

IRS Increases the PCORI Fee

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In Internal Revenue Service (IRS) Notice 2022-59, the IRS released the new Affordable Care Act's (ACA) Patient-Centered Outcomes Research Institute (PCORI) fee for policy and plan years that end on or after October 1, 2022, and before October 1, 2023.

As you may recall, PCORI was established under the ACA to conduct research to evaluate and compare the clinical effectiveness, risks, and benefits of medical treatments, services, procedures, drugs, or other items or strategies that treat, manage, diagnose, or prevent illness or injury. The PCORI fee is assessed on issuers of health insurance policies and sponsors of self-insured health plans. The fees are calculated using the average number of lives covered under the policy or plan, and the applicable dollar amount for that policy or plan year.

The new PCORI fee for policy and plan years that end on or after October 1, 2022, and before October 1, 2023, is \$3.00; an increase of \$.21 per covered life assessed on or after October 1, 2021, and before October 1, 2022 (\$2.79).

Winston Takeaway – Employers and insurers will need to calculate the fee, file IRS Form 720, and pay the 2022 PCORI fee by July 31, 2023.

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