

# BENEFIT BUZZ

AUGUST 2021

## PCORI Fees Due Aug. 2, 2021

The Affordable Care Act (ACA) requires health insurance issuers and self-insured plan sponsors to pay Patient-Centered Outcomes Research Institute fees (PCORI fees). The fees are reported and paid annually using [IRS Form 720](#) (Quarterly Federal Excise Tax Return).

Issuers and plan sponsors are generally required to pay the PCORI fees annually by July 31 of each year. However, the PCORI fee payment for plan years ending in 2020 is due **Aug. 2, 2021**, since July 31, 2021, is a Saturday.

### Overview of the PCORI Fees

The PCORI fees were scheduled to expire for plan years ending on or after Oct. 1, 2019. However, a federal [spending bill](#) enacted at the end of 2019 **extended the PCORI fees for an additional 10 years**. As a result, these fees will continue to apply for the **2020-2029 fiscal years**.

### Calculating the PCORI Fee Payment

In general, the PCORI fees are assessed, collected and enforced like taxes. The PCORI fee applies separately to “specified health insurance policies” and “applicable self-insured health plans,” and is based on the average number of lives covered under the plan or policy.

Using Part II, Number 133 of Form 720, issuers and plan sponsors are required to report the average number of lives covered under the plan separately for specified health insurance policies and applicable self-insured health plans. That number is then multiplied by the applicable rate for that tax year (**\$2.54** for plan years ending on or after Oct. 1, 2019, and before Oct. 1, 2020). The fees for specified health insurance policies and applicable self-insured health plans are then combined to equal the total tax owed.

## Proposed Rule Would Update Benefit and Payment Parameters for 2022

On July 1, 2021, the Department of Health and Human Services (HHS) published a [proposed rule](#) that would revise several benefit and payment parameters under the ACA for the 2022 benefit year. While many of the proposed changes primarily impact insurers and Exchanges, some provisions may affect employers.

- The rule proposes to **repeal the Exchange direct enrollment option**, which establishes a process for Exchanges to work directly with issuers, agents and brokers to operate enrollment websites through which consumers can apply for coverage, receive an eligibility determination and purchase a qualified health plan.
- For the 2022 coverage year and beyond, the rule proposes to **lengthen the annual open enrollment period for coverage through all Exchanges** to Nov. 1 through Jan. 15. The current annual open enrollment period runs Nov. 1 through Dec. 15.
- The rule proposes **modifications to the Section 1332 State Innovation Waiver process**, including changes to many of the policies and interpretations of the guardrails recently issued in the 2022 Notice of Benefit and Payment Parameters, which provided more flexibility for states to apply for waivers from certain ACA provisions.