Official Order
of the
Texas Commissioner of Insurance

Date: MAR 31 2020

Subject Considered:

Cigna HealthCare of Texas, Inc.
1640 Dallas Parkway
Plano, Texas 75093

Consent Order
TDI Enforcement File No. 19068

General remarks and official action taken:

This is a consent order with Cigna HealthCare of Texas, Inc. (Cigna) for violations found in a triennial quality of care examination. During a 2016 quality of care triennial examination, Cigna agreed and consented to an order for violations found during the examination and paid an administrative penalty of $75,000. The Texas Department of Insurance issued Cigna's 2017 Triennial Final Examination Report on January 4, 2019, finding additional issues and several repeated violations. Cigna has agreed to pay a $200,000 administrative penalty.

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. The Texas Department of Insurance (TDI) issued Cigna a basic service health maintenance organization (HMO) license number, effective May 31, 1996.
2014 Triennial Examination

2. TDI conducted a triennial quality of care examination of Cigna for the period beginning March 14, 2012, and ending December 31, 2014.


4. Commissioner Order No. 2016-4855, dated December 16, 2016 addressed violations found during the 2014 triennial examination; one of these was a repeat violation identified in Cigna’s first triennial examination in 2012. The order imposed an administrative penalty of $75,000.

2017 Triennial Examination

5. TDI conducted another triennial quality of care examination of Cigna for the period beginning January 1, 2015, and ending December 31, 2017.

6. On December 12, 2018, TDI held an exit conference call with Cigna to discuss the 2017 examination findings. Sample files reviewed during this examination were dated after the implementation of Cigna’s corrective action plan from the 2014 examination.


2017 Examination Findings

8. TDI reviewed 21 adverse determination files to determine statutory compliance.

9. In five instances, the utilization review agent failed to issue the adverse determination within three calendar days of receiving the request. This was similar to issues TDI previously identified in the 2014 examination of Cigna.

10. TDI reviewed 24 complaint files to determine statutory compliance.

11. In 18 instances, Cigna failed to provide evidence that it sent the appeal acknowledgment letter not later than the fifth business day after the date the written request for an appeal was received.
12. In 18 instances, Cigna failed to demonstrate that it had completed the appeal process not later than the 30th calendar day after the date the written request for an appeal was received.

13. TDI reviewed 42 claim files to determine prompt pay statutory compliance.

14. In three instances, Cigna failed to pay prompt pay penalties when claims were processed after the applicable statutory claims' payment periods. Cigna has paid these prompt pay penalties.

15. Cigna submitted a corrective action plan to address the deficiencies cited in the final examination report issued by TDI on March 8, 2019.

Conclusions of Law


2. The commissioner has 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 § 843.348(d) and 28 TEX. ADMIN. CODE § 19.1718(d)(1) because its utilization review agent failed to issue the adverse determination within three calendar days of receiving the request.

5. Cigna violated TEX. INS. CODE § 843.254(b) because it failed to send the appeal acknowledgment letter not later than the fifth business day after the date the written request for an appeal was received.
6. Cigna violated TEX. INS. CODE § 843.254(c) because it failed to complete the appeal process not later than the 30th calendar day after the date the written request for an appeal was received.

7. Cigna violated TEX. INS. CODE § 843.342(a), (f), and (m) and 28 TEX. ADMIN. CODE §§ 21.2815(a)(1) and (c)(3) because it failed to pay prompt pay penalties when claims were processed after the applicable statutory claims' payment periods.

8. Cigna violated 28 TEX. ADMIN. CODE §§ 21.2821 – 21.2822 because it filed 2017 quarterly prompt pay claims reports with TDI which state that it paid more than two percent of its clean claims late for three quarters.

Order

It is ordered that Cigna HealthCare of Texas, Inc. must pay an administrative penalty of $200,000 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.

Kent C. Sullivan
Commissioner of Insurance

By:
Doug Staple
Chief Deputy Commissioner
Commissioner's Order No. 2018-5528
Recommended and reviewed by:

Leah Gillum, Deputy Commissioner
Enforcement Division

Bev Rosendahl, Special Counsel
Enforcement Division
Affidavit

STATE OF TEXAS §

COUNTY OF DALLAS §

Before me, the undersigned authority, personally appeared H. Lamonte Thomas, who being by me duly sworn, deposed as follows:

“My name is H. Lamonte Thomas. 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 Vice-President, and am the authorized representative of Cigna HealthCare of Texas, Inc. and I am duly authorized by said organization to execute this statement.

Cigna HealthCare of Texas, Inc. 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.”

H. Lamonte Thomas

Affiant

SWORN TO AND SUBSCRIBED before me on February 5th, 2020.

(NOTARY SEAL)

Heidi Ann Hall
Signature of Notary Public

Heidi Ann Hall
Printed Name of Notary Public