Trade-in a "Cadillac Plan" for Value-Based Insurance Design

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

$10,280 for...

$27,500 for...

the coverage provider must pay a 40% excise tax on each dollar above the cap in 2020.

Common Features of "Cadillac Plans"

- Many covered services
- Low cost-sharing
- Broad provider networks

Why Tax "Cadillac Plans"?
Rich coverage exposes consumers and payers to:

- Use of lower-value treatments & unnecessary care
- Lack of financial incentives for consumers to say no

Wasteful Spending

Advanced 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
- Worsens disparities
- Potentially increases costs

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

What is Clinical Nuance?

Services differ in clinical benefit and value.

Implementing Clinical Nuance: VALUE-BASED INSURANCE DESIGN

Lowerers or removes consumer out-of-pocket costs to essential, high-value clinical services.

V-BID maintains "cadillac benefits" for high-value services

Rich coverage for evidence-based services

Discourages access to services of unproven clinical value

Lowered plan cost below levels subject to the Cadillac tax

Trade in Your "Cadillac Plan"

Ten is a "Cadillac Plan" traded with necessary features...

- Covers low-value services
- Subject to 40% excise tax in 2030

Dodges a non-manualized High Deductible Health Plan...

- Higher out-of-pocket costs

- Increased rates of non-adherence

Choose a clinically nuanced V-BID plan that...

- Covers evidence-based services
- Enhances adherence
- Avoids the Cadillac tax