



## BENEFIT NEWS BRIEFS

### *New Health Plan Fees Coming in 2012*

#### ***PPACA Comparative Clinical Effectiveness Research Fees***

Part of the changes made by the *Patient Protection and Affordable Care Act (PPACA)* involved the funding of comparative clinical effectiveness research relating to patient-centered outcomes. IRS [Notice 2011-35](#) requests public comments on the implementation of these provisions of the *PPACA*. A copy of the *Notice* is available at: <http://www.irs.gov/pub/irs-drop/n-11-35.pdf> or by "[clicking here](#)."

In order to fund this research, Section 4376(a) of the *PPACA* imposes a fee on any applicable self-insured health plan for each plan year ending after September 30, 2012. Therefore, the first plan year to which the fee on an applicable self-insured health plan applies would be a plan year that ends on or after October 1, 2012. The fee does not apply to plan years ending after September 30, 2019. Accordingly, if the plan year were the calendar year, the fee would apply to calendar plan years 2012 through 2018.

The fee is equal to \$2 multiplied by the average number of lives covered under the plan (\$1 in the case of plan years ending before October 1, 2013).

The fee must be paid by the plan sponsor, which is the board of trustees in a multiemployer plan.

The *Notice* rehearses the background of the process under the *PPACA*. A nonprofit corporation – the Patient-Centered Outcomes Research Institute (Institute) – was established to assist patients, clinicians, purchasers and policy-makers in making informed health decisions by advancing comparative clinical effectiveness research. The *PPACA* provides that the Institute will not be an agency or establishment of the United States Government, and will be funded by a Patient-Centered Outcomes Research Trust Fund. The Trust Fund, in turn, is to be funded in part by fees to be paid by issuers of health insurance policies and sponsors of self-insured health plans.

The Internal Revenue Service intends to publish proposed regulations implementing and providing guidance on the statutory requirements applicable to issuers and plan sponsors that pay those fees.

Comments on how the fees should be determined and paid, including comments on several possible rules, safe harbors, and other issues identified in the Notice will be considered if submitted in writing by September 6, 2011.

Comments may be submitted:

- By mail to CC:PA:LPD:PR (Notice 2011-35), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.
- Electronically to [Notice.Comments@irs.counsel.treasury.gov](mailto:Notice.Comments@irs.counsel.treasury.gov). Please include "Notice 2011-35" in the subject line of any electronic communications.

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