

## THE CIGNA MDL SETTLEMENT AGREEMENT ENDS SEPTEMBER 4

### *What You Need to Know in Evaluating Your Continued Participation With CIGNA*

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***Why the Settlement Agreements Matter for Physicians:*** The Settlement Agreements with Aetna, Anthem/WellPoint, CIGNA, HealthNet, Humana, and the Blue Cross/Blue Shield Association resulted from law suits brought by numerous state and county medical associations. These lawsuits alleged that the health plans' payment practices defrauded physicians out of reimbursement owed for patient care. The Settlements were designed to assure transparency and fairness in the payment process and to create streamlined compliance processes to assure that the health plans adhered to their commitments.

***When Do the Settlements End?*** The termination date varies by settlement. The first and only one to end this year is CIGNA. It terminates on September 4, 2007.

***What Happens When a Settlement Ends?*** The termination of a Settlement Agreement means that the health plan no longer has to comply with the Settlement's terms. CIGNA appreciates the importance of the Settlement to physicians and plans to maintain many of its provisions in effect in order to foster communication with physicians and transparency in the payment process. In addition, the Physicians Advocacy Institute ("PAI") has worked with CIGNA in an effort to persuade it to maintain additional business practices required by the Settlement.

***Business Practices Which Will Remain in Effect: Availability of Fee Schedules, No Downcoding of E&Ms, Adherence to Coding Rules, Payment of Reasonable Fees for Vaccines and Injectibles, 180 Day Timely Filing Requirements, and No Overpayment Recovery Beyond 12 Months..*** CIGNA has voluntarily agreed to continue to make its fee schedules and payment rules available to physicians. CIGNA has also agreed to continue adhering to the Settlement's coding rules, including its prohibition on downcoding evaluation and management codes and the payment of reasonable fees for vaccines and injectibles. In addition, CIGNA has agreed to continue to provide 180 days for physicians to file timely claims and to not seek recovery of overpayments beyond 12 months. These were some of the most important provisions of the Settlement Agreement for physicians.

***Business Practices Which May Change: Medical Necessity Definition, Prohibition on All Products, and Frequency of Fee Schedule Changes.*** Although CIGNA has indicated that it intends to maintain the Settlement's clinically-based definition of medical necessity and its prohibition against all products requirements, CIGNA contracts recently sent to physicians in some markets allow the medical necessity definition to be changed and contain all products clauses. In addition, although CIGNA does not currently anticipate revising its fee schedules more than once a year, it has reserved the right to do so.

***Business Practices Which Will Change: Interest Payment, Rental Networks, Recognition of Assignment of Benefits and the Compliance Process***

CIGNA has indicated that it will no longer pay interest on late paid claims for patients of self-funded plans, that it may contract with rental networks, and that it may no longer recognize assignment of benefits. In addition, the compliance process for enforcing the Settlement will no longer be in effect.

***What You Should Do:*** Review any new contract and fee schedules you receive from CIGNA carefully and evaluate what impact the contract's terms will have on your practice. For more information on contract evaluation, contact your state or county medical association, PAI, or the AMA. For more information on the settlements which remain in effect, please go to [www.hmosettlements.com](http://www.hmosettlements.com).