



# Patient-Centered outcomes research institute fees (PCORI)

The Affordable Care Act imposes a fee on employers that sponsor certain **self-insured health plans** to help fund the Patient-Centered Outcomes Research Institute (PCORI). PCORI fees support research to evaluate and compare health outcomes and the clinical effectiveness of certain medical treatments, services, procedures, and drugs. The fee must be reported once a year on the second-quarter Form 720. It must be paid by July 31 of the calendar year immediately following the last day of the plan year to which the fee applies.

The fee was originally effective for plan years ending on or after Oct. 1, 2012, and before Oct. 1, 2019. However, a 2019 continuing spending resolution reinstates PCORI fees for the 2020-2029 fiscal years.

**As a result, specified health insurance policies and applicable self-insured health plans must continue to pay these fees through 2029.**

For plan years ending on or after Oct. 1, 2023, and before Oct. 1, 2024, the fee is **\$3.22**, multiplied by the average number of lives covered under the plan. For plan years ending on or after Oct. 1, 2022, and before Oct. 1, 2023, the fee is **\$3.00** multiplied by the average number of lives covered under the plan.

Regulations explain how to calculate the average number of lives covered. Note that third-party reporting or payment of the PCORI fee is not allowed. The chart below illustrates how the fees may apply to specific types of health coverage or arrangements.

## Application of PCORI fees to common types of health coverage or arrangements

**Type of insurance coverage or arrangement:** Accident and health coverage or major medical insurance coverage

**Subject to the Fee:** Yes

**Person responsible for paying and reporting the fee:**

- The issuer, if insured
- The plan sponsor, if self-insured

**Type of insurance coverage or arrangement:** Retiree-only health or major medical coverage

**Subject to the Fee:** Yes

**Person responsible for paying and reporting the fee:**

- The issuer, if insured
- The plan sponsor, if self-insured



**Type of insurance coverage or arrangement:** Health or major medical coverage under multiple policies or plans

**Subject to the Fee:** Yes

**Person responsible for paying and reporting the fee:**

- Each issuer or plan sponsor
- Special counting rules apply for coverage under multiple applicable self-insured health plans

**Type of insurance coverage or arrangement:** COBRA coverage

**Subject to the Fee:** Yes

**Person responsible for paying and reporting the fee:**

- The issuer, if insured
- The plan sponsor, if self-insured

**Type of insurance coverage or arrangement:** Health Reimbursement Arrangement (HRA), including a premium-only HRA

**Subject to the Fee:** Yes, unless the arrangement satisfies the requirements for being treated as an excepted benefit

**Person responsible for paying and reporting the fee:**

- The plan sponsor
- Special counting rules apply for HRAs

**Type of insurance coverage or arrangement:** Flexible Spending Arrangement (FSA)

**Subject to the Fee:** Yes, unless the arrangement satisfies the requirements for being treated as an excepted benefit (Note: A health FSA must qualify as excepted benefits in order to comply with certain ACA market reforms.)

**Person responsible for paying and reporting the fee:**

- The plan sponsor
- Special counting rules apply for FSAs

**Type of insurance coverage or arrangement:** Employee assistance programs, disease management programs, or wellness programs

**Subject to the Fee:** No, provided the program does not provide significant benefits in the nature of medical care or treatment

**Person responsible for paying and reporting the fee:**

- The issuer, if insured
- The plan sponsor, if self-insured

**Type of insurance coverage or arrangement:** State and local government health or major medical plans for employees and/or retiree

**Subject to the Fee:** Yes, unless the arrangement satisfies the requirements for being treated as an excepted benefit (Note: A health FSA must qualify as excepted benefits in order to comply with certain ACA market reforms.)

**Person responsible for paying and reporting the fee:**

- The issuer, if insured
- The plan sponsor, if self-insured



**Type of insurance coverage or arrangement:**

- Stand-alone dental or vision coverage No Group insurance policy designed and issued specifically to cover primarily employees working and residing outside the United States
- Self-insured health plan designed specifically to cover primarily employees who are working and residing outside the United States
- Medicare
- Medicaid
- Children's Health Insurance Program (CHIP)
- Military health plans
- Certain Indian tribal government health plans (as defined in Section 4(d) of the Indian Health Care Improvement Act)
- Health Savings Arrangements (HSAs)
- Archer Medical Savings Accounts (MSAs)
- Hospital indemnity or specified illness benefits
- Stop-loss or indemnity reinsurance
- Accident-only coverage (including accidental death and dismemberment)
- Disability income coverage
- Automobile medical payment coverage
- Workers' compensation or similar coverage
- On-site medical clinic

**Subject to the Fee:** No

**Person responsible for paying and reporting the fee:**

- The issuer, if insured
- The plan sponsor, if self-insured