Congressional Research Service
Informing the legislative debate since 1914

INSIGHT

Funding for ACA-Established Patient-Centered Outcomes Research Trust Fund (PCORTF) Expires in FY2019

(name redacted)
Specialist in Health Policy

December 20, 2018

The Patient Protection and Affordable Care Act of 2010 (ACA, P.L. 111-148, as amended) authorized the establishment of a private, nonprofit, tax-exempt corporation called the Patient-Centered Outcomes Research Institute (PCORI, or the Institute). This built on provisions in prior law that expanded the federal government's role in the oversight and funding of comparative effectiveness research. The American Reinvestment and Recovery Act of 2009 (ARRA, P.L. 111-5) provided a total of $1.1 billion for comparative effectiveness research; required an Institute of Medicine (IOM, now the National Academy of Medicine) report with recommendations on national comparative effectiveness research priorities; and created the Federal Coordinating Council for Comparative Effectiveness Research (FCCCER), an interagency advisory group. FCCCER was required to report to the President and the Congress annually on federal comparative effectiveness research activities, and was terminated upon enactment of the ACA.

PCORI is responsible for coordinating and supporting comparative clinical effectiveness research, which is broadly defined in law to mean "research evaluating and comparing health outcomes and the clinical effectiveness, risks, and benefits of 2 or more … health care interventions … being used in the treatment, management, and diagnosis of, or prevention of illness or injury." Health care interventions include a wide range of things, for example, care management and delivery, medical devices, diagnostic tools, pharmaceuticals, and integrative health practices. PCORI was required to identify national priorities for research, and an agenda to carry out the priorities, including attention to chronic conditions, gaps in evidence, quality of care, patient health and well-being, and the effect on national expenditures associated with interventions or conditions, among other concerns. In addition, PCORI can enter into contracts with federal agencies as well as with academic, private sector research, or study-conducting entities for the management of funding and conduct of research.

Congressional Research Service
7-....
www.crs.gov
IN11010

The ACA also required the Agency for Healthcare Research and Quality (AHRQ) to broadly disseminate research findings that are published by PCORI and other government-funded comparative effectiveness research entities, to create information tools, to and develop a publicly available database of government-funded evidence (Public Health Service Act [PHSA] Section 937). Dissemination materials must identify researchers; describe research methodology, limitations, and subpopulation-specific considerations; and must not include practice guidelines or recommendations for payment, coverage, or treatment. AHRQ has to support training of researchers and building of data capacity in coordination with other federal health programs; in addition, other federal agencies are broadly authorized to contract with PCORI for the conduct and support of relevant research.

The Patient-Centered Outcomes Research Trust Fund (PCORTF)

The ACA created a 10-year, multibillion dollar trust fund—the Patient-Centered Outcomes Research Trust Fund (PCORTF)—to support comparative effectiveness research, and specifically to fund PCORI and its research activities. Funding for PCORTF expires in FY2019. The law provided annual funding to the PCORTF over the period FY2010-FY2019 from the following three sources: (1) annual appropriations, (2) fees on health insurance and self-insured plans, and (3) transfers from the Medicare Part A and Part B trust funds (26 U.S.C. §9511).

Three Sources of PCORTF Funds

Specifically, the ACA appropriated the following amounts to the PCORTF: (1) $10 million for FY2010, (2) $50 million for FY2011, and (3) $150 million for each of FY2012 through FY2019. In addition, for each of FY2013 through FY2019, the ACA appropriated an amount equivalent to the net revenues from a new fee that the law imposes on health insurance policies and self-insured plans. For policy/plan years ending during FY2013, the fee equals $1 multiplied by the number of covered lives. For policy/plan years ending during each subsequent fiscal year through FY2019, the fee equals $2 multiplied by the number of covered lives. Finally, transfers to PCORTF from the Medicare Part A and Part B trust funds are calculated by multiplying the average number of individuals entitled to benefits under Medicare Part A, or enrolled in Medicare Part B, by $1 (for FY2013) or by $2 (for each of FY2014 through FY2019).

Allocation of PCORTF Funds

For each of FY2011 through FY2019, the ACA requires 80% of the PCORTF funds to be made available to PCORI and the remaining 20% of funds to be transferred to the Health and Human Services (HHS) Secretary for carrying out PHSA Section 937. Of the total amount transferred to HHS, 80% is to be distributed to AHRQ to carry out the dissemination activities authorized under PHSA Section 937. Beginning in the FY2018 budget request, the President proposed to incorporate AHRQ under the National Institutes of Health (NIH) by creating a new institute, the National Institute for Research on Safety and Quality (NIRSQ). Although this proposed change has not been adopted by Congress and AHRQ has continued to be its own stand-alone agency, for FY2018 and FY2019, the funds that are in fact going to AHRQ are shown as going to NIRSQ. **Table 1** shows the allocation of PCORTF funds through FY2019.

Table 1. Distribution of PCORTF Funding

Millions of Dollars, by Fiscal Year

Funding Recipient	2012	2013	2014	2015	2016	2017	2018 (Est.)	2019 (Est.)
PCORI	120	289	376	396	469	476	499	622
HHS	30	72	94	99	117	119	125	155

Funding Recipient	2012	2013	2014	2015	2016	2017	2018 (Est.)	2019 (Est.)
AHRQ (non-add)	*(24)*	*(58)*	*(75)*	*(80)*	*(94)*	*(95)*	—	—
NIH/NIRSQ (non-add)						—	*(100)*	*(124)*
Office of the Secretary (non-add)	*(6)*	*(14)*	*(19)*	*(19)*	*(23)*	*(24)*	*(25)*	*(31)*
Total	150	361	470	495	586	595	624	777

Source: CRS calculations using data provided in Office of Management and Budget, *Budget of the U.S. Government, Appendix (FY2013-FY2019)*.