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## **IN CASE YOU MISSED IT**

### **UC Berkeley Study: COVID-19 Has Already Cost California Health Plans \$2.4 Billion**

#### ***Costs Could Reach \$25.1 Billion Before Population Achieves Herd Immunity***

**Sacramento, CA**— Researchers at the Nicholas C. Petris Center at the University of California, Berkeley, School of Public Health this week released a new [study](#) finding that the COVID-19 pandemic has cost California’s public and private insurers an estimated \$2.4 billion dollars in testing and treatment. This amounts to about six times the annual cost to treat seasonal influenza in California.

In the absence of a vaccine, this number could grow to \$25.1 billion before enough of the population becomes infected to achieve “herd immunity,” the study found. The \$25.1 billion estimate represents about 6% of the total annual health care spending in California.

The majority of the costs — about 59% — are born by commercial insurers, according to the study.

Here are excerpts from the [study](#):

“...We estimate current California health care costs due to COVID-19 to be \$2.4 billion -- six times the annual cost of influenza.

“...Should 60% of the population of California eventually become infected, roughly the level needed for herd immunity to be achieved, we estimate COVID-19 health care costs would be \$25.1 billion.

“...Currently, the majority of costs (59%) are hospitalization costs. The remaining 41% are divided fairly evenly between COVID-19 test costs and the outpatient visits. The percentage of costs that are hospital costs increases to 69% in the potential cost scenario of a 60% prevalence.

“...By payer, the breakdown in costs is currently 59% commercial, 26% Medicare, 10% Medi-Cal, and 5% uninsured. High prices and large enrollment contribute to commercial being a large share of the total costs. The cost per infected person is \$1,326 for commercial, \$1,774 for Medicare, \$289 for Medi-Cal/CHIP, and \$629 for uninsured.

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