



## Health Care Reform Update



### **IMPORTANT NOTICE REGARDING HEALTHCARE REFORM Update #63**

**November, 2016**

### **2016 PCOR Fees and Transitional Reinsurance Program Manual**

The IRS and HHS have released new information on 2016 PCOR fees and Transitional Reinsurance Program contributions.

**PCOR Fees:** IRS Notice 2016-64 announces that the adjusted applicable dollar amount for PCOR fees for plan and policy years ending on or after October 1, 2016 and before October 1, 2017 will be \$2.26. This is a \$.09 increase from the amount in effect for the previous period. PCOR fees are payable by insurers and sponsors of self-insured plans, and are calculated by multiplying the applicable dollar amount for the year by the average number of covered lives.

**Reinsurance Contributions:** HHS has released a filings manual which, among other things, identifies key dates applicable to the 2016 benefit year for reinsurance contributions. According to the manual, contributing entities (generally, health insurers and self-insured group health plans providing major medical coverage) must submit the 2016 form and schedule their reinsurance contribution payments no later than November 15, 2016. The contribution amount is \$27 per covered life for 2016. If the contribution is made in a single payment, the payment is due no later than January 17, 2017. If the contribution is paid in two parts, the first payment (\$21.60 per covered life) is due no later than January 17, 2017, and the second payment (\$5.40 per covered life) is due no later than November 15, 2017. As in previous years, all submissions must be made online through the governmental portal, pay.gov. The manual also includes a reminder that in 2016, self-insured, self-administered group health plans that do not use a TPA in connection with claims processing, claims adjudication, and plan enrollment are not considered contributing entities and, therefore, are not required to make contributions. A 016 Reinsurance Contributions Help Line has been made available for a limited period in November.

PCOR fees, which are used to fund research on patient-centered outcomes, apply to plan and policy years ending before October 1, 2019. Reinsurance contributions, which are used to fund a reinsurance program in operation through 2016, are intended to stabilize premiums in the individual insurance market.

Links to IRS Notice 2016-64 and the HHS filings Manual:

[PCOR fees](#)

[Reinsurance Contributions](#)

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