



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

TENNESSEE INSURANCE DIVISION,)	
)	
Petitioner,)	
)	
v.)	TID No.: 26-10
)	
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. and Cigna Health and Life Insurance Company (collectively “Cigna”), 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 such acceptance is evidenced by the Order’s entry and execution 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 intended by Title 56 of the Tennessee Code Annotated (“Law”).

3. This Order is executed by the Commissioner, the Division, and the Respondent to avoid further administrative action with respect to this cause of action. 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 participating in or resolving 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, facts, or omissions that are not specifically addressed in, or that do not arise from, 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 acts or omissions addressed specifically in this Order, violations of law that arise out of the facts, acts, or omissions contained in this Order, or acts or omissions addressed specifically herein that result from the execution of this Order.

6. The Respondent waives all further procedural steps and 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 action 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, under 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.

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, the 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. The 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 under the 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 regards to 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. Around the time the Division issued the Bulletin, the Division received a complaint about Cigna alleging it maintained inadequate networks.

22. The Division reviewed the complaint and issued its finding and response regarding “Network Adequacy and Sufficiency Review Requests” on November 4, 2025 (“Response”).

23. The Division conducted a review of Cigna’s network adequacy reporting and found an inadequate number of facilities in six (6) counties in Cigna’s Connect network, while the remainder of the analyzed networks were adequate.

24. Lastly, Cigna’s network failed to report the other specialists required by Tenn. Code Ann. § 56-7-2356(a)(3). Specifically, Cigna’s network adequacy standards description failed to include a report of each network hospital with the percentage of providers in emergency medicine, radiology, radiation oncology, pathology, and hospitalists practicing in the hospital within Cigna’s network.

CONCLUSIONS OF LAW

25. Tenn. Code Ann. § 56-7-2356(a)(1) provides in part:

Each managed health insurance issuer that offers a plan that limits its enrollees' choice of providers shall maintain a network that is sufficient in numbers and types of providers to assure that all covered benefits to covered persons will be accessible without unreasonable delay. In the case of emergency services, covered persons shall have access to health care services twenty-four (24) hours per day, seven (7) days per week. Sufficiency shall be determined in accordance with the requirements of this section and may be established by reference to network adequacy standards established by the managed health insurance issuer, specifically:

- (A) Primary care provider-covered person ratios; and
- (B) Geographic accessibility[.]

26. Tenn. Code Ann. § 56-7-2356(a)(3) states:

In an effort to ensure that consumers within a geographic region have an adequate opportunity to select an in-network provider, including specialty providers and facilities, and to avoid unanticipated out-of-network costs, the network adequacy standards description must include a report for each network hospital that provides the percentage of providers in each of the specialties of emergency medicine, anesthesiology, radiology, radiation oncology, pathology, and hospitalists practicing in the hospital who are in the health benefit plan's network.

27. Tenn. Code Ann. § 56-7-2356(g) allows the Commissioner to assess civil penalties and pursue disciplinary actions under Tenn. Code Ann. § 56-2-305 for violations of Tenn. Code Ann. § 56-7-2356 as follows:

If the commissioner determines that a managed health insurance issuer has not met the sufficiency standards established by this section, then the commissioner shall require a modification to the network or may institute a corrective action plan to ensure access for enrollees. The commissioner may take other disciplinary action for violations of this section as permitted pursuant to § 56-2-305, and in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

28. Tenn. Code Ann. §§ 56-2-305(a)(1)-(3) and 56-2-305(b)(1)-(10) establish:

(a) If, after providing notice consistent with the process established by § 4-5-320(c) and providing the opportunity for a contested case hearing held in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, part 3, the commissioner finds that any insurer, person, or entity required to be licensed, permitted, or authorized by the division of insurance has violated any statute, rule or order, the commissioner may, at the commissioner's discretion, order:

(1) The insurer, person, or entity to cease and desist from engaging in the act or practice giving rise to the violation;

(2) Payment of a monetary penalty of not more than one thousand dollars (\$1,000) for each violation, but not to exceed an aggregate penalty of one hundred thousand dollars (\$100,000), unless the insurer, person, or entity knowingly violates a statute, rule or order, in which case the penalty shall not be more than twenty-five thousand dollars (\$25,000) for each violation, not to exceed an aggregate penalty of two hundred fifty thousand dollars (\$250,000). This subdivision (a)(2) shall not apply where a statute or rule specifically provides for other civil penalties for the violation. For purposes of this subdivision (a)(2), each day of continued violation shall constitute a separate violation; and

(3) The suspension or revocation of the insurer's, person's, or entity's license.

29. The Findings of Fact detailed herein demonstrate that the Respondent violated Tenn. Code Ann. § 56-7-2356(a)(1) by maintaining an inadequate network in six (6) counties.

30. The Findings of Fact detailed herein further demonstrate that the Respondent violated Tenn. Code Ann. § 56-7-2356(a)(3) by not reporting to the Division each network hospital with the percentage of providers in emergency medicine, radiology, radiation oncology, pathology, and hospitalists practicing in the hospital who are in Cigna's network.

31. 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 law and the Tennessee Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, 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 that:

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

2. The Respondent, within sixty (60) days of the Commissioner's execution of this Order, remedy its insufficient network of facilities in the following counties: Bradley, McMinn, Polk, Robertson, Scott and Sumner.

3. The Respondent **PAY A CIVIL PENALTY** to the State of Tennessee of fifty thousand dollars (\$50,000) by check, as follows:

The check shall be made payable to the Tennessee Department of Commerce and Insurance within fifteen (15) 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:

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

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

5. **ACCELERATION** – The Respondent hereby agrees that if it fails to remit any payment more than sixty (60) calendar days from the date this Order is executed, such failure shall constitute a default. Upon default, the fifty thousand dollars (\$50,000) in civil penalties shall be due and payable immediately.

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

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

8. 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, which may include the assessment of additional civil penalties.

9. This Order represents the complete and final resolution of and discharge of all administrative and civil claims, demands, actions, and causes of action by the Commissioner


against the Respondent for violations of the law with respect to the transactions involved in above-referenced facts. However, excluded from and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of the Order provisions contained herein.

10. This Order is in the public interest and the best interests of the Parties. It represents a settlement of the controversy 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 the following: the Respondent 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 the Respondent encountered no threats or promises of any kind by the Commissioner, the Division, or any agent or representative thereof.

11. 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 upon them.

12. 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 May 22, 2026.


Carter Lawrence (May 22, 2026 15:22:20 CDT)

Carter Lawrence, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:


Scott McAnally (May 22, 2026 12:48:50 CDT)

Scott McAnally
Assistant Commissioner for Insurance
Department of Commerce and Insurance

/s/ Virginia Smith
Virginia Smith, BPR #31248
Chief Counsel for Insurance
Department of Commerce and Insurance

Kandice K. Sanaie

Signature
Signed and accepted on behalf of Cigna

Kandice K. Sanaie
Typed Name
Senior Director, Government Affairs
Typed Title