



AHIP Update for Joint Senate Health and Welfare and House Health

Miranda Motter

SVP, State Affairs and Policy

America's Health Insurance Plans

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The Wakely Report

- Commissioned by AHIP
- Published March 30, 2020
- Estimating Cost of COVID-19 Treatment for U.S. Private Insurers over 2 yrs

Estimates on Treatment & Testing Costs



The screenshot shows the AHIP website header with navigation links: ISSUES, RESEARCH, NEWS, EDUCATION, EVENTS, ABOUT US, MEMBER LOGIN, and a search icon. The main headline reads: "New Study: COVID-19 Health Care Costs Could Reach \$556 Billion Over Two Years". To the right of the headline is an illustration of a person surrounded by microphones. Below the headline is a "NEWS" tag and a sub-header: "Experts examine various pandemic severity scenarios to model testing and treatment costs". The main text begins with "WASHINGTON, D.C. – No one should hesitate to seek testing or treatment for COVID-19 due to concerns about costs. Health insurance providers are taking decisive action to protect patients and support hospitals and doctors". Social media icons for Facebook, Twitter, LinkedIn, and Pinterest are visible, along with a print icon. The text "posted by AHIP" is at the bottom right of the article preview.

AHIP ISSUES RESEARCH NEWS EDUCATION EVENTS ABOUT US MEMBER LOGIN

New Study: COVID-19 Health Care Costs Could Reach \$556 Billion Over Two Years

NEWS

Experts examine various pandemic severity scenarios to model testing and treatment costs

WASHINGTON, D.C. – No one should hesitate to seek testing or treatment for COVID-19 due to concerns about costs. Health insurance providers are taking decisive action to protect patients and support hospitals and doctors

posted by **AHIP**

Links:

- [Press Release](#)
- [Blog Post](#)
- [Full Report](#)

Estimates on Population Impacted

Assumption	Medicare Advantage	Commercial (Group + Non-Group)	Medicaid MCO	Total
Total enrollees	24,480,000	176,700,000	54,180,000	255,360,000
Total Number Infected (includes non tested)	4,896,000	35,340,000	10,836,000	51,072,000
Number Confirmed Cases	3,380,000	24,690,000	7,540,000	35,610,000

Estimates on Costs

Scenario	2020 Range Total Allowed Cost	2021 Range Total Allowed Cost	2020-2021 Total Range of Allowed Cost	2020-2021 Total Range of Enrollee Cost Sharing
Low Infection Rate (10%)	\$42.2 - 69.5	\$14.1 - 23.2	\$56.2 - 92.7	\$10.0 – 13.0
Baseline Infection Rate (20%)	\$84.4 – 139.0	\$28.1 - 46.3	\$112.5 - 185.4	\$20.0 – 26.0
High Infection Rate (60%)	\$253.1 - 417.1	\$84.4 – 139.0	\$337.5 - 556.1	\$59.9 – 78.0

- **Estimated costs range from \$56 to \$556 billion over 2 yrs**
- *All costs above are in billions*

Estimates on Treatment & Testing Costs

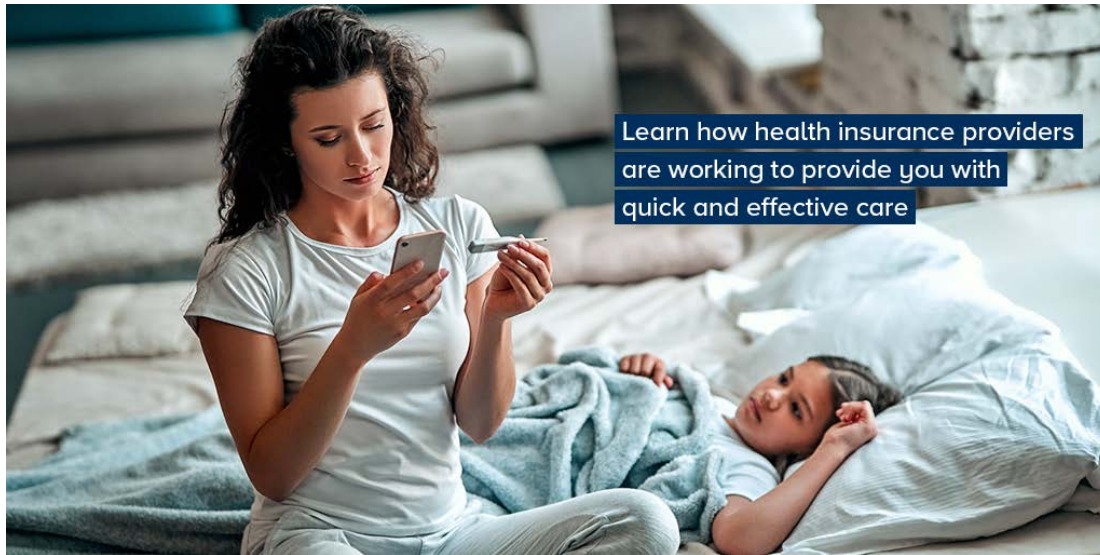
Service Category	Medicare Advantage	Commercial (Group + Non-Group)	Medicaid MCO	Total / Average
Total Utilization				
IP Hospital Services	920,000	3,780,000	800,000	5,500,000
Non-ICU	660,000	2,930,000	610,000	4,200,000
ICU	260,000	850,000	190,000	1,300,000
OP Hospital Services	2,030,000	14,820,000	4,520,000	21,370,000
Professional Services	2,030,000	14,820,000	4,520,000	21,370,000
All Other Services	120,000	220,000	40,000	380,000
Rx Services	1,110,000	11,040,000	3,720,000	15,870,000
Cost per Utilizer				
IP Hospital Cost				
Non-ICU	\$8,850	\$12,450	\$6,800	\$11,050
ICU	\$17,000	\$38,450	\$16,250	\$30,950
OP Hospital Cost	\$600	\$1,000	\$460	\$850
Professional Cost	\$170	\$140	\$70	\$130
All Other Cost	\$4,850	N/A	N/A	\$20
Rx Services	\$90	\$110	\$130	\$120

The Wakely Report did NOT Include:



- Variations by localities and states
- Real-time information on actual length of stays and costs for COVID patients
- The Impact of delayed and deferred care
- Mandate to cover Anti-body testing without cost sharing

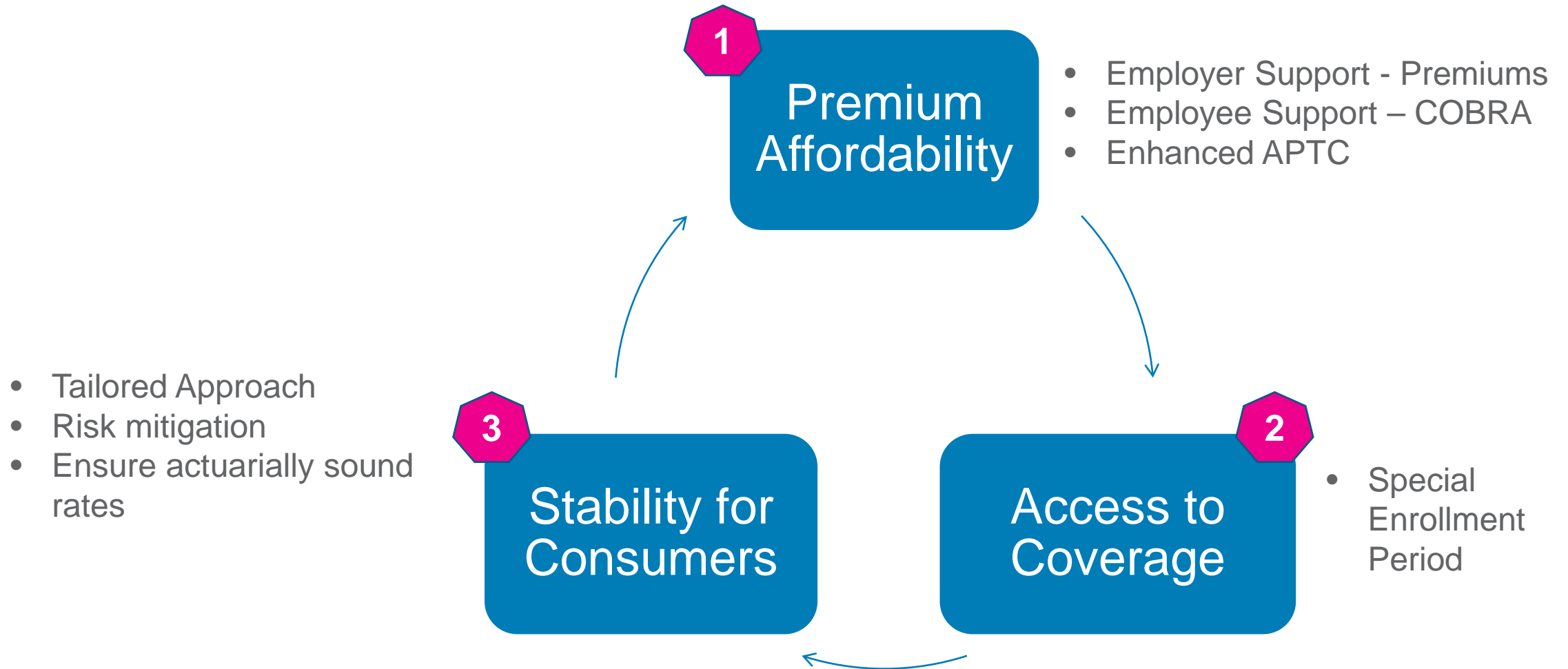
Gathering Data On:



AHIP updating due mid-May

- Claims experience
- Population impacted
- Testing costs
- Treatment costs – short & long term
- Drug studies
- Epidemiological studies
- Stimulus additions/changes
- AHIP requests States to extend rate filing deadlines to July 22

AHIP/BCBSA Legislative Recommendations



Contacts @ AHIP:

Brendan Peppard

Regional Director, State Affairs

bpeppard@ahip.org

(202) 306-3722

