

Compliance Alert
January 14, 2020

PCORI Fee Extended 10 Years

Once scheduled to expire in 2019, the Patient-Centered Outcomes Research Institute (PCORI) fee has been extended for 10 years.

PCORI was set up by the Affordable Care Act (ACA) to conduct research in order to evaluate the effectiveness of medical treatments, procedures, and strategies that treat, diagnose, manage, or prevent illness or injury. The fee itself was instituted to fund this research.

This past summer the IRS had announced that the adjusted applicable amount is \$2.45 for policy or plan years ending on or after Oct. 1, 2018, and before Oct. 1, 2019.

While insurance carriers are responsible for paying the fees for their health policies, employers that are self-funded (or offer HRAs or FSAs) are responsible for PCORI associated fees.

The SECURE Act, signed by President Trump on December 20, 2019, extended the PCORI to 2029 or 2030, depending upon the plan year. The PCORI fee is based on the average number of lives covered under the plan and is due no later than July 31 each year. It will be adjusted for inflation, annually, moving forward.

If you have any questions, please contact your HRWS Advisory Team at 866-691-7757 or Support@HRWorkplaceServices.com.

The information contained in this Compliance Alert is intended for educational purposes and to provide a general understanding of regulatory events, legislative changes and the law - not to provide specific legal advice.