

# O.C.A. Benefit Services

Your Prescription to a Healthier Bottom Line



## HRAs and Health Care Reform Fees...

The Patient- Centered Outcomes Research Institute (PCORI)

*O.C.A. Benefit Services would like to remind you that the PCORI fee due date is soon approaching. Below is a quick synopsis of the what the PCORI fee is, who's responsible to pay it, how much is the fee, how is it paid, and how will O.C.A. be assisting you. Over the next month, O.C.A. will be sending out additional communication to all clients who are responsible to pay this fee.*

***Important:*** For HRA groups with a 1/1/14 or after effective date, you will not have to pay the PCORI fee until July 31st 2015.

### What is the Patient-Centered Outcomes Research Institute?

PCORI, or Patient-Centered Outcomes Research Institute, was created by the Patient Protection Affordable Care Act (ObamaCare) to support clinical effectiveness and is funded in part by fees paid by health insurance carriers and health plan sponsors such as employers who provide an HRA.

### Who Pays the PCOR Fee?

For HRAs, the Plan Sponsor (the employer) must pay a fee for each covered employee. This fee is

remitted using IRS Form 720, the Quarterly Federal Excise Tax Return. [Click here to view IRS Form 720](#)

## How much is the fee?

This year's fee only applies to policy or plan years ending in 2013. For plan years ending prior to October 1, 2013, the dollar amount is essentially \$1.00 per covered employee per year; for later plan years it is \$2.00 per covered employee. **Under the HRA, the fee calculation is determined based on the number of participants enrolled in the HRA. This means that dependents and any other beneficiaries can be ignored.**

## Example HRA PCOR Fee Calculation:

ABC company has 20 enrolled HRA Participants (each have family Coverage), which consist of a total life count of 50 lives. The employer PCOR fee would be \$20. This is based on the 20 participation life count. Again, under the HRA, the dependents and beneficiaries do not count towards the fee calculation.

## How Will O.C.A. Assist You?

O.C.A. will provide reports detailing the count and fee cost data needed to comply with the Affordable Care Act's PCORI fee requirement. Later this month, O.C.A. will be mailing out the fee calculation to all groups who owe the fee by July 31, 2014. O.C.A. will also be uploading this document to the employer portal on myRSC.

**O.C.A. will be sending out an additional notice once the reports have been calculated and issued. If you have any questions, please contact O.C.A. directly at 609-514-0777.**

Sincerely,

*Staff at O.C.A. Benefit Services*