

Table 1: Projected First Year Costs for Commercial Market COVID-19 Testing*

	Low Estimate	Medium Estimate	High Estimate
Commercially Insured Population	170 million	170 million	170 million
Estimated Number at Higher Risk	20 million	20 million	20 million
Assumed % of Higher Risk Tested	25%	50%	75%
Modeled Number Tested	5 million	10 million	15 million
Remaining Non-Higher Risk	150 million	150 million	150 million
Assumed % of Non-Higher Risk Tested	10%	20%	30%
Modeled Number of Non-HR Tested	15 million	30 million	45 million
Estimated Number of All Tested	20 million	40 million	60 million
Lab-only Test Costs (includes what would have been consumer out of pocket portion)	\$120	\$120	\$120
% for Lab-only or Drive-Through	75%	25%	20%
Number of Lab-only or Drive-Thru	15 million	10 million	12 million
Lab AND PCP or Televisit Average Cost (includes what would have been consumer out of pocket portion)	\$240	\$240	\$240
% for Lab & PCP/Televisit	25%	75%	80%
Number for Lab & PCP/Televisit	5 million	30 million	48 million
Total Cost at Commercial rates (includes what would have been consumer out of pocket portion)	\$3.0 billion	\$8.4 billion	\$13.0 billion

* All estimates for unit costs are derived from first calculating estimated costs at Medicare rates and then inflating those rates to estimated commercial rates based on published studies finding commercial payments to be on average 241 percent of Medicare across inpatient and outpatient settings – this Policy/Actuarial Brief uses a 2.4X multiplier for all costs originally derived from Medicare rates. See, White, Chapin, Whaley, Christopher, “Prices Paid to Hospitals by Private Health Plans Are High Relative to Medicare and Vary Widely,” 2019, https://www.rand.org/pubs/research_reports/RR3033.html.

March 21, 2020
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Table 2: Estimate First Year COVID-19 Commercial Market Treatment Costs*

	Low Estimate	Medium Estimate	High Estimate
Projected number of positive cases (among those tested)	4.0 million	8.0 million	16.3 million
Assumed % requiring hospitalization (for those under 60)	10%	15%	20%
Projected number of cases requiring hospitalization	400,000	1,200,000	3,260,000
Assumed Length of Stay (severe cases)	12 days	12 days	12 days
Assumed Insurance Reimbursement -- Commercial (includes consumer out of pocket portion) **	\$72,000	\$72,000	\$72,000
Projected Hospital Costs for severe cases	\$28.8 billion	\$86.4 billion	\$234.7 billion
Assumed % of cases that are “mild”	90%	85%	80%
Projected number of “mild” cases	3,600,000	6,800,000	13,040,000
Assumed physician reimbursement for “mild” cases -- Commercial (includes consumer out of pocket portion)	\$600	\$1,200	\$1,800
Projected physician cost for “mild” cases	\$2.2 billion	\$8.2 billion	\$23.5 billion
Total projected costs for treatments at commercial insurance rates (includes consumer out of pocket portion)	\$31.0 billion	\$94.6 billion	\$258.2 billion

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