



Health Care Reform Bulletin

PCORI Fee Amount Adjusted for 2014

Provided by Sullivan Benefits

Quick Facts

- IRS Notice 2014-56, issued on Sept. 18, 2014, provides the adjusted PCORI fee amount for 2014.
- In the future, the IRS will publish the adjusted PCORI fee amount for plan years ending on or after Oct. 1, 2015, and before Oct. 1, 2019.
- For plan years ending on or after Oct. 1, 2014, and before Oct. 1, 2015 (that is, 2014 for calendar year plans), the PCORI fee amount is **\$2.08** multiplied by the average number of lives covered under the plan.

For plan years ending on or after Oct. 1, 2014, and before Oct. 1, 2015 (that is, 2014 for calendar year plans), the PCORI fee amount is **\$2.08** multiplied by the average number of lives covered under the plan.

The Affordable Care Act (ACA) imposes a fee on health insurance issuers and self-insured plan sponsors in order to fund comparative effectiveness research. These fees are widely known as Patient-Centered Outcomes Research Institute fees (PCORI fees).

On Sept. 18, 2014, the Internal Revenue Service (IRS) published [Notice 2014-56](#), which provides the adjusted PCORI fee amount for plan years ending on or after Oct. 1, 2014, and before Oct. 1, 2015 (that is, 2014 for calendar year plans). For plan years ending on or after Oct. 1, 2014, and before Oct. 1, 2015, the PCORI fee amount is **\$2.08** multiplied by the average number of lives covered under the plan.

In the future, the IRS will publish the adjusted PCORI fee amount for plan years ending on or after Oct. 1, 2015, and before Oct. 1, 2019.

Overview of PCORI Fees

The PCORI fees apply for plan years ending on or after Oct. 1, 2012, but *do not apply* for plan years ending on or after Oct. 1, 2019. For calendar year plans, the fees will be effective for the 2012 through 2018 plan years.

Issuers and plan sponsors must pay PCORI fees annually on IRS Form 720 by July 31 of each

year. The fee will generally cover plan years that end during the preceding calendar year.

PCORI Fee Amounts

The PCORI fees are calculated by multiplying an **applicable rate** for each tax year by the average number of lives covered under the plan. The applicable rate for each tax year is as follows:

- **\$1** for plan years ending before Oct. 1, 2013 (that is, 2012 for calendar year plans); and
- **\$2** for plan years ending on or after Oct. 1, 2013, and before Oct. 1, 2014.

For plan years ending on or after Oct. 1, 2014, the PCORI fee amount will increase based on increases in the projected per capita amount of National Health Expenditures.

Under Notice 2014-56, for plan years ending on or after Oct. 1, 2014, and before Oct. 1, 2015, the adjusted PCORI fee amount is **\$2.08** multiplied by the average number of lives covered under the plan. This amount was calculated based on the [percentage increase in the projected per capita amount of the National Health Expenditures](#) published by the U.S. Department of Health and Human Services on Sept. 3, 2014 (Table 3).

