

## PCORI Fees

An annual fee called the Patient Centered Outcome Research Institute (PCORI) Fee applies to most HRA plans. This fee is filed and paid for via IRS Form 720 and is due each year by July 31. Health insurers are responsible for paying the PCORI fee for fully insured health plans. The employer is responsible for paying the fee for self-insured plans.

As noted above, the employer is responsible for paying the fee for any self-insured plan. An HRA is considered to be a self-insured plan, so the fee also applies to HRA plans as well as any Medical FSAs that provide employer-funding either greater than \$500 or greater than two times what an individual contributes annually. It is important to note that the HRA PCORI fee is only filed separately from the health plan when the corresponding health plan is fully insured. With self-insured medical plans, the fee is actually paid on the health insurance count and the employer does not have to pay separately for the HRA.

The fee is calculated by multiplying the annual per life fee by the number of lives covered under the plan. There are a number of methods that can be used to determine the annual number of covered lives. Sentinel uses the Average Covered Lives Method to arrive at this number. Sentinel will email you a copy of your PCORI report annually if you sponsor an HRA or FSA plan to which the fee applies.

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