

# Regulatory Resources

## Overview of Two Fees

The Affordable Care Act (ACA) introduces new fees for sponsors of self-funded health plans. The chart below highlights important information about two fees: the Reinsurance Assessment Fee and the Patient-Centered Outcomes Research Institute Fee.

Name of Fee	Reinsurance Assessment Fee	Patient-Centered Outcomes Research Institute Fee
What is the purpose of the fee?	To fund a three-year reinsurance program designed to reimburse companies that insure high-cost patients through the individual health insurance market	To fund research by the Patient-Centered Outcomes Research Institute (PCORI) that will compare different medical treatments and interventions to determine what treatments are most effective. The non-profit institute was established by the ACA.
What is it?	Annual fee assessed for the first nine months of 2014 - 2016 calendar years	Annual fee assessed from 2013 - 2019
How much is the fee?	<p>2014: \$63 per year per average covered life</p> <p>2015: \$44 per year per average covered life</p> <p>2016: \$27 per year per average covered life</p>	<ul style="list-style-type: none"> <li>&gt; \$1 per average number of covered lives for plan years ending on or after Oct. 1, 2012, through Dec. 31, 2012</li> <li>&gt; \$1 per average number of covered lives for plan years ending on or after Jan. 1, 2013, through Sept. 30, 2013</li> <li>&gt; \$2 per average number of covered lives for plan years ending on or after Oct. 1, 2013, through Dec. 31, 2013</li> <li>&gt; \$2 per average number of covered lives for plan years ending on or after Jan. 1, 2014, through Sept. 30, 2014</li> <li>&gt; \$2.08 per average number of covered lives for plan years ending on or after Oct. 1, 2014, through Dec. 31, 2014</li> <li>&gt; \$2.08 per average number of covered lives for plan years ending on or after Jan. 1, 2015, through Sept. 30, 2015</li> <li>&gt; \$2.17 per average number of covered lives for plan years ending on or after Oct. 1, 2015 through Dec. 31, 2015</li> <li>&gt; \$2.17 per average number of covered lives for plan years ending on or after Jan. 1, 2016, through Sept. 30, 2016</li> <li>&gt; \$2.26 per average number of covered lives for plan years ending on or after Oct 1, 2016, through Dec. 31, 2016</li> <li>&gt; \$2.26 per average number of covered lives for plan years ending on or after Jan. 1, 2017, through Sept. 30, 2017</li> <li>&gt; \$2.39 per average number of covered lives for plan years ending on or after Oct. 1, 2017, through Dec. 31, 2017</li> <li>&gt; \$2.39 per average number of covered lives for plan years ending on or after Jan. 1, 2018, through Sept. 30, 2018</li> </ul> <p>The fee will not apply to policy or plan years that begin after Sept. 30, 2019.</p>

Name of Fee	Reinsurance Assessment Fee	Patient-Centered Outcomes Research Institute Fee
When is the first fee payment due?	<p>For the first nine months in 2014, of the annual \$63-per-average covered-life contribution rate, \$52.50 per average covered life will be payable in January 2015. The remaining \$10.50 per average covered life will be payable late in the fourth quarter of 2015.</p> <p>For the first nine months in 2015, of the annual \$44-per-average covered-life contribution rate, \$33 per average covered life will be payable in January 2016. The remaining \$11 per average covered life will be payable later in the fourth quarter of 2016.</p> <p>Due to an extension from the Centers for Medicare and Medicaid Services, plan sponsors need to submit on Pay.gov their health plan's average number of covered lives for the first nine months of 2014 by Dec. 5, 2014. Enrollment counts for the first nine months of the calendar year are due by Nov. 16 in 2015 and Nov. 15 in 2016.</p> <p>For the first nine months in 2016, of the \$27-per-average-covered life contribution, \$21.60 will be payable in January 2017. The remaining \$5.40-per-average-covered-life contribution will be payable in the fourth quarter of 2017.</p> <p>Plan sponsors can pay the fee in full by the deadline of the first installment or make two payments.</p>	Reported on IRS Form 720 by July 31 of the year following the last day of the plan year.
Who is responsible for paying the fee?	Plan sponsor	Plan sponsor
Are the costs tax deductible?	Yes	Yes
Regulation Status	Final regulations	Final regulations

**PLEASE NOTE:** This material represents a high-level summary of ACA provisions and may not be construed as tax, legal or compliance advice. Please consult you professional benefits adviser or legal counsel regarding how these provisions may impact your specific benefit plan.

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