

# INFORMED ON REFORM UPDATE



Keeping you up to date on federal health care legislation and regulations

## 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 Cigna 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:

Plan Year Start Date	Fee Per Average Covered Life
Feb. 1, 2017-Oct. 1, 2017	\$2.39
Nov. 1, 2017-Jan. 1, 2018	\$2.45

### Who Is Responsible for Paying?

- Cigna pays the fee for insured plans (including guaranteed cost, shared returns, and minimum premium plans), and it is built into premiums.
  - Health Reimbursement Accounts (HRAs) and certain Flexible Spending Accounts (FSAs) are considered self-funded group health plans. Cigna 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.

### Membership Reports to Support Self-Funded Employers

Cigna provides self-service reports at no cost to help self-funded employers determine their average covered lives. Reports can be accessed through your eligibility portal: [CignaAccess](#) or [Client Resource Portal \(CRP\)](#). If you have Cigna Behavioral Health, Voluntary or Global Health Benefits plans, you can request these reports through your Cigna representative.

### CERF Resources

For more information on CERF, including the payment process and sample membership reports, visit our [CERF Toolkit](#).