

INFORMED ON REFORM

KEEPING YOU UP-TO-DATE ON THE PPACA

Information About the Comparative Effectiveness Research Fee in 2016

The Comparative Effectiveness Research Fee (CERF), also known as the Patient-Centered Outcomes Research Institute (PCORI) Fee, is one of several fees introduced to help fund the Patient Protection and Affordable Care Act (PPACA). Funds collected from this fee will be used to conduct research to determine the effectiveness of alternative treatments.

This email includes a brief review of CERF as well as the information and support Cigna provides to answer your questions and help you prepare for this year's payment.

CERF Overview

This fee applies to both insured and self-funded medical plans. It is based on average covered lives (employees plus dependents).

- Cigna pays the fee for insured plans, and it is built into premiums.
 - For the purpose of CERF requirements, insured plans also include guaranteed cost, shared returns, and minimum premium plans.
- Self-funded plans must calculate and pay their own fee.
 - For the purpose of CERF requirements, self-funded plans also include level funding and graded preferred plans.

Please note, Cigna will pay the fee for insured plans with Health Reimbursement Accounts (HRAs) and certain Flexible Spending Accounts (FSAs) relative to the underlying medical plan only, but these clients will be responsible for paying the fee for their respective HRA or FSA funds. For HRAs and FSAs, the plan sponsor can treat each plan as covering a single covered life.

2016 CERF Payment Details

As a reminder, the fee is based on the average covered lives for the applicable 12-month policy or plan year, and is paid using IRS form 720 by July 31 each year for the plan year that ended in the preceding calendar year. It's important to remember that employers

must use their ERISA plan year to calculate their fee per covered life and payment due date *if their ERISA plan year and renewal date is different*. The following chart outlines the applicable plans that need to pay in 2016 and the amount based on their ERISA plan year start dates.

Plan Year Start Date	Fee Per Average Covered Life
Feb. 1, 2014–Oct. 1, 2014	\$2.08
Nov. 1, 2014–Jan. 1, 2015	\$2.17

Membership Reports to Support Self-Funded Employers

Cigna provides self-service reports to help self-funded employers determine their average covered lives. These reports, called CRA reports, are updated on the 15th of each month and provided at no cost. You can access these reports at your customary web-based eligibility portal:

- If you get your Cigna eligibility information through [CignaAccess](#), you will find your reports there.
- If you get Cigna eligibility information through the [Client Resource Portal \(CRP\)](#), you will find your reports there.
- If you have Cigna Behavioral Health, Cigna Voluntary or Cigna Global Health Benefits plans, reports are available upon request through your Cigna representative.

CERF Resources

You are encouraged to access our [CERF Toolkit](#), which includes the following:

- Links to IRS Form 720 and payment instructions
- Details about specific types of plans such as California Maximum Premium and Texas and Alabama AEB plans
- Sample membership reports, log-in information and report generation instructions
- [CERF Fact Sheet](#)
- [Detailed CERF Payment and Due Date Grid](#)

You can also find more information about CERF on Informed on Reform's [Fees & Taxes](#) page.

If You Have Questions

If you have reviewed the above resources and still have a question about CERF, please contact Cigna's ASO PPACA Fees & Reporting Resources team. The team will work with you to help you understand answers to questions such as:

- When is my CERF payment due?
- When is the CERF report available, and how can I retrieve it?
- Where/how do I make my CERF payment?

To contact the ASO PPACA Fees & Reporting Resources team, please call 1-855-275-0555, between 9:00 a.m. – 7:00 p.m. ET Monday through Friday, or email them at

ASO_PPACA_Fees&Reporting@Cigna.com

Together, all the way.®