

Fast-tracked drugs fast track to money

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U.S. government fast-tracking of medical treatments almost never leads to new drugs, but it often leads to stock price booms, reports say.

Under Food and Drug Administration rules, drugs needed to treat serious illnesses -- or illnesses without other treatments -- can be given the fast-track designation, which means they are subject to a streamlined approval process, The Cleveland Plain Dealer reported Sunday.

But simply being fast-tracked does not guarantee that a drug -- no matter how promising -- will actually complete the process and be approved, the newspaper said. In fact, few drugs ever make it to market.

In the stock market, however, simply hearing a drug has been fast-tracked can cause a share price to spike, enriching both shareholders and executives with stock options, the Plain Dealer said.

What stock traders may not understand, some experts say, is that fast-track status does not necessarily indicate an important new drug. Instead, some companies have found it is not very difficult to get the designation.

In the past 10 years, more than 70 percent of requests have been approved, and some companies have completed their application materials in just a few hours.

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