

No. **2024-9049**

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

Date: 12/20/2024

Subjects Considered:

Cigna Health and Life Insurance Company
100 Cottage Grove Road
Bloomfield, CT 06002

Cigna Healthcare of Texas, Inc.
1640 Dallas Pkwy
Plano, TX 75093

Consent Order
TDI Enforcement File Nos. 36246 and 36245

General remarks and official action taken:

This is a consent order with Cigna Health and Life Insurance Company and Cigna Healthcare of Texas, Inc., (collectively, Cigna) which have failed to comply with multiple independent dispute resolution requirements and a prior commissioner order. Cigna has agreed to pay an \$800,000 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. Cigna Health and Life Insurance Company holds a certificate of authority to act as a life, accident, and health insurer.

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2. Cigna Healthcare of Texas, Inc. holds a certificate of authority to act as a health maintenance organization (HMO).
3. In 2019, the Texas Legislature passed SB 1264, which prohibits balance billing (or surprise billing) for most out-of-network health insurance claims. SB 1264 also created a mediation and arbitration system for health insurers and HMOs to settle balance bills with healthcare providers.
4. The Texas Department of Insurance (TDI) adopted rules and established an independent dispute resolution (IDR) portal to implement this legislation. Health insurance claims on or after January 1, 2020, were subject to SB 1264.
5. Health insurers and HMOs began to use TDI's IDR portal in 2020. The portal's volume of claims steadily grew and most carriers began handling hundreds or thousands of IDR matters on a monthly basis beginning in 2021-2022.
6. Cigna struggled to keep up with its IDR requests from 2022 through early 2024. Cigna failed to meet multiple statutory and rule-based timelines for a significant portion of its IDR requests.
7. Cigna entered into a TDI consent order (Order 2024-8683) in June 2024 to address its IDR non-compliance.
8. In Order 2024-8683, Cigna agreed to pay a \$600,000 administrative penalty and achieve full compliance with IDR requirements by August 15, 2024. This included:
 - a. addressing all outstanding data corrections;
 - b. timely participating in all informal settlement teleconferences and entering required information into the IDR portal;
 - c. making timely payments to all mediators or arbitrators; and
 - d. entering timely payment information after settlement.
9. In Order 2024-8683, Cigna represented that it would continue to implement additional controls and fully monitor its IDR process for full compliance. Cigna agreed to timely alert TDI of any systemic or trending issues.

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10. Cigna did not achieve full compliance with IDR requirements by August 15, 2024. Continued failures include:
 - a. participating in informal teleconferences;
 - b. timely paying arbitrators and mediators; and
 - c. timely paying providers for settled requests.
11. Cigna was still significantly non-compliant in late September 2024, when TDI demanded a meeting to discuss Cigna's continued violations of IDR requirements.
12. Cigna represented that most of its issues were related to several thousand IDR requests submitted by a single healthcare provider group in June and July.
13. However, TDI's data showed that while there was some impact because of that provider group's claims, they were not the main cause. TDI believes that Cigna's unilateral, temporary decision to cease granting or requesting extensions of time for IDR processes was a significant driver of continued non-compliance. TDI staff had repeatedly advised Cigna staff that this policy could create compliance issues. Additionally, TDI believes that Cigna did not properly monitor its own IDR data to spot compliance issues.
14. During the September 2024 meeting, Cigna recommitted to progress on its IDR compliance efforts and submitted several reports to TDI staff in October, November and December 2024 with its updated IDR data and statistics.
15. While those reports demonstrated progress by Cigna, Cigna continued to state that the issues were almost entirely related to the large number of requests from one healthcare provider group. As of mid-November, TDI's own data showed that those requests impacted about 65% of Cigna's continued compliance issues for certain issues but less than 10% of other compliance issues.
16. Cigna represents to TDI that it will achieve full compliance with IDR requirements by February 15, 2025.
17. Cigna represents that it will continue to implement additional controls and fully monitor its IDR process for full compliance. Cigna will timely alert TDI of any systemic or trending issues.

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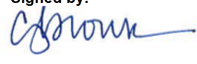
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Conclusions of Law

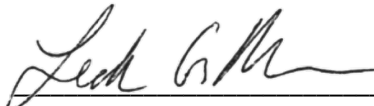
1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE chs. 82, 84, and 1467; 28 TEX. ADMIN. CODE ch. 21; and TEX. GOV'T CODE §§ 2001.051–2001.178.
2. The commissioner has authority to dispose of this matter informally as set forth in TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 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 §§ 1467.054(d) and 1467.084 by not participating in an informal settlement teleconference not later than the 30th day after the date on which a person submits a request for mediation or arbitration.
5. Cigna violated 28 TEX. ADMIN. CODE § 21.5021(c) by not notifying TDI of the outcome of the informal settlement teleconference within 30 days of the date that the mediation or arbitration is requested or that the parties agreed to a settlement or extended the deadline.
6. Cigna violated 28 TEX. ADMIN. CODE §§ 21.5011(d)(2) and 21.5021(d)(2) by failing to pay the nonrefundable mediator or arbitrator fee to the mediator or arbitrator when the mediator or arbitrator is assigned.
7. Cigna violated TEX. INS. CODE § 1467.101(a)(2) by not providing information the arbitrator or mediator believes is necessary to facilitate a decision or agreement.
8. Cigna violated TEX. INS. CODE § 1467.089(d) by failing to pay any additional amount necessary to satisfy a binding arbitration award by the 30th day after the arbitrator's decision.
9. Cigna violated TEX. INS. CODE § 82.054 by failing to comply with a commissioner order.

Order

It is ordered that Cigna Health and Life Insurance Company and Cigna Healthcare of Texas, Inc., jointly and severally, pay an administrative penalty of \$800,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

Signed by: 
FC5D7EDDFB84F8...
Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:


Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

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Affidavit

STATE OF TEXAS §
§
COUNTY OF HARRIS §

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

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

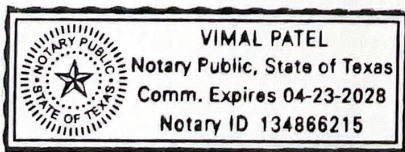
I hold the office of General Manager and am the authorized representative of Cigna Healthcare of Texas, Inc. I am duly authorized by said organization to execute this statement.

Cigna Healthcare of Texas, Inc. 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."

Timothy J. Vessel
Affiant

SWORN TO AND SUBSCRIBED before me on 12/20, 2024.

(NOTARY SEAL)



Vimal Patel
Signature of Notary Public

Vimal Patel
Printed Name of Notary Public