



Analysis of Covid RT PCR Costs Prevailing in December, 2020

Methodology: Both direct and indirect costs were captured to arrive at the cost of Covid RTPCR test

- Couple of scenarios were finalized (Sample collection at the centre or a designated site and Home sample collection)
- Direct and indirect costs related to COVID RTPCR test for both the scenarios were identified basis which the template to capture these cost was finalised and circulated to the labs

Steps involved:

Step 1	Finalization of the scenarios - Sample collection at the centre or a designated site and home sample collection
Step 2	Identification of all direct and indirect costs associated with Covid RTPCR testing
Step 3	Labs have computed all direct costs on per sample basis
Step 4	Labs have apportioned the indirect costs on per sample basis
Step 5	Basis the lab responses, an average was taken to arrive at the total cost of RTPCR based Covid testing

Components of Costing:

Direct Costs:

Material costs involved in sample collection and processing

Cost for logistics including sample collection charges, packaging and Biomedical waste management charges

Indirect Costs:

Staff costs for the manpower dedicated for Covid sample collection and processing

Costs of repeats and controls needed in Covid testing

Admin costs including rental, electricity, staff welfare, quality and IT costs

Other overhead costs including depreciation, interest on investment, interest on delayed payments and corporate costs

Labs were bucketed into two categories basis Covid RTPCR volumes per day to analyze costs

- **12 laboratories** have responded on the templates
- Given the difference in operating and cost structure, **the labs were bucketed in two categories** basis the number of samples processed to arrive at cost per test

Sample

Following are the two categories along with number of respondents in each category:



Categorization of laboratories

- **Category I:** Labs processing greater than equal to 1,000 samples per day
- **Category II:** Labs processing less than 1,000 samples per day



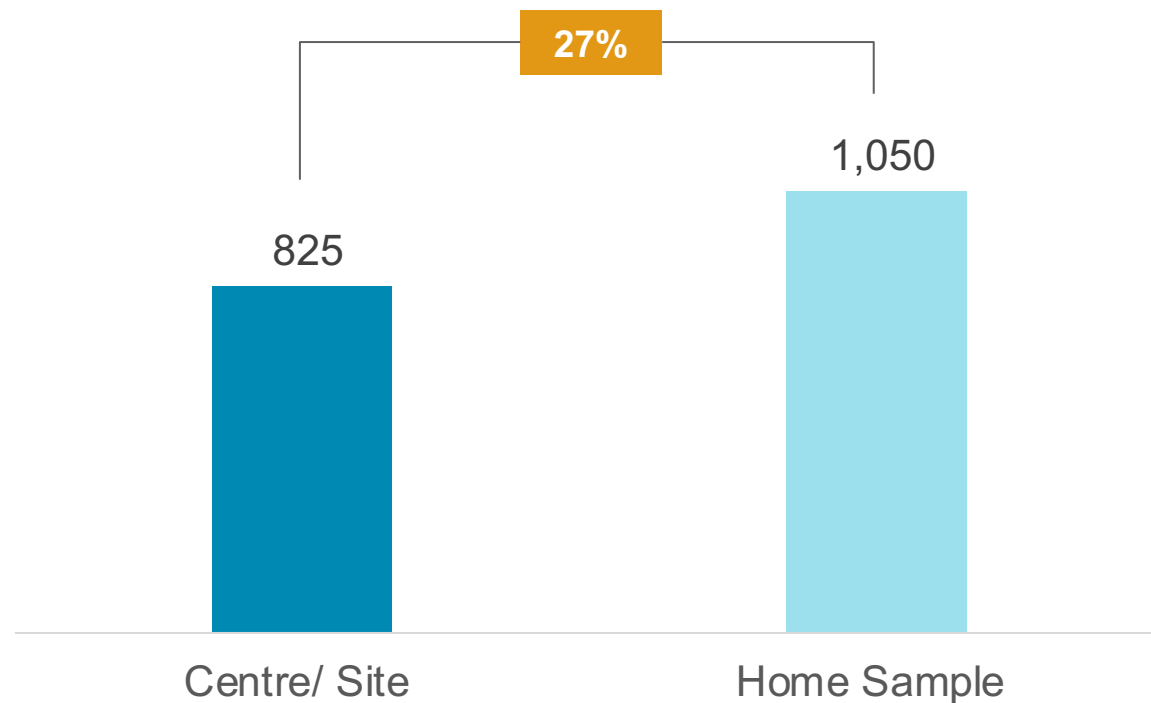
Number of respondents



Without the other overhead costs, average cost per test comes out to be ~Rs. 825 for centre based sample collection and ~Rs. 1,050 for home sample collection

Cost per test (CPT) for RT PCR based Covid Testing for Centre/ Site sample collection Vs Home Sample Collection

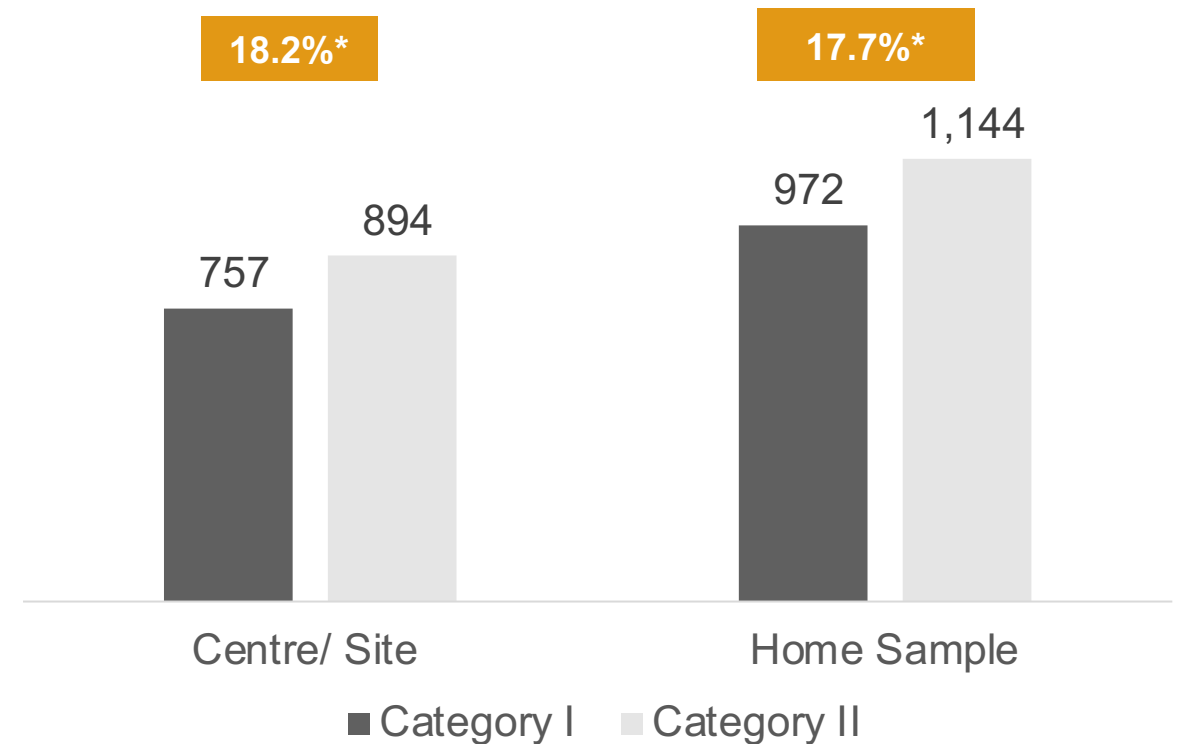
All values in Rs.



Comparison of cost per test (CPT) for labs by category - Centre/ Site sample collection and Home Sample Collection

All values in Rs.

■ Difference in costing in %



- Cost per test for category II is higher for both centre/ site as well as home collection

Note:

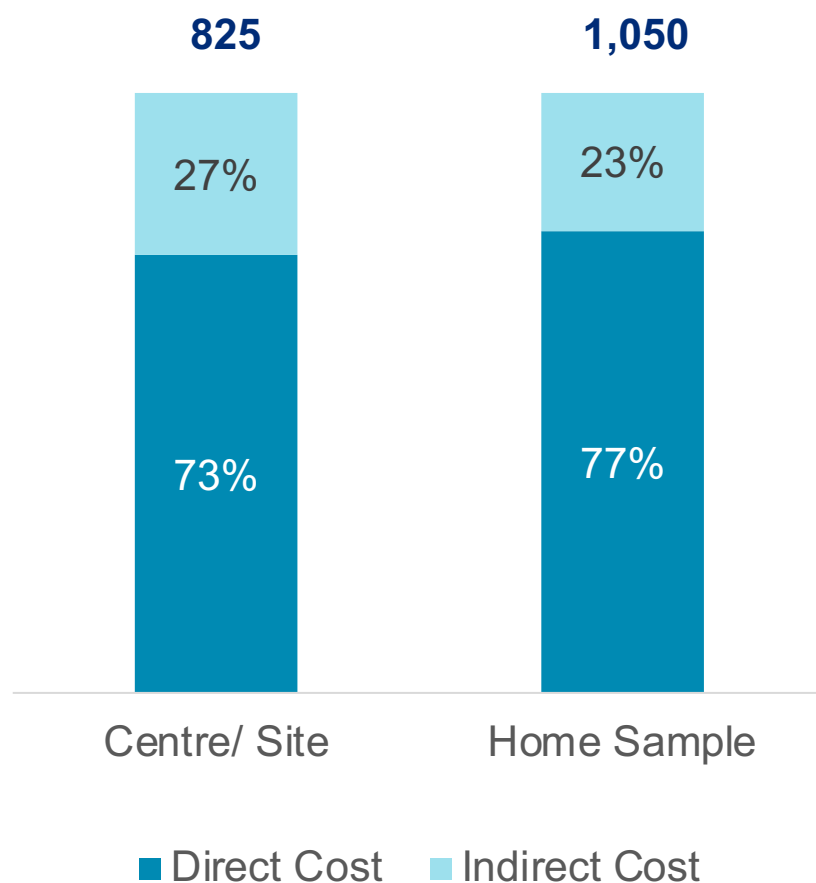
- The cost calculated is basis the simple average cost across the laboratories as per the data shared by each lab
- This does not include depreciation cost, AMC/ CMC and Insurance cost, Corporate Costs and Interest on investment

*Difference is calculated considering Category I as base/ reference

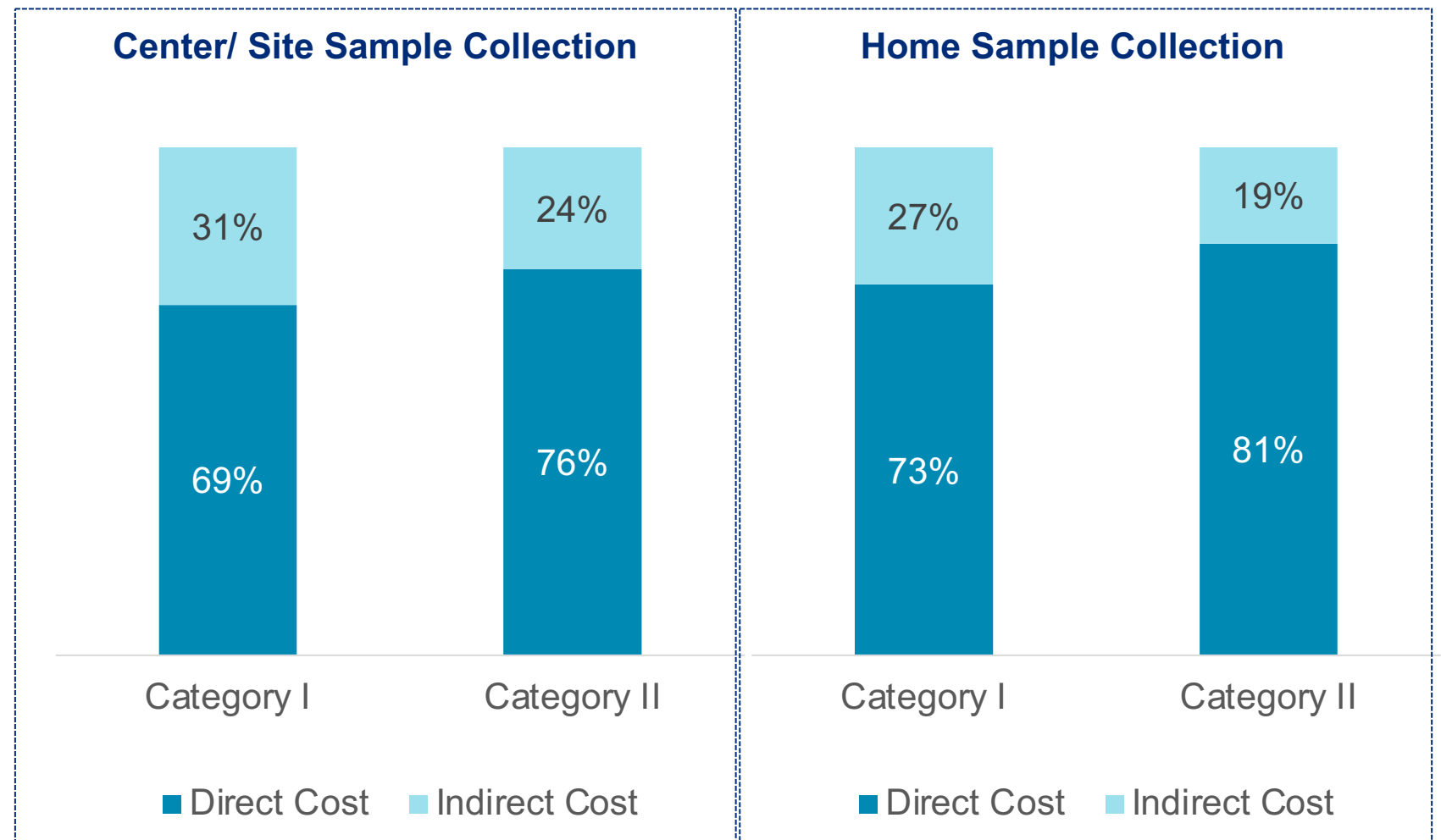
Direct cost i.e. cost of material and collection accounts for 73% and 77% of overall cost per test for centre and home sample collection respectively

Cost break-up for RT PCR based Covid Testing

All values in Rs.



Comparison of cost break-up for labs by category



- Direct cost (including material and logistics cost) as percentage of cost per test for RT PCR test is higher for category II labs

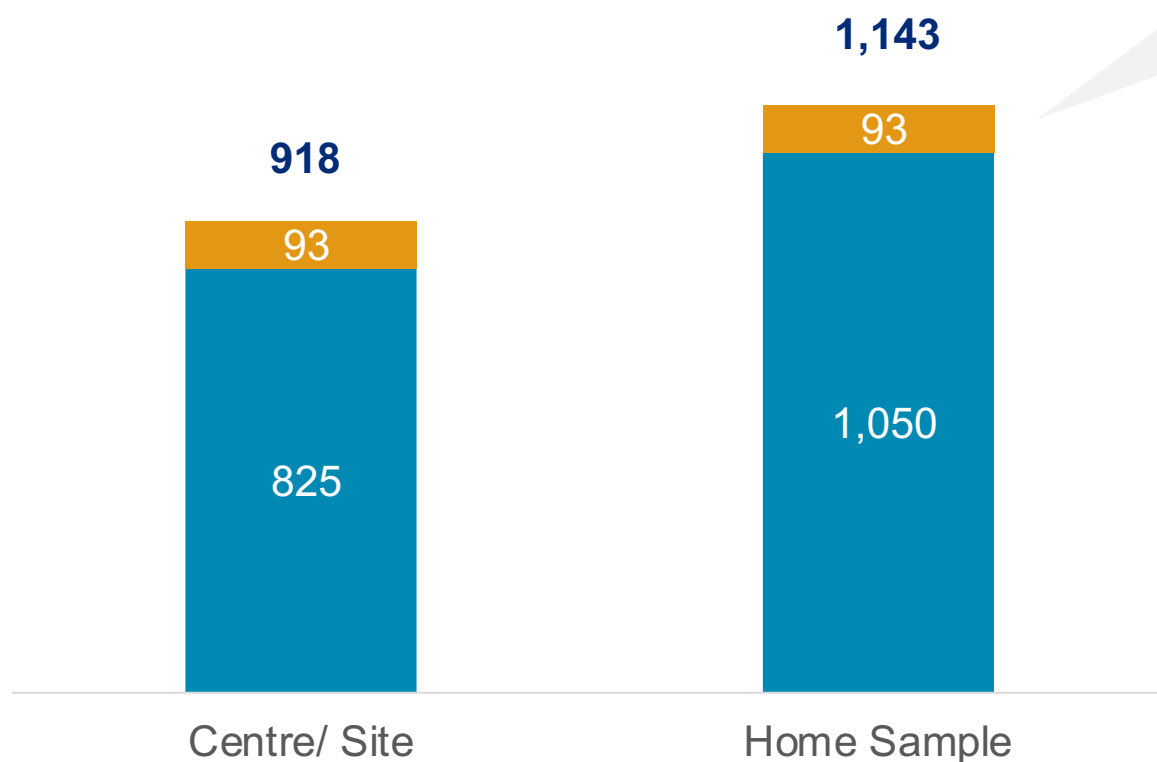
Note:

- Direct cost include cost of material and sample collection
- Indirect cost include cost of manpower and admin cost including rental, electricity, staff welfare, staff boarding, and lodging. This does not include depreciation cost, AMC/ CMC and Insurance cost, Corporate Costs and Interest on investment

Including other overhead costs, the cost per test for RT PCR based Covid testing is ~ Rs. 920 and ~ Rs.1,145 for Centre and Home Sample collection respectively

Cost per test (CPT) for RT PCR based Covid Testing including other overhead costs

All values in Rs.



On an average basis 8 responses the additional cost apportioned is Rs. 93 per test

Other apportioned costs include:

- Depreciation cost
- AMC/ CMC and Insurance cost
- Corporate Costs
- Interest on investment
- Interest on delayed payments by government departments

Note:

- The cost calculated is the simple average of costs across the laboratories as per the data shared by each lab
- The cost highlighted above might not include the cost of using the 3rd party network (generally revenue share) – other hospitals/ smaller labs/ collection centres

Thank You