



Maine Municipal Employees Health Trust

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To: Health Trust Participating Employers
From: Anne Wright, Director, MMEHT
Date: June 21, 2019
Re: PCORI Fee

The PCORI fee, which is part of the Affordable Care Act, is used to help fund the Patient-Centered Outcomes Research Institute (PCORI). The PCORI is a non-profit, non-governmental institution that focuses on research, evaluating and comparing health outcomes and the clinical effectiveness, risks, and benefits of various medical treatments and services. Through its research, the institute assists patients, clinicians, purchasers, and policy-makers in making informed health decisions by advancing the quality and relevance of evidence-based medicine.

PCORI fees, which apply for all health plan policy or plan years ending on or before October 1, 2019, are due no later than July 31 of the calendar year following the end of the policy or plan year. The amount of the fee is based on the average number of covered lives during the policy or plan year.

For policy and plan years ending after September 30, 2018 and before October 1, 2019, the amount of the fee will be \$2.45 times the average number of lives covered under the plan during the year. This is the amount that an employer or plan sponsor would use when filing and paying the PCORI fee for calendar year 2018.

The Maine Municipal Employees Health Trust will pay the PCORI fee on behalf of all employers that are insured under one of the Trust's health insurance plans. Standalone dental and/or vision plans are not subject to the PCORI fee. Nor are Health Savings Accounts (HSAs) or Flexible Spending Accounts (FSAs) that are funded exclusively by employee salary reduction elections. **However, employers that provide a Health Reimbursement Arrangement (HRA) to their employees through an outside vendor will be required to pay the PCORI fee.** The only exception to this would be if the HRA and the health plan have both the same plan sponsor and the same plan year; for example, if a very large employer self-insures both its own health insurance and its own HRA.

Plan sponsors must pay the fee by filing IRS Form 720, the Quarterly Federal Excise Tax Return. The Form 720 will be due on July 31 of the year following the last day of the policy year or plan year. Electronic filing is available but not required. Payment will be due at the time the Form 720 is due. Deposits are not required for the PCORI fee.

For more information about the PCORI fee, please visit the IRS's website, at <https://www.irs.gov/newsroom/patient-centered-outcomes-research-institute-fee>. You can also find a detailed Q&A on the IRS website, at <https://www.irs.gov/affordable-care-act/patient-centered-outcomes-research-trust-fund-fee-questions-and-answers>. You may also wish to contact your HRA vendor for assistance.

Please note that the Maine Municipal Association and the Maine Municipal Employees Health Trust are sharing this information to assist you with your compliance planning. We recommend that you contact your legal counsel with specific questions relating to this law.