

No. **4568**

**OFFICIAL ORDER  
of the  
TEXAS COMMISSIONER OF INSURANCE**

Date: JUL 08 2016

**Subject Considered:**

**CIGNA HEALTHCARE OF TEXAS, INC.**  
1640 Dallas Parkway  
Plano, Texas 75093

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 11053

**General remarks and official action taken:**

The commissioner of insurance considers whether disciplinary action should be taken against Cigna Healthcare of Texas, Inc. (Cigna).

**WAIVER**

Cigna acknowledges that the Texas Insurance Code and other applicable laws 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. On May 31, 1996, TDI issued Cigna basic health maintenance organization license no. 94587.
2. On October 19, 2015, the MCQA office sent a warning letter to Cigna advising them of prompt pay insurance code violations and requested that Cigna file corrected information.
3. On November 5, 2015, the MCQA office spoke to Cigna about the warning letter and discussed future improved compliance.

**Late Paid Claims Violation**

4. Cigna is required to submit quarterly claims payment information to TDI, and is subject to penalties if they violate the claims payment provisions for more than two percent of clean claims.

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5. Cigna provided payment information and data that revealed that Cigna failed to pay claims in a timely manner as follows:

Year 2015      Quarter 1 – 5.60% of clean claims paid late

Overall Block

Year 2015      Quarter 1 – 2.08% of clean claims paid late

                         Quarter 4 – 2.34% of clean claims paid late

## **Clean Claims Reporting Violation**

6. Cigna has not been correctly reporting the number of clean claims it received in its prompt payment reporting. Instead, Cigna reported zeros as follows:

Year 2015 Quarters 1, 2, and 3.

7. On January 7, 2016, Cigna correctly reported the number of clean claims filed for 2015 Quarters 1, 2, and 3.
8. Cigna submitted Quarter 4, 2015 and Quarter 1, 2016, clean claims data that is in compliance with the prompt pay statutes and rules.

## **CONCLUSIONS OF LAW**

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 31.002; 82.051-82.055, 84.021-84.022, and 843.336-843.354; 28 TEX. ADMIN. CODE §§ 21.2801-21.2816; and TEX. GOV'T CODE §§ 2001.051–2001.178.
2. The commissioner has authority to informally dispose of this matter under TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.
3. Cigna violated TEX. INS. CODE § 843.342(k) and 28 TEX. ADMIN. CODE §§ 21.2801-21.2816 because it failed to pay clean claims in a timely manner.
4. Cigna violated 28 TEX. ADMIN. CODE §§ 21.2821(c)(3)-(4) because it failed to report the number of clean claims received.
5. Cigna violated TEX. INS. CODE §§ 4151.101-4151.1042 because it utilized an unlicensed third party administrator, Care Centrix, Inc. to administer its claims.

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The commissioner orders Cigna Healthcare of Texas, Inc. to pay an administrative penalty of \$75,000 within 30 days of the date of this Order. The administrative penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



David C. Mattax  
Commissioner of Insurance

Approved as to Form and Content:



Beverly Rosendahl, Staff Attorney  
Enforcement Section, Compliance Division  
Texas Department of Insurance

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## AFFIDAVIT

STATE OF CONNECTICUT       §  
  § SS: BLOOMFIELD  
COUNTY OF HARTFORD       §

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

“My name is Edward P. Potanka. 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 Assistant Secretary, and am the authorized representative of Cigna Healthcare of Texas, Inc. I am duly authorized by said organization to execute this statement.

Cigna healthcare of Texas, Inc. waives rights provided by the Texas Insurance Code and other applicable laws, and acknowledges the jurisdiction of the Texas commissioner of insurance.


Cigna Healthcare of Texas, Inc. is voluntarily entering into this consent order without prejudice. Cigna Healthcare of Texas, Inc. consents to the issuance and service of this consent order.”



Affiant

SWORN TO AND SUBSCRIBED before me on June 29, 2016.

(NOTARY SEAL)

  
Signature of Notary Public

**NANCY J. LEDUC**  
**NOTARY PUBLIC**  
MY COMMISSION EXPIRES AUG. 31, 2014