



**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

TENNESSEE INSURANCE DIVISION,)
)
 Petitioner,)
)
 v.) **TID No.: 26-09**
)
 CIGNA HEALTHCARE OF)
 TENNESSEE, INC.)
)
 Respondent.)

CONSENT ORDER

The Insurance Division of the Tennessee Department of Commerce and Insurance (“Division”) and Cigna Healthcare of Tennessee, Inc. (“Cigna” or “Respondent”), hereby stipulate and agree to the entry and execution of this Consent Order (“Order”) in accordance with Title 56 of the Tennessee Code Annotated (“Tenn. Code Ann.”), subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”).

GENERAL STIPULATIONS

1. It is expressly understood that this Order is subject to the Commissioner’s acceptance and has no force and effect until it is entered and executed by the Commissioner.
2. It is expressly understood that this Order is in the public interest, necessary for the protection of consumers, and consistent with the purposes fairly intended by Title 56 of the Tennessee Code Annotated.

3. This Order is executed by the Commissioner, the Division, and the Respondent to avoid further administrative action with respect to this cause. Should this Order not be accepted by the Commissioner, it is agreed that presentation to, and consideration of this Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

4. The Respondent fully understands that this Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Order.

5. The Respondent fully understands that this Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for the facts, acts, or omissions addressed, arise out of, in this Order, that arise out of the facts, acts, or omissions contained in this Order,

6. The Respondent waive all further procedural steps and waive all rights to seek judicial review of, or otherwise challenge the validity of this Order, the stipulations and imposition of discipline contained herein, or the consideration and entry and execution of this Order by the Commissioner.

7. This Order is submitted on the condition that, if accepted, the Commissioner will not bring any future actions against the Respondent alleging violations based on the same factual findings described herein.

AUTHORITY AND JURISDICTION

8. The Commissioner has jurisdiction over the Company, this matter, and this Order, pursuant to Title 56 of the Tennessee Code Annotated (“Tenn. Code Ann.”), pursuant to and including, Tenn. Code Ann. §§ 56-1-101 et seq., 56-1-201 et seq., 56-6-101 et seq, 56-2-301 et

seq., 56-8-101 et seq., 56-9-101 et seq., and 56-13-101 et seq. (hereinafter referred to as the “Law”).

9. The Division is the lawful agent through which the Commissioner discharges this responsibility.

PARTIES

10. The Commissioner administers the Law through the Division and brings this action in the public interest and for the protection of insureds and claimants.

11. Cigna Healthcare of Tennessee, Inc. (“Respondent”) is a Tennessee-domiciled Health Maintenance Organization (NAIC #95606). Respondent’s primary address of record is 730 Cool Springs Blvd., #500, Franklin, Tennessee 37067.

FINDINGS OF FACT

12. At all times relevant hereto, Respondent held a certificate of authority to operate as a Health Maintenance Organization in the State of Tennessee and was responsible for complying with Tennessee insurance laws and rules.

13. Respondent was first authorized to operate as a Health Maintenance Organization in the state of Tennessee on January 11, 1995.

14. Any entity that offers health insurance coverage to its enrollees that restricts reimbursement for covered services to a defined network of providers with no out-of-network benefits is considered a “managed health insurance issuer” (“MHII”) as defined in Tenn. Code Ann. § 56-32-128(a) and must comply with all requirements applicable to MHIIs in Tenn. Code Ann. Title 56.

15. MHIIs are subject to numerous requirements in state law, including the requirement to file network adequacy standards with the Division and update the description annually as outlined in Tenn. Code Ann. § 56-7-2356(a)(2)(A)(i).

16. Based on the most recent policy forms filed with the Division, the Respondent offers health insurance coverage that restricts reimbursement for covered services to a defined network of providers with no out-of-network benefits. The Respondent is therefore subject to state law requirements applicable to MHIIs, including the requirement to file network adequacy standards with the Division and to update the description annually, as outlined in Tenn. Code Ann. § 56-7-2356(a)(2)(A)(i), with regard to the Respondent's offer and administration of such coverage.

17. Tenn. Code Ann. § 56-7-2356 was amended by 2023 Pub. Ch. 1033 to modify various aspects of the network adequacy standards and how they must be reported to the Division. The changes were effective January 1, 2024.

18. In light of these changes, to apprise all Tennessee-authorized insurance companies of requirements applicable to MHIIs, the Commissioner issued Bulletin 24-02 on August 6, 2024 (the "Bulletin").

19. The Bulletin explained that all companies falling within the definition of MHII set out in Tenn. Code Ann. § 56-32-128(a) must comply with all legal requirements applicable to MHIIs contained in Title 56.

20. The Bulletin concluded with a timeline for compliance and stated that "all health plans that meet the criteria in Tenn. Code Ann. § 56-32-128(a) [. . .] must begin complying with all sections of Tenn. Code Ann. Title 56 applicable to MHIIs (in addition to those applicable to health insurers generally, with which the insurer should currently be complying) for plans that are

entered into or take effect on or after January 1, 2025. Filings submitted to the Department regarding policies that will be effective on or after January 1, 2025, must also comply.”

21. On January 30, 2026, the Division received an email notification with the subject line: “TN Notice of Material Change – potential termination of CHI Memorial Hospital” from Cigna. The email informed the Division of a potential termination of Cigna’s contract with CHI Memorial Hospital, with a possible termination effective date of February 1, 2026, only providing the Division with two (2) days' advance notice prior to the potential termination effective date of CHI Memorial Hospital.

22. On February 2, 2026, in a follow-up email from Cigna to the Division, Cigna confirmed that it terminated its contract with CHI Memorial Hospital on February 1, 2026. However, soon thereafter, Cigna informed the Division that it reinstated its contract with CHI Memorial Hospital.

CONCLUSIONS OF LAW

23. Tenn. Code Ann. § 56-7-2356(A)(2)(A)(ii). provides, in part, that:

- (a) requires managed health insurance issuers in Tennessee to report any "material change" to an approved network plan to the insurance commissioner at least 15 days before the change takes effect. This includes changes that would cause the network to no longer meet state network adequacy standards[.]

24. The Findings of Fact detailed above show that the Respondent failed to report a material change to an approved network plan to the Division at least 15 days before the change takes effect, in violation of Tenn. Code Ann. § 56-7-2356(A)(2)(A)(ii).

25. The Commissioner finds the following relief appropriate, in the public interest, and necessary for the protection of consumers.

ORDER

NOW, THEREFORE, based on the foregoing, including the Respondent's waiver of the right to a hearing and appeal under the Act, the Tennessee Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and otherwise, and the Respondent's admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondent agrees to the entry and execution of this Order to settle this matter as evidenced by the Respondent's signature.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 56-7-2356(A)(2)(A)(ii), that:

1. The Respondent **COMPLY** with the Act, as amended, and all rules promulgated thereunder; and

2. The Respondent **PAY A CIVIL PENALTY** to the State of Tennessee of one thousand dollars (\$1,000), pursuant to the following payment terms:

The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and Insurance within (15) calendar days of the execution of this Order by the Commissioner. Page one (1) of this Order must accompany the payment for reference. Payment shall be mailed to the attention of:

**State of Tennessee
Department of Commerce and Insurance
Attn: Virginia Smith
500 James Robertson Parkway
Davy Crockett Tower
Nashville, Tennessee 37243**

3. **GRACE PERIOD** – Payment shall be timely made if postmarked within five (5) business days of the date payment is due.

4. **ACCELERATION** – The Respondent hereby agrees that failure to remit any civil penalty payment more than sixty (60) calendar days following the due date of the civil penalty as indicated in this Order shall constitute a default. Upon default, the civil penalty increases to two thousand dollars (\$2,000), which shall be due and payable immediately.

5. **DELINQUENCY** – The Respondent hereby agrees that failure to make any payment according to this Order shall result in the immediate revocation of the Respondents’ registrations with the Division.

6. **MODIFICATION** – The Division and the Respondent hereby agree that modifications to this Order regarding any term may only be made in writing and signed by an authorized representative of each party.

7. The Respondent’s failure to comply with the terms of this Order, including the manner and method of payment of the civil penalty described above, shall result in further administrative disciplinary actions, including the potential for assessing additional civil penalties.

8. This Order represents the complete and final resolution and discharge of the Respondent and the Division’s administrative and civil claims, demands, actions, and causes of action for violations of the law cited herein with respect to the failure to timely notify the Division mentioned in the above-referenced facts and Conclusions of Law. However, excluded from and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of this Order

9. This Order is in the public interest and the best interests of the Parties. It represents a settlement between the Parties and is for settlement purposes only. By the signatures affixed below, or in two (2) or more counterparts, the Respondent affirmatively states: it freely agrees to the entry and execution of the Order; the Respondent waives the right to a hearing on, or a review of, the matters, the Findings of Fact, and the Conclusions of Law underlying this Order or the enforcement of this Order; and it encountered no threats or promises of any kind by the Commissioner, the Division, or any agent or representative thereof.

10. By signing this Order, the Commissioner, the Division, and the Respondent affirmatively state their agreement to be bound by the terms of this Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this Order, are binding.

11. This Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or other electronic copies shall be deemed to constitute duplicate originals.

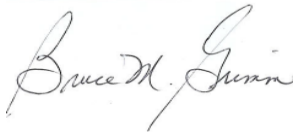
ENTERED AND EXECUTED March 23, 2026.



[Carter Lawrence \(Mar 23, 2026 10:15:37 PDT\)](#)

Carter Lawrence, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:



Signature

Bruce M. Grimm

Typed Name

President

Title

On behalf of Cigna Healthcare of Tennessee Inc.



[Scott McAnally \(Mar 20, 2026 16:28:43 CDT\)](#)

Scott McAnally
Assistant Commissioner for Insurance
Department of Commerce and Insurance



Virginia Smith, BPR #31248

Chief Counsel for Insurance and TennCare
Oversight
Department of Commerce and Insurance