Information about the Comparative Effectiveness Research Fee in 2019

The Affordable Care Act imposes an annual fee called the Comparative Effectiveness Research Fee (CERF) on insurers and plan sponsors of self-insured coverage to help fund the Patient-Centered Outcomes Research Institute. This email includes a brief review of CERF as well as the information and support Insurers provides to answer your questions and help you prepare for this year’s payment.

CERF Payment Details

The fee is based on the average covered lives for the applicable 12-month policy or plan year. It is paid using IRS Form 720 by July 31 each year for the plan year that ended in the preceding calendar year. As a reminder, employers must use their ERISA plan year if it is different from the renewal date. The fees for 2019 are:

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<th>Plan Year Start Date</th>
<th>Fee Per Average Covered Life</th>
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<td>Nov. 1, 2017–Jan. 1, 2018</td>
<td>$2.45</td>
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Who Is Responsible for Paying?

- Insurers pays the fee for insured, and it is built into premiums.
- Health Reimbursement Accounts (HRAs) and certain Flexible Spending Accounts (FSAs) are considered self-funded group health plans. Insurers will pay the fee for the underlying medical policy only; clients are responsible for the HRA/FSA related fee.
- Self-funded plans (including level funding and graded preferred plans) must calculate and pay their own fee.

Insurers provides self-service reports at no cost to help self-funded employers determine their average covered lives

If you have additional questions about the fee, please contact your team at The Richards Group.