



November 29, 2018

## New Indexed PCORI Fees Issued

Under the Affordable Care Act, (ACA) a fund for a nonprofit corporation to assist in clinical effectiveness research was created. To aid in the financial support for this endeavor, certain health insurance carriers and health plan sponsors are required to pay fees based on the average number of lives covered by welfare benefits plans. These fees are referred to as either Patient-Centered Outcome Research Institute (PCORI) or Clinical Effectiveness Research (CER) fees.

The applicable fee was \$2.39 for plan years ending on or after October 1, 2017 and before October 1, 2018. **For plan years ending on or after October 1, 2018 and before October 1, 2019, the fee is \$2.45.** Indexed each year, the fee amount is determined by the value of national health expenditures. The fee phases out and will not apply to plan years ending after September 30, 2019.

As a reminder, fees are required for all group health plans including Health Reimbursement Arrangements (HRAs), but are not required for health flexible spending accounts (FSAs) that are considered excepted benefits. To be an excepted benefit, health FSA participants must be eligible for their employer's group health insurance plan and may include employer contributions in addition to employee salary reductions. However, the employer contributions may only be \$500 per participant or up to a dollar for dollar match of each participant's election.

HRAs exempt from other regulations would be subject to the CER fee. For instance, an HRA that only covered retirees would be subject to this fee, but those covering dental or vision expenses only would not be, nor would employee EAPs, disease management programs and wellness programs be required to pay CER fees.

### Notice 2018-85

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