



June 26, 2015

Reminder: PCORI Fee Due July 31, 2015

The due date for the [Patient-Centered Outcomes Research Institute \(PCORI\) fee](#) of July 31, 2015 is fast-approaching. Plan sponsors of “applicable self-insured health plans” must be prepared to calculate the fee due and submit the fee to the IRS no later than this date.

Imposed on both insurers of “specified health insurance policies” and plan sponsors of self-insured health plans by federal health reform, this fee supports clinical effectiveness research. Plan sponsors of fully-insured health plans are not responsible for paying the PCORI fee (the obligation rests with the insurer). Plan sponsors of self-insured health plans are required to pay the PCORI fee for certain health coverage arrangements. The [Application of the PCORI Fee to Common Types of Health Coverages or Arrangements](#) list the various health coverages subject to the PCORI fee.

The first PCORI fee was due in 2013 for plan or policy years ending on or after October 1, 2012 and before January 1, 2013. The last fee will be due for plan or policy years ending before October 1, 2019. The fee due July 31, 2015 is applicable to the plan or policy year that ended in 2014.

Detailed guidance regarding how to calculate, report, and pay the fee is provided on the IRS PCORI fee [webpage](#). In general, the amount of the PCORI fee is equal to the average number of lives covered during the plan or policy year multiplied by the applicable dollar amount for the year. The applicable dollar amount (also known as the “applicable rate”) of the PCORI fee, which started at \$1.00, increases over time and depends on the end date of the plan year (or policy year) for which the fee is being paid. The IRS has published the [PCORI Filing Due Dates and Applicable Rates](#) chart to assist insurers and plan sponsor with determining the applicable rate due based on the end date of a policy /plan year. The PCORI fee is paid annually using [IRS Form 720](#) Quarterly Federal Excise Tax Return. The payment can be made through the [Electronic Federal Tax Payment System \(EFTPS\)](#).

For a more detailed explanation of the PCORI fee, please see our legislative update, [PCORI Fees – Reporting and Preparation Process](#). Should you have questions about this or any other aspect of healthcare reform, please contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).



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