

IRS Releases Annual PCORI Fee Adjustment

By Ashley Dillingham, J.D.
Compliance & HR Manager

The IRS has recently adjusted the [Patient-Centered Outcomes Research Institute \(PCORI\) fee](#) to **\$2.54** for plan years ending on or after October 1, 2019, and before October 1, 2020. This is an increase from the prior year's fee of \$2.45

What is the PCORI Fee?

The PCORI fee is an annual fee imposed by the Affordable Care Act (ACA) that is paid by health insurers and self-funded health plan sponsors. The fee is used to help fund the Patient-Centered Outcomes Research Trust Fund (PCORTF).

How is the PCORI Fee Paid?

Self-Funded Health Plans

- Self-funded health plans, including most [Health Reimbursement Arrangements \(HRAs\)](#), are required to pay the PCORI fee each year.

Fully-Insured Health Plans

- Employers with fully-insured health plans *are not responsible for paying the PCORI fee*.
- PCORI fees are included in your rates and it is ultimately the health insurers responsibility to pay the fee.

Calculating the PCORI Fee

To calculate the PCORI fee, you must multiply the applicable dollar amount (adjusted annually by the IRS) by the plan's **average number of covered lives**. For a full list of prior PCORI fee rates, please visit the [IRS PCORI fee Q&A page](#).

PCORI Fee Due Date

PCORI fee payments are due by **July 31st** of the calendar year following the last day of the plan year. Health insurers and self-funded health plan sponsors are required to report and pay PCORI fees using IRS [Form 720](#).

If you have any additional questions or concerns please contact me at adillingham@benefitreview.com

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Benefit Review Services, Inc.

43370 Mound Road
Sterling Heights, MI 48314
586.997.1700
www.brsibenefits.com

816 9th Street SW
Vero Beach, FL 32962
772.257.5439



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