April 11, 2013

PCOR and Reinsurance Fees

Yesterday I spoke at the 2013 Legislative Meeting of the Society of Professional Benefit Administrators (SPBA) here in Washington DC. One of my co-speakers was Dr. Sharon Arnold from CCIIO – one of the architects of the reinsurance fee program. We were very honored to have such a high-level and knowledgeable person on the panel. The meeting also featured representatives from the IRS discussing the Patient Centered Outcome Research (PCOR) Fee. My discussion focused on the differences between the PCOR Fee and the transitional reinsurance fee. Many of you have already seen and enjoyed our comparative chart (attached).

Two quick updates from the meeting.

First, for the PCOR Fee, this fee is included and paid via IRS Form 720. This form has not been updated yet, and sponsors should not use the current IRS Form 720 on the IRS website. This has created much heartburn in the benefits community because the fee is due by July 31, 2013. The IRS stated that the form will be updated for the PCOR Fee and will be released “prior to” the due date. Based on the IRS update schedule, I expect the updated form to be available around June 1st.

Second, for the reinsurance fee, plans are required to inform HHS of covered life counts by November 15th of each year. Dr. Arnold indicated that this process is still in development, but indicated that the process will be totally electronic, most likely via an HHS website.