



Health Care Reform ~ Hot Topic

Issued: 7/1/2013

PCORI/CER Fees Explanation

Patient Centered Outcomes Research Institute Fees (PCORI/CER Fees)

WHY IS THIS FEE BEING APPLIED?

The Patient Centered Outcomes Research Institute (PCORI) was established by Health Care Reform to conduct research on medical treatments, procedures, and services. The institute will be funded by fees paid by plan sponsors and insurers. HRAs are self-funded health plans, typically paired with a fully insured health plan. **The HRA is sponsored and self-funded by the employer (plan sponsor), who's required to submit and pay the fee for the HRA.** The carrier of the fully insured plan will pay a separate fee, calculated, submitted and paid by the carrier.

WHAT IS THE FEE?

\$1.00 per HRA-covered employee (dependents excluded) for plan years ending after 10/1/2012 and before 10/1/2013. The fee increases to \$2.00 for the following plan years and may increase annually. Fees are payable for plan years ending after 9/30/2012 and before 10/1/19.

WHO PAYS THE FEE?

For self-insured plans (HRAs or self-funded health plans) the employer is liable to pay the fee. For fully insured health plans (plans that are integrated with your HRA) a separate fee will be paid by the carrier directly. HRAs excepted from paying the fee include those that cover vision, dental and retirement only. Please note that for HRAs typically integrated with fully insured health plans (i.e. covering deductibles, co insurance, co-pays and Rx) employers must pay the fee directly to the IRS – your TPA can assist with the calculation, but per IRS regulations, cannot submit and pay the fee for the employer.

HOW IS THE FEE SUBMITTED?

The employer is responsible for submitting this fee on [IRS Form 720](#). Your TPA's Compliance department can calculate the fee for clients, but advises to have a CPA review all tax forms prior to submitting.

WHEN IS THE FEE DUE?

Fees are due by July 31st following the plan year end date.

Fees for plan years ending before 1/1/2013 are due by 7/31/2013. If a plan ends after 1/1/2013 and before 10/1/2013, the fee is still \$1.00, but not payable until 7/31/2014.

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FEE SCHEDULE:

Plan Year End Date	\$1 per Avg. Covered Life	\$2 per Avg. Covered Life
9/30/2012	N/A	N/A
10/31/2012	Due 7/31/2013	N/A
11/30/2012	Due 7/31/2013	N/A
12/31/2012	Due 7/31/2013	N/A
1/31/2013	Due 7/31/2014	N/A
2/28/2013	Due 7/31/2014	N/A
3/31/2013	Due 7/31/2014	N/A
4/30/2013	Due 7/31/2014	N/A
5/31/2013	Due 7/31/2014	N/A
6/30/2013	Due 7/31/2014	N/A
7/31/2013	Due 7/31/2014	N/A
8/31/2013	Due 7/31/2014	N/A
9/30/2013	Due 7/31/2014	N/A
10/31/2013	N/A	Due 7/31/2014
11/30/2013	N/A	Due 7/31/2014
12/31/2013	N/A	Due 7/31/2014
1/31/2014	N/A	Due 7/31/2015
2/28/2014	N/A	Due 7/31/2015
3/31/2014	N/A	Due 7/31/2015

ADDITIONAL PCORI REFERENCES:

<http://www.pcori.org/how-were-funded/>

<http://www.gpo.gov/fdsys/pkg/FR-2012-12-06/pdf/2012-29325.pdf>

<http://www.irs.gov/pub/irs-drop/n-11-35.pdf>



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IMPORTANT: This document has been compiled from numerous sources and is designed to provide a general overview of the new health reform law. It does NOT attempt to cover all of the law's provisions and should NOT be used as legal advice for implementation activities.

We encourage you to seek any professional advice, including legal counsel, regarding how the new requirements will affect your specific plan.

Links - Further Reading

[HR 3590 – Patient Protection and Affordable Care Act.](#)

[HR 4872 – Health Care and Education Reconciliation Act.](#)

HealthCare.gov

[HHS – The U.S. Department of Health and Human Services.](#)

[IRS – The Federal Internal Revenue Service.](#)

[White House Fact Sheets](#)

Healthcare Reform Website

www.healthreform.gov has been archived. The new website is:

HealthCare.gov