

PCORI Fee Increase

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Source: 2016 Thomson Reuters/EBIA

PCOR Fees Increase; Key Deadlines for Reinsurance Contributions Approach

The IRS and HHS have released new information on two of health care reform's fees-PCOR fees and reinsurance contributions. Here are highlights:

- **PCOR Fees.** IRS Notice 2016-64 announces that the adjusted applicable dollar amount for PCOR fees for plan and policy years ending on or after October 1, 2016 and before October 1, 2017 is \$2.26. This is a \$.09 increase from the amount in effect for plan and policy years ending on or after October 1, 2015 and before October 1, 2016. PCOR fees are payable by insurers and sponsors of self-insured plans, and are calculated by multiplying the applicable dollar amount for the year by the average number of covered lives.
- **Reinsurance Contributions.** HHS has released a filings manual which, among other things, identifies key dates applicable to the 2016 benefit year for reinsurance contributions. According to the manual, contributing entities (generally, health insurers and self-insured group health plans providing major medical coverage) must submit the 2016 form and schedule their reinsurance contribution payments no later than November 15, 2016.

The contribution amount is \$27 per covered life for 2016. If the contribution is made in a single payment, the payment is due no later than January 17, 2017. If the contribution is paid in two parts, the first payment (\$21.60 per covered life) is due no later than January 17, 2017, and the second payment (\$5.40 per covered life) is due no later than November 15, 2017. As in previous years, all submissions must be made online through the governmental portal, pay.gov. The manual also includes a reminder that in 2016, self-insured, self-administered group health plans that do not use a TPA in connection with claims processing, claims adjudication, and plan enrollment are not considered contributing entities and, therefore, are not required to make contributions. A 2016 Reinsurance Contributions Help Line has been made available for a limited period in November.

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[TASC's PCORI Service](#) provides guaranteed compliance with evolving regulations for employers of all sizes and in all industries – including user-friendly tools that ensure timely and accurate PCORI fee calculations and tax filings, experts who monitor PCORI compliance requirements, and much more.

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