



December 1, 2020

## **Patient-Centered Outcomes Research Institute (PCORI) fee for Self-Insured Health Plans is updated by IRS**

On November 24, the IRS released [Notice 2020-84](#) which updated the amount of the Patient-Centered Outcomes Research Trust Fund fee that self-insured health plans must pay for plan years ending on or after October 1, 2020, and before October 1, 2021. The fee originally expired on October 1, 2019, but was extended by the Further Consolidated Appropriations Act of 2020.

The PCORI fee is calculated using the average number of lives covered under the policy or plan and the applicable dollar amount for that policy year or plan year. The applicable dollar amount was \$2.00 when the fee was enacted as part of the Affordable Care Act and that amount is increased annually based on increases in the projected per capita amount of national health expenditures.

The Notice provides that the applicable dollar amount for the plan years ending on or after October 1, 2020, and before October 1, 2021, is \$2.66 increased from \$2.54 for plan years ending on or after October 1, 2019, and before October 1, 2020.

Fees are reported and paid annually with the submission of IRS Form 720 (Quarterly Federal Excise Tax Return). These PCORI fees are due by July 31 of the year following the end of the plan year along with the IRS Form 720.

*The information contained in this memo is not intended to be legal, accounting, or other professional advice. CPN assumes no liability whatsoever in connection with its use, nor are these comments directed to specific situations. If you have questions about your specific situation, CPN recommends you obtain independent professional advice.*