

No. 2020-6485

**Official Order
of the
Texas Commissioner of Insurance**

Date: 09/28/2020

Subject Considered:

Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, Connecticut 06002

Consent Order
TDI Enforcement File No. 23435

General remarks and official action taken:

This is a consent order with Cigna Health and Life Insurance Company (Cigna). The Texas Department of Insurance (TDI) performed a desk audit of Cigna's utilization review business. The desk audit discovered that for several of the audited adverse determinations, Cigna and/or its delegates allowed non-physicians to conduct utilization reviews. Cigna has agreed to modify procedures and pay a \$50,000 administrative penalty.

Waiver

Cigna acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Cigna waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

1. TDI issued a certificate of authority to Cigna, effective July 1, 1975.
2. TDI certified CareCentrix as a utilization review agent, license number 5231, on October 2, 2002.

3. Cigna contracts with several Texas licensed utilization review agents, including CareCentrix, to perform utilization review and to issue adverse determinations on Cigna's behalf.

Audit Findings

4. On July 3, 2019, TDI commenced a desk audit of Cigna relating to adverse determinations that were issued between July 1, 2018, and June 30, 2019.
5. Cigna contracts with several Texas licensed utilization review agents to issue adverse determinations and is required by statute to monitor the activities of its utilization review agents.
6. TDI randomly selected 37 adverse determination files for further review. In this sampling, TDI found evidence of a total of two violations of Texas insurance laws and regulations.
7. In several of the audited Cigna adverse determination files relating to the medical necessity of the request, non-physicians issued a fax or letter to the requesting provider with instructions on how to request a peer to peer conversation prior to having a utilization review physician review the case.
8. Cigna responded that the noncompliance has been resolved through updated policies and procedures.
9. Cigna submitted corrective action plans to address the deficiencies cited in the final audit report on March 24, 2020.

Conclusions of Law

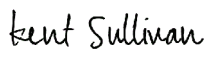
1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE chs. 82, 84, 1301, and 4201; 28 TEX. ADMIN. CODE §§ 19.1705 and 19.1711; and TEX. GOV'T CODE §§ 2001.051–2001.178.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.

3. Cigna has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Cigna violated TEX. INS. CODE § 4201.153(d) and 28 TEX. ADMIN. CODE § 19.1705(d) for failure to appropriately utilize a practicing physician or other health care provider to determine the medical necessity of the request
5. Cigna violated TEX. INS. CODE § 1301.135(g) because it failed to monitor the activities and performance of its utilization review agent.

Order

It is ordered that Cigna Health and Life Insurance Company must pay an administrative penalty of \$50,000 within 30 days from the date of this order. The penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas" and sent to the Texas Department of Insurance, Attn: Enforcement, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

It is also ordered that Cigna Health and Life Insurance Company report to TDI on or before 30 days from the date of this order. The report will affirm that Cigna Health and Life Insurance Company has fully implemented its corrective action plan. If Cigna Health and Life Insurance Company has not yet fully implemented its corrective action plan, the report will detail how Cigna Health and Life Insurance Company intends to fully implement its corrective action plan, resources dedicated to implementation, timeliness, and a process for independent verification of objective progress to comply with Texas law. The report must be sent to EnforcementReports@tdi.texas.gov.

DocuSigned by:

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Kent C. Sullivan
Commissioner of Insurance

Commissioner's Order
Cigna Health and Life Insurance Company
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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Enforcement Division



Beverly Rosendahl, Special Counsel
Enforcement Division

Affidavit

STATE OF Texas

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COUNTY OF Harris

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Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

"My name is James W Hickay I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

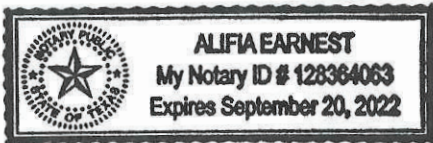
I hold the office of President + General Manager and am the authorized representative of Cigna Health and Life Insurance Company. I am duly authorized by said organization to execute this statement.

Cigna Health and Life Insurance company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

James W Hickay
Affiant

SWORN TO AND SUBSCRIBED before me on September 18, 2020.

(NOTARY SEAL)



Alifia Earnest
Signature of Notary Public

Alifia Earnest
Printed of Notary Public