



*Bound by Integrity*

## Attention Level and Self-Funded Health Plans

Regardless of employee count, any group health plan that is level or self-funded is responsible for filing Form 720 and paying a minimal fee to help fund the Patient-Centered Outcomes Research Institute (PCORI). This was introduced with ACA and was introduced to fund research that evaluates and compares health outcomes, clinical effectiveness, and the risks and benefits of medical treatments and services.

### PCORI Overview

For fully-insured plans, health insurance carriers directly cover the PCORI fee, relieving employers with solely fully-insured group health plans from any obligations. However, Employers overseeing self-funded or level funded medical plans or applicable Health Reimbursement Arrangements (HRAs) concluding in 2023 must use Form 720 to fulfill their reporting obligations and pay PCORI fees by July 31, 2024. The IRS provides a chart detailing the types of plans subject to the fee at IRS Chart. Under the ACA, health insurers and plan sponsors are responsible for paying the PCORI Fee. The fee is in effect from 2012 to 2029 and is assessed on each covered life. You will not be invoiced for the PCORI Fee, you will need to file the federal excise tax return Form 720. The Form 720 can be found at [www.irs.gov](http://www.irs.gov).

### Adjusted PCORI Fee

The payment amounts due in 2024 vary based on the employer's plan year, specifically the plan year's end date. The PCORI fee is increasing from \$3.00 to \$3.22 per covered life for plan years ending in October 2023 through December 2023 and January 2024 through September 2024.

Plan Year End Date	Fee Per Covered Life	Filing Due Date
January 2023 - September 2023	\$3.00	July 31, 2024
October 2023 - December 2023	\$3.22	July 31, 2024
January 2024 – September 2024	\$3.22	July 31, 2025

## Calculating the PCORI Fee

To calculate the PCORI fee, employers need to determine the average number of lives covered under a self-insured health plan using one of the IRS-approved methods for counting covered lives such as the actual count or snapshot method, and apply the relevant PCORI fee rate.

## Guidance for Employers

Staying informed and taking the necessary actions will ensure compliance with IRS regulations. If you need assistance with reporting and paying PCORI fees by the deadline of July 31, 2024, contact Anne Bokas at Associates Agency at 813-988-1234 or [benefits@associatesins.com](mailto:benefits@associatesins.com) for further guidance.