



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

Amanda K. Sarata

Specialist in Health Policy

Updated November 27, 2019

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](#)) at Social Security Act (SSA) Section 1181. This built on provisions in prior law that expanded the federal government’s role in comparative effectiveness research (CER). The American Reinvestment and Recovery Act of 2009 (ARRA, P.L. 111-5) provided a total of \$1.1 billion for CER; required an Institute of Medicine (IOM, now the National Academy of Medicine) [report](#) with recommendations on national CER priorities; and created the Federal Coordinating Council for Comparative Effectiveness Research (FCCER), an interagency advisory group. FCCER was required to report to the President and Congress annually on federal CER activities, and terminated upon enactment of the ACA.

PCORI is responsible for coordinating and supporting comparative clinical effectiveness research, which is 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, including care management and delivery, medical devices, diagnostics, pharmaceuticals, and integrative health practices. PCORI was initially required to identify [national priorities for research, and an agenda to carry out these priorities](#), and then to enter into contracts with federal agencies, as well as with academic and private sector research entities, to carry out the research agenda.

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 CER entities and to develop

Congressional Research Service

7-....

www.crs.gov

IN11010

a public 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 in methods used in comparative clinical effectiveness research and build data capacity for the research (e.g., development of clinical registries) in coordination with other federal health programs.

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 expired in FY2019. The law provided annual funding to PCORTF over the period FY2010-FY2019 from 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).

The termination date of PCORTF has been extended twice by provisions associated with the continuing resolution laws for FY2020 (§1403, P.L. 116-59 and §1403, P.L. 116-69), with termination set to take place on December 20, 2019. This allows for funds in PCORTF to continue to be expended in the interim. In addition, several bills have been introduced in the 116th Congress that would extend funding for PCORTF, and thus PCORI and AHRQ’s activities under SSA Section 1181 and PHSA Section 937. The bills would generally extend funding for PCORTF—extending all three sources of funding for the trust fund—for between 7 and 10 additional years; extend the termination date for PCORTF; and stipulate various research related requirements for PCORI going forward (e.g., research must prioritize maternal mortality and morbidity; research must consider the full range of outcomes data).

Three Sources of PCORTF Funds

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 equaled \$1 multiplied by the number of covered lives. For policy/plan years ending during each subsequent fiscal year through FY2019, the fee equaled \$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 required 80% of the PCORTF funds to be made available to PCORI and the remaining 20% of funds to be transferred to the HHS Secretary for carrying out PHSA Section 937. Of the total amount transferred to HHS, 80% was to be distributed to AHRQ to carry out the dissemination activities authorized under PHSA Section 937 (with the remaining 20% staying with HHS Office of the Secretary). 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 I. Distribution of PCORTF Funding
Millions of Dollars, by Fiscal Year

Funding Recipient	2012	2013	2014	2015	2016	2017	2018	2019 (Est.)
PCORI	120	289	376	396	469	476	492	563
HHS	30	72	94	99	117	119	123	140
AHRQ (non-add)	(24)	(58)	(75)	(80)	(94)	(95)	—	—
NIH/NIRSQ (non-add)						—	(98)	(112)
Office of the Secretary (non-add)	(6)	(14)	(19)	(19)	(23)	(24)	(25)	(28)
Total	150	361	470	495	586	595	615	703

Source: CRS calculations using data provided in Office of Management and Budget, *Budget of the U.S. Government, Appendix (FY2013-FY2020)*.

Note: Non-add numbers are included for clarification, but are not part of the total.

EveryCRSReport.com

The Congressional Research Service (CRS) is a federal legislative branch agency, housed inside the Library of Congress, charged with providing the United States Congress non-partisan advice on issues that may come before Congress.

EveryCRSReport.com republishes CRS reports that are available to all Congressional staff. The reports are not classified, and Members of Congress routinely make individual reports available to the public.

Prior to our republication, we redacted phone numbers and email addresses of analysts who produced the reports. We also added this page to the report. We have not intentionally made any other changes to any report published on EveryCRSReport.com.

CRS reports, as a work of the United States government, are not subject to copyright protection in the United States. Any CRS report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS report may include copyrighted images or material from a third party, you may need to obtain permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

Information in a CRS report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to members of Congress in connection with CRS' institutional role.

EveryCRSReport.com is not a government website and is not affiliated with CRS. We do not claim copyright on any CRS report we have republished.