

## Trade-In a "Cadillac Plan" for Value-Based Insurance Design

# What is the "Cadillac Tax"?

Section 4980I of Patient Protection and Affordable Care Act mandates that if a health plan's benefits exceed...



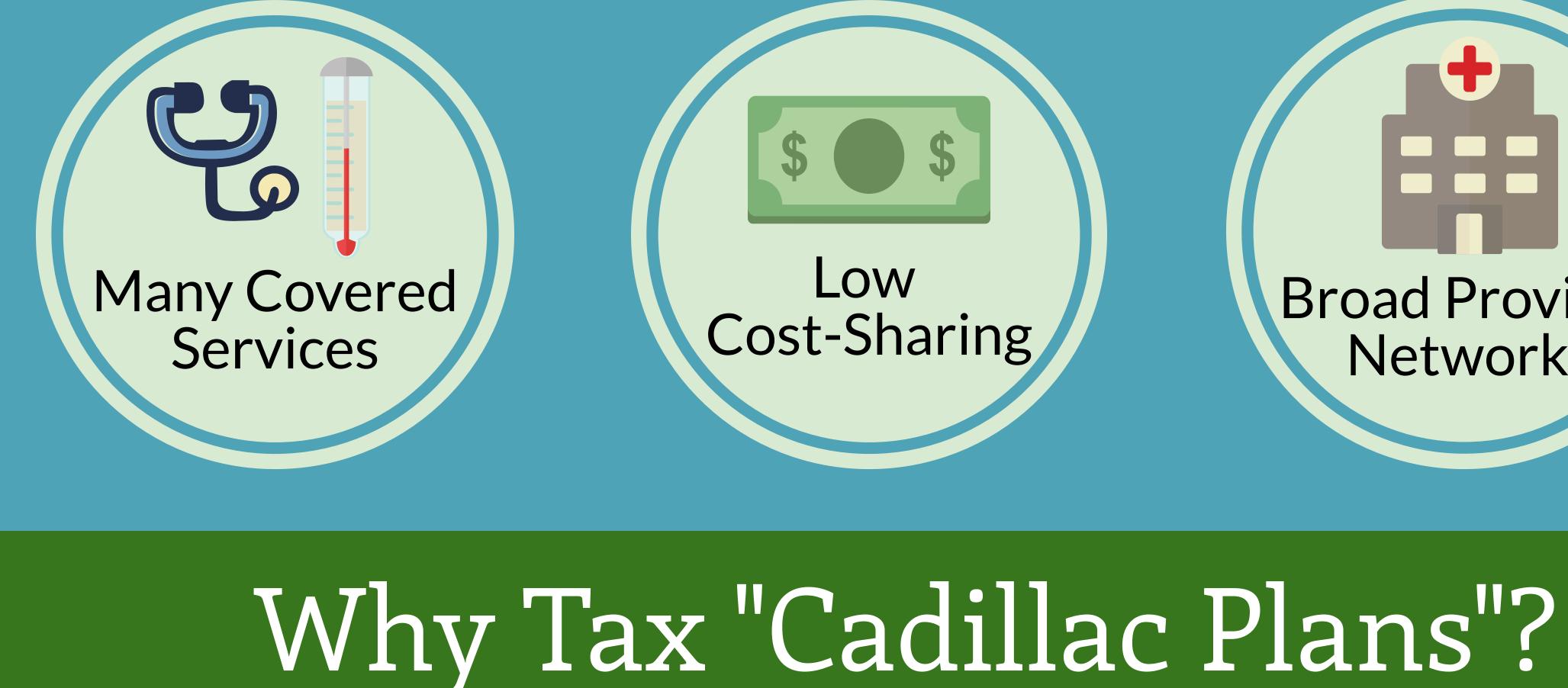


\$30,100\* for

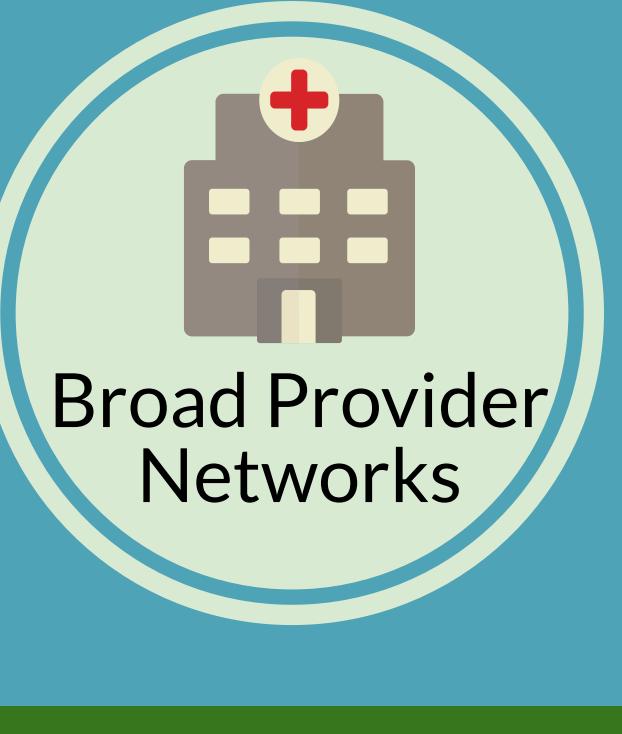


the coverage provider must pay a 40% excise tax on each dollar above the cap in 2022. \*estimations based on 2019 data

# Common Features of "Cadillac Plans"







# Rich coverage exposes consumers and payers to:

#### Use of Low-Value Lack of Financial Services and **Incentives for 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

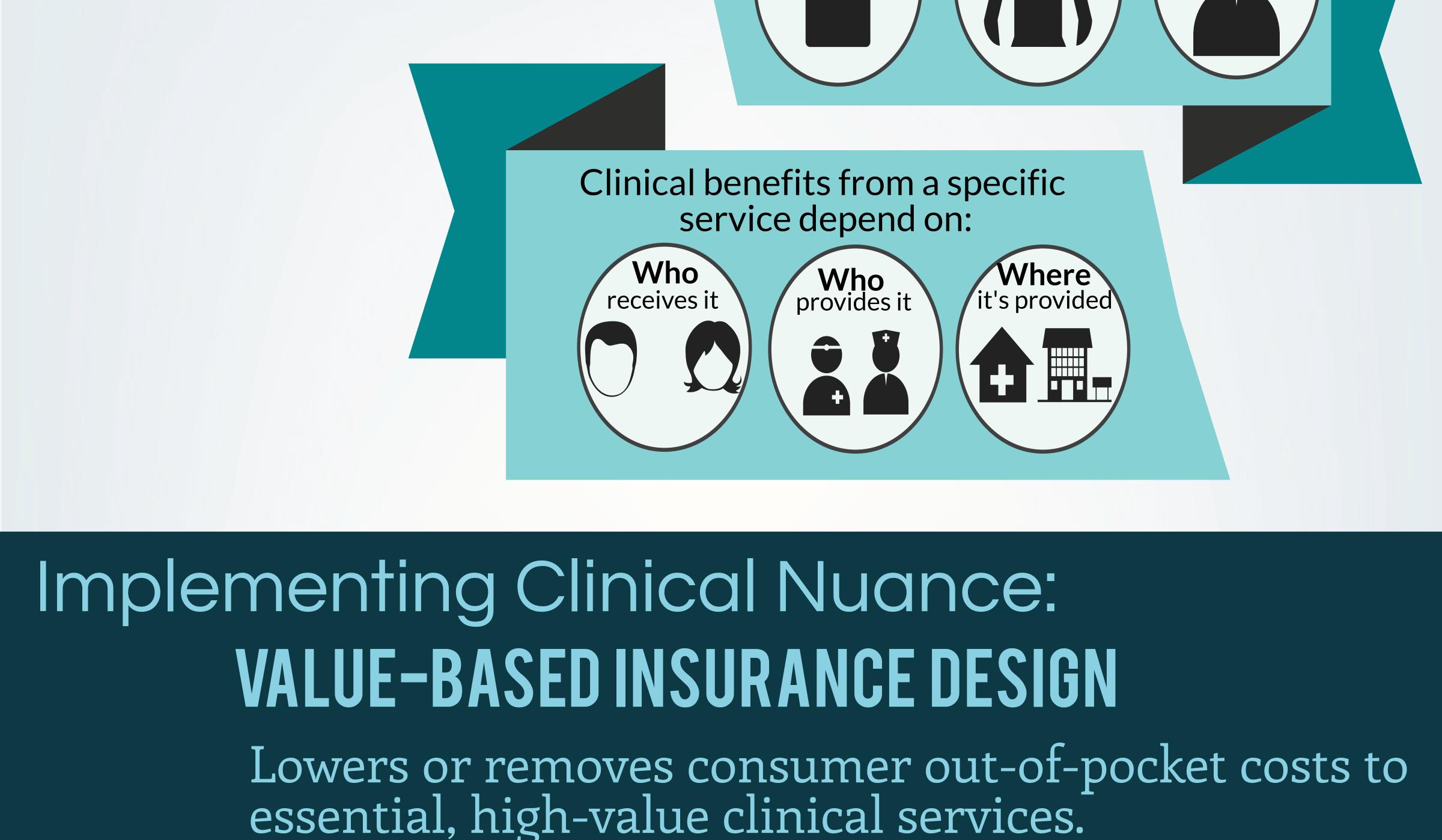
Trading in the Cadillac Plan

Clinical Nuance?

potentially increases costs

Option Two: Clinically Nuanced Cost-Sharing What is Services differ in clinical benefit produced:

Rx



### V-BID maintains "cadillac benefits" for high-value services Rich coverage for evidence-based services



Discourage access to services of unproven clinical value



Covers low-value services



Subject to 40% excise tax in 2020



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

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