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## 2020 PCOR Fee Filing Reminder for Self-Insured Plans

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The Patient-Centered Outcomes Research (PCOR) fee filing deadline is July 31, 2020 for all self-funded medical plans and HRAs for plan years ending in 2019. Year-end federal legislation reinstated the PCOR fee through September 30, 2029. The IRS issued Notice 2020-44 announcing the adjusted fee amount for this year as well as limited transition relief.

The plan years and associated amounts are as follows:

Plan Year	Amount of PCOR Fee	Payment and Filing Date
February 1, 2018 – January 31, 2019	\$2.45/covered life/year	July 31, 2020
March 1, 2018 – February 28, 2019	\$2.45/covered life/year	July 31, 2020
April 1, 2018 – March 31, 2019	\$2.45/covered life/year	July 31, 2020
May 1, 2018 – April 30, 2019	\$2.45/covered life/year	July 31, 2020
June 1, 2018 – May 31, 2019	\$2.45/covered life/year	July 31, 2020
July 1, 2018 – June 30, 2019	\$2.45/covered life/year	July 31, 2020
August 1, 2018 – July 31, 2019	\$2.45/covered life/year	July 31, 2020
September 1, 2018 – August 31, 2019	\$2.45/covered life/year	July 31, 2020
October 1, 2018 – September 30, 2019	\$2.45/covered life/year	July 31, 2020
November 1, 2018 – October 31, 2019	<b>\$2.54/covered life/year</b>	July 31, 2020
December 1, 2018 – November 30, 2019	<b>\$2.54/covered life/year</b>	July 31, 2020
January 1, 2019 – December 31, 2019	<b>\$2.54/covered life/year</b>	July 31, 2020

Employers with self-funded health plans ending in 2019 should use the 2nd Quarter Form 720 to file and pay the PCOR fee by July 31, 2020. The information is reported in Part II. Note that, at the time of publication of this Bulletin, the revised Form 720 has not been issued. It is expected soon and should be used to file and pay the PCOR fee by the July 31, 2020 due date. No extension is currently available; however, we will update you if an extension is announced.

Please note that Form 720 is a tax form (not an informational return form such as Form 5500). As such, the employer or an accountant would need to prepare it. Parties other than the plan sponsor, such as third-party administrators and brokers, cannot report or pay the fee.

## Transition Relief

Generally, there are three established methods a self-funded group health plan may use to determine the average number of covered lives for purposes of calculating the PCOR fee:

- The Actual Count Method,
- The Snapshot Method, and
- The Form 5500 method.

For plan years that end on or after October 1, 2019 and before October 1, 2020, in addition to the established counting methods, a plan may use any reasonable method for calculating the average number of covered lives.

Plan sponsors of applicable self-insured health plans must file Form 720 annually to report and pay the PCORI fee; a QSEHRA is an applicable self-insured health plan for this purpose.

## Short Plan Years

The PCOR fee applies to a short plan year of an applicable self-insured health plan. A short plan year is a plan year that spans fewer than 12 months and may occur for a number of reasons. For example, a newly established applicable self-insured health plan that operates using a calendar year has a short plan year as its first year if it was established and began operating beginning on a day other than Jan. 1. Similarly, a plan that operates with a fiscal plan year experiences a short plan year when its plan year is changed to a calendar year plan year.

The PCOR fee for the short plan year of an applicable self-insured health plan is equal to the average number of lives covered during that plan year multiplied by the applicable dollar amount for that plan year.