STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

IN RE: Cigna Health and Life Insurance Company NAIC Company Code: 67369 Maine License No. LHF860 Docket No. INS-18-201	**CONSENT AGREEMENT AND ORDER**

Cigna Health and Life Insurance Company ("Cigna" or "the Company), the Superintendent of the Maine Bureau of Insurance (the "Superintendent"), and the Maine Office of the Attorney General (the "Attorney General") hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without resort to an adjudicatory proceeding, violations of the Maine Insurance Code and the Maine Bureau of Insurance Rules. As set forth in more detail below, market conduct examination has identified violations of Bureau of Insurance Rule 850's requirements pertaining to claim denials and appeals.

STATUTORY AUTHORITY

1. Under 10 M.R.S. § 8003(5)(A-1) and 24-A M.R.S. § 12-A, the Superintendent may issue a warning, censure or reprimand to a licensee, may suspend, revoke or refuse to renew the license of a licensee; may impose conditions of probation on a licensee; may levy a civil penalty against a licensee; or may take any combination of such actions in response to the licensee's violation of any insurance law, rule, regulation, subpoena or order of the Superintendent.

2. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve a complaint by entering into a consent agreement with a licensee and with the consent of the Attorney General.

STATEMENT OF FACTS

A. *Background*

3. The Superintendent of Insurance is the State official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance is the administrative agency with such jurisdiction.

4. The Superintendent has jurisdiction over this matter pursuant to the powers set forth in the Insurance Code generally, as well as the specific provisions of 24-A M.R.S. §§ 12-A and 211 and 10 M.R.S. § 8003.

5. Cigna has been licensed in Maine as a foreign life and health insurance company since 1990 holding Maine Certificate of Authority number LHF860. Its NAIC Code is 67369 and it is domiciled in Connecticut.

6. 24-A M.R.S. § 221(5) requires the Superintendent to examine, no less frequently than once every five years, each foreign health carrier that is offering a health plan and has at least 1000 covered lives in Maine. A targeted market conduct exam of Cigna, the results of which serve as the basis for this Consent Agreement, was accordingly called and conducted pursuant to 24-A M.R.S. §§ 211 and 221.

7. The review period for the examination included claim denials and appeal requests initiated from January 1, 2015, through December 31, 2015.

8. The examiners conducted an on-site exam at Cigna's offices in Colorado from October 17, 2016, through October 28, 2016.

9. The examiners tested Cigna's compliance with certain requirements for claim denials, first level appeals, and second level appeals that are set forth in Maine Bureau of Insurance Rule 850 § 8 and § 9. Rule 850 provides different requirements for appeals of health care treatment decisions and appeals of adverse benefit determinations that do not involve health care treatment decisions.

10. The Examination found several instances of noncompliance with Rule 850, which are set forth in more detail below.

B. First Level Appeals involving Health Care Treatment Decisions

11. Rule 850 § 3(A) states that "[a]ll adverse health care treatment decisions denying benefits to a covered person are subject to the appeals procedures set forth in subsection 8(G) and 8(G-1)."

12. The examiners' review of a total population of sixty-one (61) first level appeals involving health care treatment decisions revealed that the Company did not comply with Rule 850 because the Company's practices and written notifications did not comply with certain appeals procedures set forth in the tested subsections of § 8(G).

13. Forty-five (45) of the sample files contained at least one violation of Rule 850 for failing to follow a procedure set forth in § 8(G) or failing to include a piece of information required by § 8(G) in the written notice of the adverse appeal decision that was sent to the member.

C. Second Level Appeals involving Health Care Treatment Decisions

14. Rule 850 § 3(A) states that "[a]ll adverse health care treatment decisions denying benefits to a covered person are subject to the appeals procedures set forth in subsection 8(G) and 8(G-1)."

15. The examiners' review of a total population of twelve (12) second level appeals involving health care treatment decisions revealed that the Company did not comply with Rule 850 because the Company's practices and written notifications did not comply with certain appeals procedures set forth in the tested subsections of § 8(G-1).

16. Eight (8) of the files contained at least one violation of Rule 850 for failing to follow a procedure set forth in § 8(G-1) or failing to include a piece of information required by § 8(G-1) in the written notice of the adverse appeal decision that was sent to the member.

D. First Level Appeals of Adverse Benefit Determinations

17. Rule 850 § 3(A) states that "[a]ll requests for review of 'adverse benefit determinations,' other than 'health care treatment decisions,' are subject to the grievance procedures set forth in section 9."

18. The examiners' review of a sample population of sixty (60) first level appeals of adverse benefit determinations that did not involve health care treatment decisions revealed that the Company did not comply with Rule 850 because the Company's practices and written notifications did not comply with certain grievance procedures set forth in the tested subsections of § 9.

19. Fifty-four (54) of the sample files contained at least one violation of Rule 850 for failing to follow a procedure set forth in § 9 or failing to include a piece of information required by § 9 in the written notice of the adverse appeal decision that was sent to the member.

E. Second Level Appeals of Adverse Benefit Determinations

20. Rule 850 § 3(A) states that "[a]ll requests for review of 'adverse benefit determinations,' other than 'health care treatment decisions,' are subject to the grievance procedures set forth in section 9."

21. The examiners' review of a total population of five (5) second level appeals of adverse benefit determinations that did not involve health care treatment decisions revealed that the Company did not comply with Rule 850 because the Company's practices and written notifications did not comply with certain grievance procedures set forth in the tested subsections of § 9.

22. One (1) file contained at least one violation of Rule 850 for failing to follow a procedure set forth in § 9 or failing to include a piece of information required by § 9 in the written notice of the adverse appeal decision that was sent to the member.

VIOLATIONS OF LAW

23. As set forth in Paragraphs 11 through 13, Cigna violated Rule 850 because it failed to follow the appeal procedures set forth in Rule 850 § 8(G) in its handling of first level appeals involving health care treatment decisions.

24. As set forth in Paragraphs 14 through 16, Cigna violated Rule 850 because it failed to follow the appeal procedures set forth in Rule 850 § 8(G-1) in its handling of second level appeals involving health care treatment decisions.

25. As set forth in Paragraphs 17 through 19, Cigna violated Rule 850 because it failed to follow the grievance procedures set forth in Rule 850 § 9 in its handling of first level appeals of adverse benefit determinations that did not involve health care treatment decisions.

26. As set forth in Paragraphs 20 through 22, Cigna violated Rule 850 because it failed to follow the grievance procedures set forth in Rule 850 § 9 in its handling of second level appeals of adverse benefit determinations that did not involve health care treatment decisions.

COVENANTS

27. No later than sixty (60) days after executing this Consent Agreement, Cigna will remit to the Maine Bureau of Insurance a company check in the amount of Eighty-One Thousand Dollars ($81,000) payable to the Treasurer of the State of Maine.

28. No later than thirty (30) days after executing this Consent Agreement, Cigna shall submit a proposed Corrective Action Plan to the Superintendent for his review and approval specifying the actions that Cigna intends to implement to correct the procedural deficiencies found during the Examination and set forth in the Market Conduct Examination Report, which is hereby incorporated by reference. The Plan should also include, as attachments, all form letters and notices that have been revised by Cigna based on the examiners' findings.

29. The parties to this Consent Agreement understand that nothing herein shall affect any right or interest which any person not a party to this Agreement may possess.

30. This Consent Agreement is not subject to appeal. Cigna waives any right it might have to appeal any matter that is a subject of this Consent Agreement.

31. This Consent Agreement constitutes an Order of the Superintendent and is enforceable pursuant to 24-A M.R.S. § 215, 10 M.R.S. § 8003(5)(B), and 14 M.R.S. § 3138 by the Superintendent and/or by an action in Maine Superior Court.

32. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto. Any decision to modify, continue or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.

33. This Consent Agreement is a public record subject to the provisions of the Maine Freedom of Access law, 1 M.R.S. §§ 401-414; will be available for public inspection and copying as provided for by 1 M.R.S. § 408-A; and will be reported to the National Association of Insurance Commissioners' "RIRS" database.

34. By the duly-authorized signature of its representative on this Consent Agreement, Cigna warrants that it has consulted with counsel before signing the Consent Agreement or has knowingly and voluntarily decided to proceed in this matter without consulting counsel, that it understands this Consent Agreement, and that it enters into the Consent Agreement voluntarily and without coercion of any kind from any person.

35. In return for Cigna's execution of and compliance with the terms of this Consent Agreement, the Superintendent and the Attorney General agree to forego pursuing further disciplinary measures or other civil or administrative sanctions arising under the Maine Insurance Code for the specific conduct described in this Consent Agreement, other than those disciplinary measures or sanctions agreed to herein. However, should Cigna fail to comply with or violate this Consent Agreement, it may be subject to any available remedy under the law for such a failure or violation.

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CIGNA HEALTH AND LIFE INSURANCE COMPANY

Dated: March 5, 2018

Name: [illegible] President
Title: Cigna Healthcare New England

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: March 6th, 2018

Colin W. Hay
Assistant Attorney General

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: March 9, 2018

Eric A. Cioppa
Superintendent