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...

$3,000 for...

the coverage provider must pay a tax of 40% on each dollar above the cap in 2022.

Common Features of “Cadillac Plans”

- Low Cost-Sharing
- Many Covered Services
- Broad Provider Networks
- Low Wickled Spending
- Advanced Health Outcomes

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...

Resulting in increased rates of cost-related non-adherence which:

- Adversely affects health
- Widens disparities
- Potentially increases costs

Trading in the Cadillac Plan Option Two: Clinically Nuanced Cost-Sharing

What is Clinical Nuance?

V-BID maintains “cadillac benefits” for high-value services

- Covers low-value services
- Subject to 40% excise tax in 2020

Implementing Clinical Nuance: VALUE-BASED INSURANCE DESIGN

Lowers or removes unnecessary use of out-of-pocket costs to essential, high-value clinical services.

- Discourages access to services of unproven clinical value
- Provides evidence-based services

Trade in Your “Cadillac Plan”

Trade-In a “Cadillac Plan” loaded with unnecessary features...

- Doubling a non-nuanced High Deductible Health Plan...
- Exceeding the Cadillac tax...
- Avoids the Cadillac tax

What is V-BID?

V-BID maintains “cadillac benefits” for high-value services

- Covers low-value services
- Subject to 40% excise tax in 2020

Trade-In a “Cadillac Plan” for Value-Based Insurance Design

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