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## **IN CASE YOU MISSED IT**

### **Fierce Healthcare: COVID-19 Could Cost Insurers up to \$547 Billion Through 2021: Report**

**Sacramento, CA**— The consulting firm Wakely on June 3, 2020 released a [study](#) analyzing the costs of medical services tied to COVID-19. The study, commissioned by America’s Health Insurance Plans (AHIP), analyzes the COVID-19 cost impacts to health plans operating in the commercial, Medicare Advantage, and Medicaid managed care markets from 2020 to 2021.

The news website Fierce Healthcare published an [article](#) on the findings of the study. Here are excerpts from the article:

“...Wakely estimates that the pandemic could cost insurers between \$30 billion and \$547 billion.

“...The report explores the costs of COVID-19 based on a series of potential infection rates, which represent the total population infected. The study modeled infection rates based on 10%, 20% and 60%, while acknowledging that the true infection rate could be far lower.

“...A 10% (infection) rate would lead to a total cost of \$30 billion to \$92 billion from 2020 to 2021, and a rate of 20% would be \$60 billion to \$182 billion. But an infection rate of 60% would cost insurers the greatest, with a range of \$180 billion to \$547 billion.

“...Wakely notes it did not model any long-term costs for treating people recovering from COVID-19 infections.

“...The firm also didn’t factor in vaccine mitigation in 2021 nor a scenario in which large-scale infections occur throughout 2021.

“... the estimated unit cost for a hospital admission also increased, based on survey data from AHIP members.

“...Hospitals have slowly started to resume elective procedures, but only after installing stringent requirements on cleaning and testing.

“...Insurers are bracing for a wave of healthcare utilization some time later this year or in 2021 to deal with this pent-up demand.”

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