THE ADVISOR

National Marketing Group Services, Inc.
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Self Insured – Level Funded Plan: Patient-Centered Outcomes Research Institute Fees (PCORI)

The Affordable Care Act imposes a <u>fee</u> on employers that sponsor certain **self-insured health plans** to help fund the Patient-Centered Outcomes Research Institute (PCORI). PCORI fees support research to evaluate and compare health outcomes and the clinical effectiveness of certain medical treatments, services, procedures, and drugs. The fee must be reported once a year on the second-quarter Form 720. It must be paid by July 31 of the calendar year immediately following the last day of the plan year to which the fee applies.

The fee was originally effective for plan years ending on or after Oct. 1, 2012, and before Oct. 1, 2019. However, a 2019 continuing spending resolution reinstates PCORI fees for the 2020-2029 fiscal years. **As a result, specified health insurance policies and applicable self-insured health plans must continue to pay these fees through 2029**.

For plan years ending on or after Oct. 1, 2020, and before Oct. 1, 2021, the fee is **$2.66**, multiplied by the average number of lives covered under the plan. For plan years ending on or after Oct. 1, 2021, and before Oct. 1, 2022, the fee is **$2.79**, multiplied by the average number of lives covered under the plan.

Regulations explain how to calculate the average number of lives covered. Note that third-party reporting or payment of the PCORI fee is not allowed. The chart below illustrates how the fees may apply to specific types of health coverage or arrangements.

Click on link below for detailed guide on PCORI created by HRService.

2022 PCORI FeesBreakdown

Should you have additional questions or need assistance with Benefit Compliance, Benefits Administration, or HR Solutions, please contact NMGS at 305 592-9926 or by email customerservice@mynmgs.com

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