What is the "Cadillac Tax"?
Section 4980I of Patient Protection and Affordable Care Act mandates that if a health plan's benefits exceed...

$1,200* for...
For 2022...

Common Features of "Cadillac Plans"
- Low Cost-Sharing
- Many Covered Services
- Broad Provider Networks

Why Tax "Cadillac Plans"?
Rich coverage exposes consumers and payers to:
- Use of Low-Value Services and Unnecessary Care
- Lack of Financial Incentives for Consumers to Shop for Care
- Wasteful Spending
- Adverse Health Outcomes

Trading in the Cadillac Plan
Option One: Shift Costs to Consumers
Move to High Deductible Health Plans, which expose consumers to higher out-of-pocket costs for clinical services regardless of value...

Rich coverage exposes consumers and payers to:
- Higher out-of-pocket costs
- Increased rates of non-adherence

Implementing Clinical Nuance: VALUE-BASED INSURANCE DESIGN
Lowers or removes excess costs of pocket costs to essential, high-value clinical services.

V-BID maintains "cadillac benefits" for high-value services
- Discourage access to services of unproven clinical value
- Lower plan cost below levels subject to the Cadillac tax

Trade in Your "Cadillac Plan"
Tax in a "Cadillac Plan" loaded with unnecessary features...
- CoPays for low-value services
- Subject to higher out-of-pocket costs in 2020

Choose a clinically nuanced V-BID plan...
- Covers evidence-based services
- Enhances adherence
- Avoids the Cadillac tax

Value-Based Insurance Design