

COMMONWEALTH OF VIRGINIA



SCOTT A. WHITE
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

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1300 E. MAIN STREET
RICHMOND, VIRGINIA 23219
TELEPHONE: (804) 371-9741
scc.virginia.gov

November 8, 2024

VIA ELECTRONIC MAIL ONLY

*State Corporation Commission
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Gloria Russo Perrotta
Legal Compliance Senior Director
Legal & Corporate Affairs
State Government Affairs - Regulatory Operations
Cigna Healthcare
900 Cottage Grove Road
Hartford, CT 06152

**Re: Alleged Violation of Virginia Regulation 14 VAC 5-405-40 G
Case No.: INS-2024-00106**

Dear Ms. Perrotta,

The Bureau of Insurance (“Bureau”) conducted an investigation of the company’s payment of arbitrated claims after an arbitration decision. Based on the Bureau’s findings, it is alleged that Cigna Health and Life Insurance Company (“Cigna”) violated [14 VAC 5-405-40 G](#) for failing to pay arbitrated cases within 10 calendar days after the arbitration decision.

Cigna failed to pay 40 arbitrated cases within 10 calendar days after the arbitration decision since January 1, 2023. The company has made the necessary claim adjustments and interest has been paid on affected claims.

Cigna indicates that effective April 1, 2024, it has taken several actions to improve the performance of its State IDR processes. As part of these actions, all State Arbitration activities were centralized under one operational area to improve performance and accountability. Effective August 15, 2024, the company updated its internal operating procedures to include procedures designed to ensure that arbitrated claims are paid within ten (10) calendar days. However, the Bureau is aware that these actions have not fully corrected the noncompliance.

The provisions of §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code may result in monetary penalties up to \$5,000 per violation, a cease and desist order, and/or a suspension or revocation of your license to engage in the business of insurance in Virginia.

Gloria Perrotta
November 8, 2024
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In view of the above violations, and in recognition of Cigna's willingness to take prompt corrective action, the Bureau is willing to recommend a favorable settlement of this matter to the State Corporation Commission ("Commission"). This settlement offer is subject to the following conditions:

1. Cigna submits a certified or cashier's check or money order made payable to the Treasurer of Virginia in the amount of \$36,000;
2. Cigna agrees to comply with internal balance billing operating procedures that have been updated to be in accordance with the requirements 14 VAC 5-405-40 G;
3. Cigna agrees to cease and desist from future violations of 14 VAC 5-405-40 G;
4. Cigna submits a spreadsheet monthly to the Bureau for the initial period of September 2024 through February 2025, listing for each completed arbitrated case that month the Patient Name, Provider Name, Arbitration Case Number, Arbitration Decision Date, Cigna Payment Date, and the Cigna Arbitration Payment Amount, indicating whether interest is included. The spreadsheet should continue to include a closed arbitration case until payment has been demonstrated in any given month. The Bureau may require Cigna to continue this reporting for an extended time and additional penalties may be assessed if the reporting demonstrates noncompliance; and
5. Cigna understands it is entitled to a hearing in this matter and waives that right by offering this settlement.

Should you decide to accept our recommendation for settlement, please have an authorized representative of the company sign, date and return the enclosed letter written on the company's letterhead, along with a check in the amount of \$36,000 made payable to the Treasurer of Virginia. These items should be sent overnight to Julie Blauvelt, Deputy Commissioner, at 1300 East Main Street, Richmond, Virginia 23219. Please send an electronic copy of these items to Melissa.Hayes@scc.virginia.gov. The Bureau cannot accept electronic payments of settlement offers.

If the Bureau does not receive your settlement offer by 20 days from the date of the letter, the Bureau will recommend to the Commission that a proceeding be initiated against Cigna to show cause why its license authority in the Commonwealth of Virginia should not be suspended or revoked and why Cigna should not be penalized by the imposition of a fine.

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Please note that this letter and any attachments hereto will become part of the public case file at such time as a Commission Order in this matter is entered.

Any questions or concerns regarding the proposed settlement should be communicated to Jackie Myers at (804) 371-9630 or Jackie.Myers@scc.virginia.gov.

Very truly yours,



Julie Blauvelt
Deputy Commissioner



November 11, 2024

Julie Blauvelt
Deputy Commissioner
Bureau of Insurance
1300 East Main Street
Richmond, VA 23219

RE: Alleged violation of Virginia Regulation 14VAC5-405-40 G
Case No.: INS-2024-00106

Dear Ms. Blauvelt:

This will acknowledge receipt of the Bureau of Insurance's letter dated November 8, 2024, concerning the above-referenced matter.

Cigna Health and Life Insurance Company (Cigna) wishes to make a settlement offer for the alleged violations cited above. Further, we agree to:

1. Enclose with this letter a certified check, cashier's check or money order payable to the Treasurer of Virginia in the amount of \$36,000;
2. Agree to comply with internal balance billing operating procedures that have been updated to be in accordance with the requirements of Virginia Regulation 14 VAC 5-405-40 G;
3. Cigna submits a spreadsheet monthly to the Bureau for the initial period of September 2024 through February 2025, listing for each completed arbitrated case that month the Patient Name, Provider Name, Arbitration Case Number, Arbitration Decision Date, Cigna Payment Date, and the Cigna Arbitration Payment Amount, indicating whether interest is included. The spreadsheet should continue to include closed arbitration cases until payment has been demonstrated in any given month. The Bureau may require Cigna to continue this reporting for an extended time and additional penalties may be assessed if the reporting demonstrates noncompliance; and
4. Acknowledge Cigna's right to a hearing before the State Corporation Commission in this matter and waive that right if the State Corporation Commission accepts this offer of settlement.



This offer is being made solely for the purpose of a settlement and does not constitute, nor should it be construed as, an admission of any violation of law.

Sincerely,

Cigna Health and Life Insurance Company

A handwritten signature in black ink that reads "Pat Brown".

(Signed)

Pat Brown

SVP, Provider Solutions & Operations

November 11, 2024

Enclosure