



Eye On Washington Healthcare Reform Update



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Fee Rate Increased for PCORI

The Internal Revenue Service (IRS) has released Notice 2018-85, which establishes the applicable dollar amount for policy and plan years ending on or after October 1, 2018 but before October 1, 2019 in relation to the Patient-Centered Outcomes Research Institute (PCORI) fee established under the Affordable Care Act (ACA). The fees are effective for policy and plan years ending after September 30, 2012, and before October 1, 2019, and are treated as taxes for purposes of the procedure and administration provisions of the Code.

By way of background, the ACA created a new nonprofit corporation, PCORI, to support clinical effectiveness research. This entity is to be funded in part by fees paid by certain health insurers and applicable sponsors of self-insured health plans. The goal of PCORI is to assist patients, clinicians, purchasers, and policymakers in making informed health decisions by “advancing the quality and relevance of evidence-based medicine through the synthesis and dissemination of comparative clinical effectiveness research findings.” The fee imposed on an insurer is based on the average number of lives covered under the policy and the fee imposed on a plan sponsor of a self-insured health plan is based on the average number of lives covered under the plan.

For policy years and plan years ending on or after October 1, 2018, but before October 1, 2019, the adjusted applicable dollar amount is \$2.45. The adjusted applicable dollar amount for policy years and plan years that end on or after October 1, 2017, and before October 1, 2018 is \$2.39.

For a copy of Notice 2018-85 please click on the link provided below.

<https://www.irs.gov/pub/irs-drop/n-18-85.pdf>

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