

# COMPARATIVE EFFECTIVENESS RESEARCH FEE (CERF) FACT SHEET



## INFORMED ON REFORM

### Overview

The Affordable Care Act (ACA) established the Patient-Centered Outcomes Research Institute (PCORI) to fund and conduct research that determines the effectiveness of various forms of medical services that treat, manage, diagnose or prevent illness or injury.

The work of PCORI is partially funded by a fee on health insurers and self-funded group health plans.

COMPARATIVE EFFECTIVENESS RESEARCH FEE	
<b>What</b>	<ul style="list-style-type: none"> <li>Annual fee on insured and self-insured health plans</li> </ul>
<b>Who pays</b>	<ul style="list-style-type: none"> <li>Insurers pay for insured plans – fee is built into rates</li> <li>Employers pay for self-insured plans – insurers are not allowed to pay or calculate the fee</li> </ul>
<b>When</b>	<ul style="list-style-type: none"> <li>Applies for plan years beginning on or after 10/2/11</li> <li>First payments were due 7/31/2013</li> <li>Fee continues through 9/30/2019, with the last payment due 7/31/2020</li> </ul>
<b>How much</b>	<ul style="list-style-type: none"> <li>Initial annual fee of \$1 per average covered life</li> <li>For current fees, please review the <a href="#">CERF Payment/Due Date Grid</a></li> </ul>
<b>How paid</b>	<ul style="list-style-type: none"> <li>Tax is self-reported on Excise Tax Form 720</li> </ul>
<b>Fee applies to:</b>	<ul style="list-style-type: none"> <li>Fully insured medical plans, including minimum premium plans</li> <li>Self-insured group medical plans</li> <li>Individual/family plans</li> <li>Stand-alone behavioral health plans</li> <li>Limited medical plans (also known as Voluntary plans)</li> <li>Individuals on a temporary U.S. visa who live in the United States</li> <li>Medicare Surround and Medicare Expand policies</li> <li>Retiree-only plans</li> <li>Health Reimbursement Accounts (HRAs)</li> <li>Flexible Spending Accounts (FSAs) if the employer contribution is &gt; \$500 and it is more than the employee contribution</li> </ul>

Together, all the way.®



Offered by: Cigna Health and Life Insurance Company, Connecticut General Life Insurance Company or their affiliates.

<b>COMPARATIVE EFFECTIVENESS RESEARCH FEE</b>	
<b>Fee does not apply to:</b>	<ul style="list-style-type: none"> <li>• U.S.-issued expatriate plans</li> <li>• Exempt FSA plans</li> <li>• Medicare Parts A–D coverage</li> <li>• Medicaid coverage</li> <li>• Health Savings Accounts (HSAs)</li> <li>• Stand-alone dental plans</li> <li>• Stand-alone vision plans</li> <li>• Employee Assistance Plans (EAPs)</li> </ul>

### Information for fully insured employers

<b>How the fee is paid</b>	The fee is built into your insurance premiums
<b>How the fee is determined</b>	<ul style="list-style-type: none"> <li>• Cigna pays your fee using the “Snapshot Method” to determine average covered lives</li> <li>• We will add the total lives covered on one or more dates in each quarter of the policy year and divide by number of dates on which a count was made</li> </ul>
<b>How HRAs/FSAs are treated</b>	<ul style="list-style-type: none"> <li>• HRAs/FSAs are considered self-insured group health plans</li> <li>• Insurer pays one fee for the medical policy</li> <li>• Employer pays a separate fee for the HRA/FSA</li> </ul>

### Cigna reporting for fully insured employers

- › At no additional cost, we will provide information on your HRA/FSA covered lives via self-service reporting, based on your eligibility as of the 15th of each month
- › You will have the option of using this data or your own data for calculating the fee payable for HRAs/FSAs
- › Eligibility information is available for you on the [Client Resource Portal](#) (CRP) and on [CignaAccess.com](#)

### Information for self-insured employers

<b>How the fee is paid</b>	The employer is responsible for paying the fee
<b>How the fee is determined</b>	Upon request Cigna will provide reporting to help you determine average covered lives, or you can determine using your own records
<b>How HRAs/FSAs are treated</b>	<ul style="list-style-type: none"> <li>• If the medical plan and the HRA or FSA have the same plan year, the employer pays one fee</li> <li>• If they have different plan years, an annual fee is due on each</li> </ul>

### Cigna reporting for self-insured employers

- › At no additional cost, we will provide information on your covered lives via self-service reporting, based on the eligibility data as of the 15th of each month
- › You will be able to access a report for: Medical, Pharmacy, Behavioral, FSAs, HRAs and Medicare Surround and Medicare Expand
- › Available for you on the [Client Resource Portal](#) (CRP) and on [CignaAccess.com](#)
- › You will be able to request reports for your self-insured, stand-alone Cigna Behavioral Health and Cigna Global Health Benefits® plans

## CERF resources

For more information, please visit Cigna's [CERF Toolkit](#).

Brokers and self-funded employers should direct their questions about CERF to Cigna's ASO PPACA Fees & Reporting Resources by calling **855.275.0555**, from 9:00 a.m.-6:30 p.m. EST Monday through Friday, or by email at [ASO\\_PPACA\\_Fees&Reporting@Cigna.com](mailto:ASO_PPACA_Fees&Reporting@Cigna.com).

**IMPORTANT: Questions about other ACA topics should continue to be directed to your Cigna account team.**



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