differences in costs at each location.

**Items for consideration by the PI and Study Coordinator in developing a budget for an industry-sponsored clinical trial:** Clinical trial budgets are usually based on an amount per patient enrolled. To determine what amount to request, prepare a line-item budget for all potential costs. These should include salary and fringe benefits for involved personnel, supplies, tests or procedures to be performed, etc., plus Facilities & Administrative (F&A) costs (equals indirect costs). To establish the per subject cost, divide total estimated costs by the anticipated number of patients. In addition, add start-up costs to the budget, as these will be incurred regardless of the number of patients enrolled. For example, IRB review fees for protocols must be charged to the industry sponsor, but are not included in per patient costs. Specific areas that may become part of the budget include the following:

Clinical Expenses:



TEXAS TECH UNIVERSITY  
HEALTH SCIENCES CENTER™  
EL PASO

Office of Sponsored Programs

- Outpatient clinic costs (facility charges, other fees, etc.)
- Individual clinical procedures
- Laboratory fees
- Overnight shipping fees
- Pharmacy charges
- Hospital in-patient room charges
- Radiology fees (procedure and interpretation)
- Clinical supplies
- Office supplies

**Note:** Generally, a research hospital or academic medical center will have a “regular” rate for clinical services or procedures, but may have a discounted rate for “research.”

Personnel Expenses:

It is important to accurately assign each involved individual’s effort devoted to a clinical trial. Academic medical centers allocate effort based upon a percentage of an individual’s full-time work commitment. This methodology eliminates the difficulty in expressing full-time effort in hours worked per week, which could range widely. A consistent approach is thus created by allocating effort as a percentage of the total work commitment over an entire project year. The following should employ this methodology and be included in the budget:

- PI
- Other physicians and nurses
- Study Coordinators
- Technical staff
- Clerical staff
- Other support staff

Subject Payments:

These define the amount of remuneration paid to subjects for participation in a clinical trial, and may include:

- Per visit stipends
- Travel reimbursements
- Costs of meals
- Parking

Start-up and One-Time Costs:

- IRB Initial Review Fees
- IRB Continuing Review Fees
- Investigational drug pharmacy set-up fee and storage costs
- Archive document storage fees

Administrative Costs:



TEXAS TECH UNIVERSITY  
HEALTH SCIENCES CENTER™  
EL PASO

Office of Sponsored Programs

- Facility & Administrative (F&A) costs (also known as indirect costs) are costs that are incurred by an institution for common administrative or resource expenditures that cannot specifically be identified with a particular project or contract. The terms 'F&A' and 'indirect' may be used interchangeably. The F&A rate at TTUHSC El Paso for Industry Sponsored clinical trials is currently 25%.
- A cancellation fee should be included in the budget to cover incurred costs if the industry sponsor prematurely terminates the study. This provides a way for the institution to recover some of the "sunken costs" in starting or running a trial.

**Note:** An industry sponsor may want to reduce the F&A rate for a project. F&A should be treated as a non-negotiable component of the overall budget. The PI should be prepared to provide necessary details to justify all budgetary costs for each activity in the clinical trial.

**Other financial considerations when developing a clinical trial budget:**

Startup Time:

All trials require a significant amount of time before enrollment actually begins. Consider time spent doing the following when planning a budget:

- Site qualification visits
- Training and in-servicing of staff
- Investigator meetings
- Developing service agreements with other departments
- Site initiation visits
- Source document creation
- Creation and completion of regulatory documents
- Submission of regulatory documents to the IRB
- Creation of informed consent forms (and translation into other languages)

Protocol Requirements:

Part of developing a compelling budget will involve assigning accurate time for clinical and other activities. For example, a schedule may require that vital signs must be measured and recorded at each subject visit. How long will this take to complete? A similar set of concerns relate to blood tests. How long will it take to complete a venipuncture on the average subject? What about a difficult subject? How long does processing and packaging a specimen take? If telephone calls need to be made, estimate the time required. Consider both typical and worst-case scenarios. Also consider the time spent doing the following tasks:

- Recruiting subjects
- Explaining to subjects the goals and requirements of the protocol
- Explaining to subjects administration of an investigational drug or use of an investigational device
- Screening for appropriate subjects
- Review of subject materials, including diaries
- Completing the consent process
- PI formally obtaining informed consent from subjects
- Completing protocol-specific procedures



TEXAS TECH UNIVERSITY  
HEALTH SCIENCES CENTER™  
EL PASO

Office of Sponsored Programs

- Completing an initial medical history
- Conducting a physical examination
- Pharmacy set up time and time for dispensing of investigational drugs

Day-to-Day Operations:

The trial will require time, in addition to that spent with subjects, to complete each step in a study protocol. When calculating this additional time needed to run the trial, consider the following:

- Communication with the industry sponsor or CRO
- Maintaining study documents (including time to back up critical information)
- Completing case report forms
- Monitoring subject visits
- Faxing or emailing documents, or completing on-line forms
- Resolving queries
- Reporting serious adverse events
- Submitting appropriate documentation to the IRB

**Execution of an Industry Sponsored Clinical Trial Budget:** The PI or study coordinator will prepare an internal clinical trial budget and submit it to OSP for review, recommendations, and approval. OSP will negotiate the budget with the industry sponsor and will consult with the PI or study coordinator until an agreement is reached. The agreed-upon budget will then become part of the complete ISCTA.

#### **SECTION 4: Payment Schedules and Invoicing of Start-Up Fees**

---

**Payment Schedule:** Industry Sponsors usually specify certain milestones that must be achieved before payment is made. The timing and requirements of these milestones should be scrutinized closely before agreement with the terms of the contract. Payment schedules may be appended to the contract or included within it.

Occasionally, initial payments will not be sent until subjects are randomized. This stipulation should not be part of a clinical trial agreement, since no payment will be received if a subject is not randomized. As a result, costs that have been incurred will not be reimbursed. As an alternative, whenever possible, request an initial non-refundable payment from the industry sponsor that will cover all startup costs, including the IRB fee, to help with cash flow.

Milestone payments should also be reviewed closely. Will payments be made upon completion of Case Report Forms (CRFs)? This may mean waiting until the monitor has reviewed all CRFs and has sent them into data management. Will payment be on completion of a subject's participation in the trial? This may also delay payments. An optimal schedule will provide payments after a reasonable number of subjects have been randomized, or after a reasonable number of visits are completed, so that the study account does not run a deficit.

Industry sponsors may choose to hold back a significant portion of payments until all study activities are completed. Optimally, this should not be more than 10% of the total budget. Final payments may also be structured to depend upon all study sites being closed or until the database has been closed, which could delay final payments in an unnecessary way.

An ideal payment schedule might include the following:

- Non-refundable initial payment that includes the IRB fee and other startup costs



TEXAS TECH UNIVERSITY  
HEALTH SCIENCES CENTER™  
EL PASO

*Office of Sponsored Programs*

- Regular payments soon after completion of realistic milestones (e.g., no later than thirty (30) days after completion)
- Final payments upon closure at the site
- Invoicing permitted for other costs (i.e. equipment, advertising)

**Screen Failures and Early Termination:** Not every subject enrolled in a trial will complete the trial. Ensure that the budget and payment schedule provide for these circumstances adequately.

**Billing issues to consider:**

- When calculating expenses, consider that the clinical trial will probably have a mix of study patients - some with Medicare, some with private insurance and some without insurance. Determine in advance which costs will be covered by Medicare, which by health insurance, and which by the clinical trial.
- Qualifying trial – this term is used to denote that Medicare coverage explicitly authorizes Medicare payment for routine patient care costs and costs from medical complications associated with participation in the trial.
- Medicare qualifying clinical trial coding and billing. Be sure that staff involved in coding and billing fully understand Medicare requirements. Do not double bill.

**Invoicing of Start-Up Fees:** Upon completion of a fully executed contract, OSP will invoice the industry sponsor for start-up fees included in the budget, if needed. These fees will be remitted to the Contract and Grants Accounting Office at TTUHSC El Paso to be set-up in the appropriate fund account.

**Execution of Payments:** The study coordinator, under the supervision of the PI, will be responsible for invoicing the industry sponsor for all study-related activities. The Contract and Grants Accounting Office will be available for assistance.

**Note:** Departments should review the Contracts and Grants Accounting Clinical Trial Financial Closeout procedures, and policy 65.03 Industry Sponsored Program Fund Management, to manage the closeout process of an industry-sponsored clinical trial.