

# ACA Fees—Information for Employer Groups

Summary of ACA Fees	Who pays			What the money is used for	What is the fee and when does payment begin?	
	Health Plan Issuer	Self Insured Employers	Grandfathered Groups		Amount	Schedule
<b>Patient-Centered Outcomes Research Institute (Comparative Effectiveness) Fee (PCORI)</b>	Yes  Health insurance issuers and self-funded groups must file an excise tax return form 720 by July 31 of the year after the plan/policy year ends.	Yes	Yes	Provide evidence-based research intended to help people make informed health care decisions	\$1 per covered life (\$0.08 PMPM)  \$2 per covered life (\$0.17 PMPM)  \$2.08 per covered life  Fee = the sum of the fee in the prior year + an adjustment by the Treasury based on medical inflation. The dollar amount is indexed based on the projected per capita increase in National Health Expenditures	9/30/12 – 9/30/13  10/1/13 – 9/30/14  10/1/14 – 9/30/15  FEE IS PHASED OUT AFTER 9/30/19
<b>Annual Health Insurance Industry Fee (includes Medicare, Medicaid and Dental issuers)—Referred to as Health Insurer Fee*</b>	Yes  – fee is divided proportionally between all issuers (for-profit insurers pay 2x as much as not-for-profits)	No	Yes	Funds some of the provisions of ACA – including the individual premium subsidiaries or cost share reductions	\$8 billion  \$11.3 billion  \$11.3 billion  Increases to \$14.3 billion, then indexed to rate of premium growth	2014  2015  2016  2018  2019 and thereafter: fee is the amount in the preceding fee year increased by the rate of premium growth

\*Nonprofit insurers that receive more than 80% of their premium revenue from Medicare, Medicaid, CHIP, and Dual Eligible plans are excluded.

continued on reverse

For more information, contact your sales office:

Watertown 800-208-8013 | Worcester 800-208-9545  
Providence 800-455-2012

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<p><b>Transitional Reinsurance Program Assessment Fee</b></p> <p>States may establish their reinsurance program and if not, HHS will operate the program on behalf of the state</p>	Yes	Yes	Yes	Used to stabilize individual premiums and make payments to the US Treasury	<p>\$20 billion</p> <p>2014: Contribution rate of \$5.25 per covered life per month which is equal to \$63 per individual enrolled (estimated by HHS) plus a small administrative fee</p> <p>2015: Reduced to \$44 per enrollee annually.</p> <p>2016: \$27 per covered life annually.</p>	<p>For Plan Years ending between:</p> <p>2014 – 2016 In 2014 (headcounts will be required by 11/15/14 with bills issued 12/15/14)</p> <p>Quarterly collections beginning in January, 2015 and phased out in 2016</p>
<p><b>Risk Adjustment Program and Fee</b></p> <p>Spreads the financial risk of the issuers in the individual and small group markets evenly</p>	Yes N/A to large group plans	No	No	Payments will be transferred from issuers with lower risk members to those issuers with higher risk populations.	<p>2014: \$0.08 per enrollee per year</p> <p>2015: \$0.96 per enrollee per year</p> <p>2016: \$1.75 per enrollee per year</p>	Begins in 2014 and is permanent
<p><b>Marketplace (i.e., Exchange) User Fees</b></p>	Yes	No	No	Carrier Administrative Fee	2015 and beyond: 2.5%	For 2014, MA Health Connector deferred the charge.
<p><b>Cadillac Excise Tax -40 % tax on premiums that exceed defined thresholds for single and family coverage.</b></p>	Yes	Yes	Yes	Dollars to help finance health reform	<p>Thresholds estimated (may vary based on inflation):</p> <p>\$10,200 for single coverage</p> <p>\$27,500 for family coverage</p> <p>(increases for high-risk professions and retirees 55+)</p>	2018 permanent