

# The Business Case for FEP Programs

- **Brief History of Public Policy for People with Severe and Disabling Illness**
  - *Costly and Ineffective*
- **New Approaches Intervene Early**
  - *Consumer Centered, Wrap Around Supports*
- **Commercial Insurers Play an Important Role**
- **Services are Affordable**
  - *PMPM Estimates*
- **Found to be Cost-effective**

# PMPM Cost Simulation

*Table 3. State Case Example: Estimated Annual Costs to Provide CSC-FEP Treatment Program Services*

Virginia (N=8,326,289)	Rate	Total
Incidence rate of schizophrenia for population age 18-64	15.2/100,000	807
75% Presenting for Service		606
Total cost of FEP program	\$1,200/mo. X 24 mo. X 606	\$17,452,800
Cost/year per person in VA age 0-64		\$ 2.70
Cost/month/person in VA		\$ 0.22

# Comparative Costs

*Table 2. CSC-FEP Treatment Intervention Annual Costs compared to Other Chronic Disease Treatment Interventions*

CSC- FEP Intervention = \$3,674/year/patient)	
Treatment	Annual Cost
Cancer Chemotherapy Treatment	Avastin: \$100,000/year
	Herceptin: \$70,000/year
Statins (Walmart)	Lipitor ® (1 year supply): \$3,288

Coordinated Specialty Care—First Episode Psychosis Programs: Why specialty early intervention programs are a smart investment

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