

Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund

WHAT IS THE PURPOSE OF THESE FEES?

The 2010 health care reform legislation, commonly referred to by one of two acronyms, “ACA,” or “PPACA,” created a new entity called the Patient-Centered Outcomes Research Institute to evaluate and compare the health outcomes and clinical effectiveness, risks and benefits of medical treatments, services, procedures, and drugs. A portion of the Institute’s funding will come from temporary fees imposed on group health plans. Also known as the Comparative Effectiveness Fee or “PCORI Fee,” this fee applies to plans ending in years 2013 through 2029 (October 1, 2012 through September 30, 2029). In the case of an insured plan, the health insurance company providing the coverage must pay the fee. If the plan is a Health Reimbursement Arrangement (HRA), Medical Expense Reimbursement Plan (MERP) or other self-insured plan, the employer that sponsors the plan must pay.

DO THE FEES APPLY TO PLANS MAINTAINED BY ALL TYPES OF EMPLOYERS?

Yes. The fees even apply to plans sponsored by governmental entities and church organizations.

HOW ARE THE FEES PAID?

Fees are paid once a year. A plan sponsor will send its annual payment to the Internal Revenue Service, along with a completed Form 720 (Quarterly Federal Excise Tax Return Form) indicating how the payment amount was determined. Although Form 720 is labeled Quarterly Federal Excise Tax Return Form, this fee will occur on an annual basis. The IRS has updated instructions to Form 720 with more details on the payment and reporting process.

WHEN ARE THE FEES DUE?

The Form 720 and accompanying payment will be due by July 31 of the following plan year. For plan years ending in 2023, the PCORI fees are due by July 31, 2024. For plan years ending in 2024, the PCORI fees are due July 31, 2025.

ARE TPAs ALLOWED TO FILE THE FORMS 720 FOR THE HRAs AND MERPs SPONSORED BY THEIR CLIENT COMPANIES?

No. The law explicitly states that this must be done by the plan sponsors. **Please note, it is also the plan sponsor’s responsibility to determine the number of lives covered and the fees owed.**

HOW CAN I CALCULATE THE NUMBER OF COVERED LIVES?

Please [log into HR Connect](#), P&A’s secure employer portal, at [padmin.com](#). Under **Archived Reports**, select the applicable plan year and download the “**MonthlyAccount_Balance**” reports to help you determine the number of covered lives in the plan.

ADDITIONAL RESOURCES

Click [here](#) to obtain Form 720. For more information on the Patient-Centered Outcomes Research Institute, please visit www.pcori.org.

Click [here](#) to view IRS Bulletin 2012-52, page 11, for additional information on determining the applicable fees.

PLAN YEARS	PCORI FEE (PER COVERED LIFE)	FILE DUE DATE
February 1, 2022 - January 31, 2023	\$3.00	July 31, 2024
March 1, 2022 - February 28, 2023	\$3.00	July 31, 2024
April 1, 2022 - March 31, 2023	\$3.00	July 31, 2024
May 1, 2022 - April 30, 2023	\$3.00	July 31, 2024
June 1, 2022 - May 31, 2023	\$3.00	July 31, 2024
July 1, 2022 - June 30, 2023	\$3.00	July 31, 2024
August 1, 2022 - July 31, 2023	\$3.00	July 31, 2024
September 1, 2022 - August 31, 2023	\$3.00	July 31, 2024
October 1, 2022 - September 30, 2023	\$3.00	July 31, 2024
November 1, 2022 - October 31, 2023	\$3.22	July 31, 2024
December 1, 2022 - November 30, 2023	\$3.22	July 31, 2024
January 1, 2023 - December 31, 2023	\$3.22	July 31, 2024
February 1, 2023 - January 31, 2024	\$3.22	July 31, 2025
March 1, 2023 - February 29, 2024	\$3.22	July 31, 2025
April 1, 2023 - March 31, 2024	\$3.22	July 31, 2025
May 1, 2023 - April 30, 2024	\$3.22	July 31, 2025
June 1, 2023 - May 31, 2024	\$3.22	July 31, 2025
July 1, 2023 - June 30, 2024	\$3.22	July 31, 2025
August 1, 2023 - July 31, 2024	\$3.22	July 31, 2025
September 30, 2023 - August 31, 2024	\$3.22	July 31, 2025
October 1, 2023 - September 30, 2024	\$3.22	July 31, 2025