

OBBR Office of Biorepositories
and Biospecimen Research

NCI Best Practices for Biospecimen Resources



Biobanking *Cost Recovery*

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Talk Objectives

Brief Overview: Tumor Tissue and Biospecimen Bank Brief Tutorial

oIntroduction to Cost Recovery

- oElucidate TTAB Cost Recovery Pathway
- oBrief Highlight of TTAB Cost Recovery Model
- oTTAB Cost Analysis 12 Step Walkthrough
- oReview Strategies For User Fee Implementation



NEW UPENN CORE Facility & Service Center

- Stakeholders: Pathology & Abramson Cancer Center

MISSION

- Create Extensive, Robust Biospecimen & Data Repository
- Centralize Resources: Physical & Virtual Biobank
- Promote Internal & External Collaborations
- Harmonize University Biospecimen Banking efforts
- Standardize Data Collection & Annotation



Types of Services

- oBiospecimen Collection & Banking Support
- oTechnical Support
- oConsultation & Feasibility Review
- oProject Development & Management
- oCollection Inventory Management
- oPathology Case Review & Annotation
- oQuality Management
- oTraining & Education
- oHistology Services



3 Types of Users

oPrivate PI Collections

- oClinical Trial OR Bench Researcher

- oLymphoma, Myeloma, Breast, GU, Lung, Respiratory

oDepartmental Biobanks

- oENT, GYN

oVirtual Bank For External Institutions

- oUPITT & CDC- MVB Project





Introduction To Cost Recovery

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- o **What Does Fee For Service Really Mean?**
- o **What Does It Take To Be Revenue Neutral?**
- o **Pro's & Con's of Cost Recovery**
- o **How Implementation of Cost Recovery Can Support *NCI Best Practices***



Fee For Service Model

Most Common Model For Nonprofits **Recouping ALL Costs**

- oDirect
- oOverhead

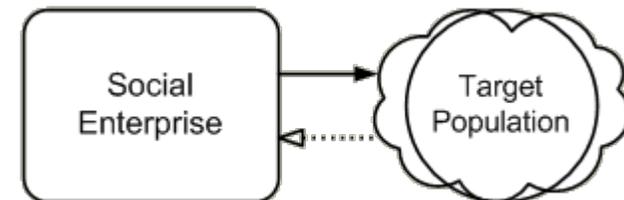
Mechanism:

Fee for Service Social Enterprise Model

(Kim Alter, 2004)

Pays For Expenses

- oSalary Support (*Labor & Benefits*)
- oCapital Deprecation
- oService Contracts
- oSupplies & Consumables





Revenue Neutrality

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Biorepository
Fiscal Year
Budget Goal

Expenditures



Revenue



Cost Recovery: *It's Good For You*

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Invaluable Business Tool For Biorepository

- o **Establish Real Costs**
- o **Develop User Fees**
- o **Budgetary Planning**
- o **Revenue Projections & Predictions**
- o **Resource Planning**
- o **Economic Justification**
- o **Grant Planning**
- o **Financial Proposals**
- o **Financial Evaluations & Reporting**





Cost Recovery:

Putting the Pieces Together

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**Service
Metrics**

**Pricing
Structure**

**User Fee
Development**

**Cost
Analysis**

Billing

**Labor
Rates**

**Effort
Breakdowns**

**Revenue
Projections**

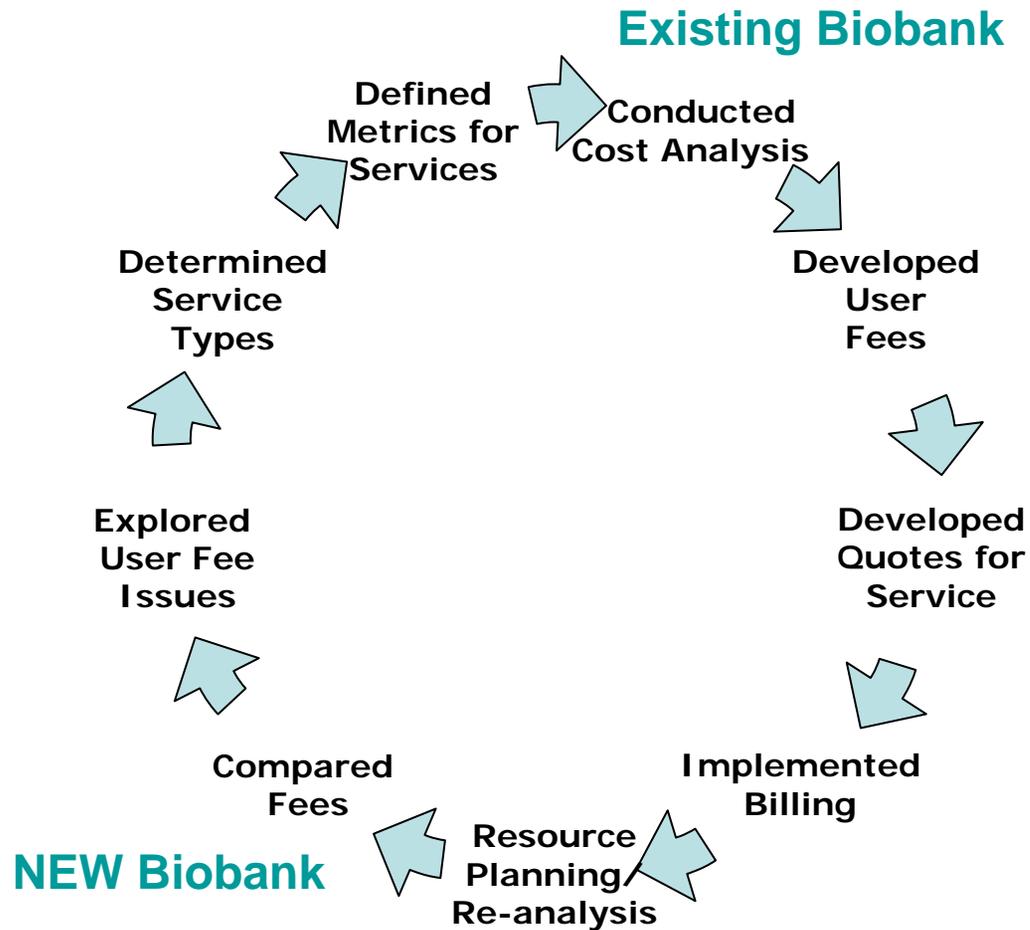
**Needs
Assessment**





TTAB Cost Recovery Pathway

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Cost Analysis: **The 12 Steps**

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User Fee Implementation

FY Revenue Projections

Pricing Development

User Fee Development

Capital Depreciation Rate

Service Contract Rate Assessment

Labor Service Metric Development

Lab & Facility Needs Assessment

FY Annual Billable Hours Calculation

Salary Effort Breakdowns

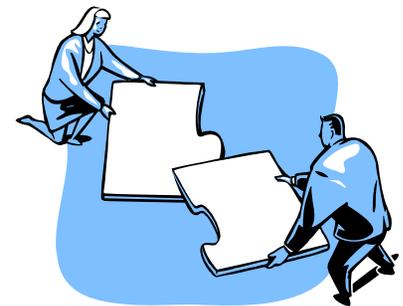
Organizational Chart

FY Narrative Overview



User Fee Development: *Lets Get Granular*

- **User Fee Elements Include:**
 - **Labor**
 - *Direct*
 - *General & Administrative*
 - **Direct Materials**
 - **General Laboratory Supplies Fees**
 - **Service Contract Fees**
 - **Capital Depreciation**



Implementation Of Cost Recovery: *Billing To Recoup Costs*

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Setting Up Your Billing

o *DEVELOP*

o Pricing Structure

o TTAB Examples

o A Few Policies

o Quotes

o Users

o Projects

o *DESIGN* Deliverable Document

o *DRAFT* Invoices





How **You** Can Support Financial Best Practices: *Complete the Puzzle For Yourself*

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Fiscal Accountability

Increased Self Reliance





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Provided Initial SOM Cost Analysis Template



Questions?

More Information?

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Let's Talk

A Few Questions To Get Things Started

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- How Do You
 - Create A Culture To Support A Fee For Service Approach?
 - Use Cost Recovery To Engage Collaborators/End Users?

- How Can You Use Cost Recovery To
 - Support Resource Planning & Aid Resource Growth?
 - Aid Financial & Executive Reporting?

- What Are Key Strategies To Promote Adherence?



Let's Talk Further

A Few More Questions

- What Are Some Cost Recovery “Best Practice” Tips?
- How Can Cost Recovery
 - Support NCI Best Practices?
 - Promote Data Sharing?
 - Aid Implementation Of Ca tissue Tools & Offset Costs In Adoption?

