

# Adobe designs plan to slash its multi-million dollar ACA “Cadillac” tax



## Challenge

Prepare for the expensive excise tax authorized under the Affordable Care Act (ACA) by introducing a high-deductible health plan (HDHP), paired with a health savings account, while maintaining employee satisfaction.

## Solution

Castlight’s health benefits platform enabled a successful transition to HDHP by providing employees with a personalized and integrated healthcare experience.

**83%**

Enrollment in HDHP - exceeded expectations by 315%

**Millions**

In dollars saved by reducing ACA “Cadillac” tax liabilities

**Adobe is the global leader in digital marketing and digital media solutions. Adobe helps customers make, manage, measure, and monetize content across every channel and screen.**

Based in downtown San Jose, in the heart of California’s dynamic Silicon Valley, Adobe has sought to offer a welcoming, collaborative environment for its more than 13,000 employees—with endless opportunities to create exceptional experiences for the company’s customers.

“We believe that employees who are healthy and happy are going to be highly engaged in their work,” said Rosemary Arriada-Keiper, senior director of rewards for Adobe. “Engaged, empowered, and inspired employees who are having fun and feel well-rewarded are going to create the very cool, exciting technologies our customers respond to.”

## Challenges

Adobe has always aimed to provide the best possible benefits package to its valued employees, while maintaining a commitment to operational excellence and fiscal responsibility. With the arrival of the Affordable Care Act (ACA), the company realized that its generous benefits offerings—applied across an employee base that includes a significant percentage of high earners—could potentially cost it millions of dollars under the ACA’s impending excise tax provision.


To address this, Adobe introduced a high-deductible health plan (HDHP), paired with a health savings account (HSA) feature. The innovative accounts enable both Adobe and its employees to contribute up to \$3,350 (individuals) or \$6,650 (families) in pre-tax money annually.

Employees who are 55 years or older can kick in an additional \$1,000.

To help people understand the new benefits design, Adobe initially considered technology supplied by the plan provider. The problem was, the solution's user interface was less than ideal and the database was limited, creating what would have been a disappointing experience for Adobe's users.

"The technology that we were trying to leverage for insights into the quality and cost of services really wasn't working," Arriada-Keiper explained. "Our employee population found it cumbersome and difficult to navigate."

At the same time, Arriada-Keiper's team knew that the benefits offerings of large Silicon Valley players continue to be among the most attractive anywhere. Plans are generous and benefits are delivered in highly sophisticated ways. So it was important for Adobe to get its new HDHP, and all the components associated with it, right.



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~ Rosemary Arriada-Keiper  
SENIOR DIRECTOR-REWARDS  
ADOBE SYSTEMS

## Solution

Adobe looked to the Castlight health benefits platform to strategically manage and optimize their healthcare spend and empower their employees to become informed healthcare consumers.

With the Castlight solution, Adobe employees can easily evaluate the cost and quality of medical services, procedures, providers, and facilities. At the same time, the Castlight platform enables Adobe to better leverage its considerable investment in employee health and wellness, minimize waste, and eliminate unnecessary spending on healthcare.

## Significant investment in communications and incentives

When Adobe introduced its HDHP during the Fall 2013 enrollment period, it made a significant investment in communications as well as incentives to get employees to opt for the HDHP and try Castlight. The company partnered with Castlight and other third parties to develop a comprehensive communications strategy that included gift cards as incentives for employees to log in to the Castlight solution, watch a tutorial video, and try a couple of searches.

## Enlisting support from community influencers

One of the most powerful things that Adobe did to market its new strategy was to reach outside of HR or management to influencers within the Adobe community. Arriada-Keiper and her team shared information about the new benefits plan and programs with these influencers and demonstrated how the HSAs were a true win-win—for employees as well as Adobe.

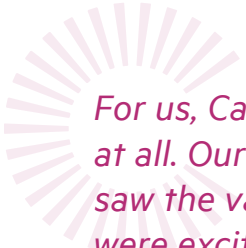
"These influencers became advocates and ambassadors for us," Arriada-Keiper said. "This had by far the most profound impact on our success. If these people were validating it, other employees were going to buy into it. And it went viral for us."

## Results

### Triple the HDHP registrations, millions of dollars in excise taxes avoided

The rollout of the company's HDHP, paired with an HSA, was one of the largest initiatives that Adobe's benefits team has ever managed. But the results were

nothing short of phenomenal. The company's goal in its first year was to migrate about 20% of its population from an existing preferred provider organization (PPO) plan to the new HDHP. Instead, approximately 83% of Adobe's eligible employee population signed up—more than 300% of the expected figure. At the same time, Adobe's potential exposure under the ACA's excise tax provisions—the so-called “Cadillac” tax—decreased from several million dollars to a figure in the low hundreds of thousands of dollars, or less.



*For us, Castlight wasn't a hard sell at all. Our employees immediately saw the value of the platform and were excited about it. But just as important is the true partnership we have with Castlight. They understand our culture and people, and appreciate the way they interact with the information given to them.*

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### **Creating true healthcare consumers**

By nature, Adobe's employees have long done their own research to a high degree of granularity when making a major purchase such as a new vehicle, household furnishings, or appliances—comparing features, reliability, and prices to arrive at the best option.

With the implementation of the Castlight platform, Adobe is seeing that same level of consumerism in making healthcare decisions. “People are looking for the best way to access services or have procedures done,” Arriada-Keiper remarked. “They're reviewing network providers, services, quality information, and costs. We've never seen this in our environment, and it's something that we're extremely proud of.”

### **Embracing castlight's solution**

Adobe's objective with the kickoff of Castlight's health benefits platform was to register approximately 30% of its HDHP enrollees with Castlight. Once again, Adobe exceeded its targets, with more than 40% of the HDHP enrollees actively using Castlight to manage their healthcare spending and make more informed decisions. And although an incentive was used to help reach this target, Adobe employees didn't just collect their reward and leave. A vast majority are coming back time and again to leverage the information and benefits available through Castlight.

“For us, Castlight wasn't a hard sell at all,” stated Arriada-Keiper. “Our employees immediately saw the value of the platform and were excited about it. But just as important is the true partnership we have with Castlight. They understand our culture and people, and appreciate the way they interact with the information given to them.”

Arriada-Keiper also noted that the Castlight platform was by far the best when it came to the user interface and overall experience for users, an important consideration at a company with Adobe's reputation for a superior user experience in digital marketing and digital media.

### **Cost-saving benefits to castlight users**

After its first plan-year using the Castlight platform, Adobe employees can already point to a series of impressive cost savings:

- Castlight searchers paid 17% less for advanced imaging procedures than those who didn't search
- Castlight searchers paid nearly 37% less for lab services than those who didn't search

### **Future plans: behavioral health and continued cost control**

Looking ahead, behavioral health is something that's top-of-mind for Adobe, according to Arriada-Keiper.

Adobe will also continue to focus on keeping their

people engaged in managing their healthcare to control their costs and mitigate the company's healthcare risks and expenses. Arriada-Keiper and her team appreciate how Castlight has been able to not only simplify the process and integrate a variety of inputs to provide easy access to data, but also deliver deep personalization—tailoring the Castlight experience to each individual's needs.

“What's important for us going forward is the quality of the experience,” concluded Arriada-Keiper. “We want to make benefits in general and healthcare in particular

easy to manage and navigate. We're going to continue to look for partners that can help us ensure that employees get the information that's relevant, when and where they need it.”

Castlight is on a mission to make it as easy as humanly possible to navigate healthcare and live happier, healthier, more productive lives. Our health navigation platform connects with hundreds of health vendors, benefits resources, and plan designs, giving rise to the world's first comprehensive app for all health needs. We guide individuals—based on their unique profile—to the best resources available to them, whether they are healthy, chronically ill, or actively seeking medical care. In doing so, we help companies regain control over rising healthcare costs and get more value from their benefits investments. Castlight revolutionized the healthcare sector with the introduction of data-driven price transparency tools in 2008 and the first consumer-grade wellbeing platform in 2012. Today, Castlight serves as the health navigation platform for millions of people and is a trusted partner to many of the largest employers in the world.

For more information, visit [www.castlighthealth.com](http://www.castlighthealth.com) and connect with us on [Twitter](#) and [LinkedIn](#) and [Facebook](#).



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