

# IRS Adjusted Affordable Care Act Fee Amounts for 2017 Policy or Plan Years

Article By:

Health Care Industry Practice Group

---

## Patient-Centered Outcomes Research Institute (PCORI) Fee

The ***Patient-Centered Outcomes Research Institute (PCORI)*** fee was established under the ***Affordable Care Act (ACA)*** to advance comparative clinical effectiveness research. 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 past PCORI fees were—

- \$2 per life, for policy and plan years ending on or after October 1, 2013, and before October 1, 2014
- \$2.08 per life, for policy and plan years ending on or after October 1, 2014, and before October 1, 2015
- \$2.17 per life, for policy and plan years ending on or after October 1, 2015, and before October 1, 2016

The new adjusted PCORI fee is –

- \$2.26 per life, for policy and plan years ending on or after October 1, 2016, and before October 1, 2017

Employers and insurers will need to file Internal Revenue Service (IRS) Form 720 and pay the updated PCORI fee by July 31, 2017.

## Transitional Reinsurance Fee

Like the PCORI fee, the transitional reinsurance fee was established under the ACA. It was designed to reinsure the marketplace exchanges. Contributing entities are required to make contributions towards these reinsurance payments. A “contributing entity” is defined as an insurer or third-party

administrator on behalf of a self-insured group health plan. The past transitional reinsurance fees were:

- \$63 per covered life for 2014
- \$44 per covered life for 2015
- \$27 per covered life for 2016

The transitional reinsurance fee funds cease after 2016. Although 2016 this is the final year for transitional reinsurance fees, the US Department of Health and Human Services (HHS) requires that entities retain records relating to their contributions for at least 10 years.

HHS recently released a filings manual which identifies key dates for the 2016 fee contributions. Contributing entities must submit the 2016 form and schedule their fee contribution no later than November 15, 2016. As in prior years, entities can elect to pay:

1. The entire year's contribution in one payment no later than January 17, 2017, or
2. Two separate payments for the benefit year, with the first remittance (\$21.60 per covered life) due no later than January 17, 2017, and the second payment (\$5.40 per covered life) due no later than November 15, 2017.

Payment can be made [online](#).

© 2025 McDermott Will & Emery

---

National Law Review, Volume VI, Number 326

Source URL: <https://natlawreview.com/article/irs-adjusted-affordable-care-act-fee-amounts-2017-policy-or-plan-years>