



Review your CIGNA contract - before September 4!

The CIGNA multi-district litigation (MDL) class action settlement agreement protections **END September 4, 2007**. The termination of the CIGNA settlement agreement means that **CIGNA no longer has to comply with its settlement terms**. However, the termination of the CIGNA settlement does not affect CIGNA's obligation to pay physicians who submitted valid claims for damages from the Claim Distribution Fund and have not yet been paid.

All contracted physicians with CIGNA are encouraged to review their contracts and contact their provider representatives to determine how termination of the MDL settlement will affect their business relationship with CIGNA. The reverse side of this flyer is a checklist that contains a number of key settlement terms. Physicians are encouraged to download the entire settlement document from www.hmosettlements.com to view all of the settlement provisions.

Aetna, Health Net, Humana and WellPoint (Anthem) settlements remain in effect.

The AMA encourages all physicians to learn about the protections offered physicians through the Aetna, Health Net, Humana and WellPoint (Anthem) settlements that remain in effect. Physicians may consider filing a compliance dispute, (a free, simple enforcement process) if prohibited clauses are contained in a contract submitted by the settling health insurer or the settling health insurer fails to adhere to the terms of its settlement. Physicians are encouraged to hold the settling health plans accountable to their respective settlements. The Blue Cross Blue Shield settlement is anticipated to be effective by the end of 2007. Visit the AMA Web site at www.ama-assn.org/go/settlements for additional information on these settlements, including the compliance dispute process.

CIGNA's good faith continuation of business practices

The Physicians Advocacy Institute (PAI) is working with CIGNA in an effort to persuade CIGNA to voluntarily continue most of its business practices required by the settlement in an effort to foster continued communication with physicians and transparency of the payment process. As a result of these discussions, PAI has informed the AMA that CIGNA has indicated the following:

Business practices which will remain in effect:

- Adherence to AMA Current Procedural Terminology (CPT®)* codes, guidelines and conventions
- Availability of fee schedules
- No downcoding of CPT codes for evaluation and management (E&M) services
- Payment of reasonable fees for vaccines and injectibles
- 180 day timely filing requirements on claim submissions

Business practice, which may change:

- Clinically-based medical necessity definition, as defined in the settlement
- Reinstatement of all-products clauses
- Increased frequency of fee schedule changes

Business practice that will change:

- Overpayment recovery period will be extended
- No late payment interest on self-funded business
- Reserve right to contract with rental network PPOs
- Compliance dispute process terminated

The AMA commends the PAI for its efforts on behalf of physicians along with CIGNA for its willingness to continue many of its settlement provisions. The AMA urges CIGNA to continue its commitment to disclose certain business practices and provide physicians with greater transparency in its claims processing and payment practices.

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Summary of “key” CIGNA MDL settlement provisions effective through September 4

This checklist does not summarize or identify all of the protections provided in the Settlement. Physicians are encouraged to download the Settlement from www.hmosettlements.com to obtain a complete list of the provisions CIGNA agreed to under the settlement.

Business practices

- Prohibited “gag clauses”
- Prohibited “all products clauses”
- Restrictions on balance billing
- Termination of contract without cause.

Coding rules

- CIGNA shall comply with most AMA Current Procedural Terminology (CPT®)* codes, guidelines and conventions, unless otherwise identified on CIGNA’s physician Web site.
- No automatic downcoding of any evaluation and management (E/M) CPT code for covered services.
- If a bill contains a CPT code for the performance of an E/M CPT code appended with an appropriate modifier (e.g., modifier 25 and 57) and a CPT code for the performance of a non-E/M service procedure code, both codes will be recognized and eligible for payment.
- A CPT code will not be automatically changed to another CPT code reflecting a reduced intensity of the service when such CPT code is one of a series of codes that differentiates among simple, intermediate and complex.
- A CPT code appended with a CPT modifier 59 will be recognized and separately eligible for payment to the extent that it designates a distinct or independent procedure performed on the same day by the same physician.
- No CPT modifier 51 exempt CPT codes are subject to multiple procedure reduction logic or rule.
- Supervision and interpretation CPT codes are separately identifiable and eligible for payment.
- “Add-on” codes, as designated by CPT, will be recognized and eligible for payment as separate codes and shall not be subject to multiple procedure logic or rule.
- Recommended vaccines and injectibles, as well as the administration of these vaccines and injectibles, will be reimbursed.
- No global period for surgical procedures will be longer than any period designated on a national basis by the Centers for Medicare and Medicaid Services (CMS) for such surgical procedures.

Disclosure of fee schedule information, claim coding and payment policies

- Physician fee schedules must be made available to all contracted physicians upon request of specific CPT codes via email and can be changed only once a year by CIGNA.
- CIGNA will not rent its physician networks to any other managed care company or health insurer that is not a

subsidiary, for the purpose of providing health care services or supplies to any person who is not a plan member.

- Physicians will be given 90 days advance notice of all planned Material Adverse Changes to CIGNA’s policies and procedures affecting performance under contracts with participating physicians.
- CIGNA will respond within 10 days to inquiries regarding fee schedule, claim coding and bundling edits, covered services and clinical guideline information that are sent to the established electronic mail address.
- “Payment in full” or other restrictive endorsement on a payment by CIGNA is not binding and can be appealed.
- Copies of contracts will be provided to physicians upon written request.
- Capitation fees will be paid retroactive to the date of enrollment, when a patient chooses a primary care physician (PCP) or is assigned to a PCP.
- CIGNA shall provide physicians who are paid on a capitation basis with monthly reports within 10 business days after the beginning of each month. These reports will include membership information to allow reconciliation of capitation payments.

Prompt payment requirements

- CIGNA must process and finalize payment for manually submitted claims within 30 calendar days and 15 business days for electronically submitted claims following the submission of all necessary information.
- Interest will be paid at 6 percent on late payments.

Overpayment recovery

- Overpayment recovery efforts will not be initiated more than 12 months after the original payment. A 30 day written notice will be provided to the physician prior to initiating an overpayment recovery effort (other than for recovery of duplicate payments).

Medically necessary or medical necessity definition

- No retroactive retraction of a pre-certified medically necessary determination.
- Clinically-based medically necessity definition

Arbitration

- Arbitration fees for solo and small group physician practices are capped at \$1,000.

New physician credentialing

- New physician group members will be credentialed within 90 days of the receipt of the application. Physicians also can submit an application prior to their employment.

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