



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

IN THE MATTER OF:

**CIGNA HEALTHCARE OF
TENNESSEE, INC.**

)
)
)
)
)
)

TID No.: 25-28

ORDER ADOPTING EXAMINATION REPORT

Pursuant to Tenn. Code Ann. § 56-32-115, the Insurance Division of the State of Tennessee, Department of Commerce and Insurance (“Division”) has examined certain affairs of Cigna Healthcare of Tennessee, Inc. (“Company”), an insurance company domiciled in the state of Tennessee. As a result of an examination conducted as of December 31, 2023, the examiner-in-charge filed a verified, written report on the examination with the Division on May 15, 2025. A copy of that report was sent to the Company. (The Report on Examination of the Company is attached hereto and marked as Exhibit A).

The Division received a response regarding the report from the Company dated June 30, 2025. (The written response submitted by the Company is attached hereto and marked as Exhibit B).

Pursuant to Tenn. Code Ann. § 56-32-115, the examination report regarding the affairs of the Company is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to maintain for review the accounting information necessary to support the reasonableness of charges or fees for affiliated transactions, as required by Tenn. Code Ann. § 56-11-106(a)(1), Statement of Statutory Accounting Principles (SSAP) No. 25 and A-440 of the NAIC Accounting Practices and Procedures Manual (“Manual”). For future affiliated contracts, it is recommended that the Company be able to fully demonstrate that the charges or fees are fair and reasonable or enter into those arrangements on a cost basis.
2. The Company is **DIRECTED** to refrain from imposing more restrictive financial requirements (such as coinsurance and copays) and treatment limitations (such as visit limits) on mental health/substance use disorder (MH/SUD) benefits than the predominant financial requirements and treatment limitations that apply to substantially all medical/surgical (M/S) benefits in a classification. It is further recommended that the Company review and correct the failures identified below for the non-quantitative treatment limitations (NQTL) comparative analysis as required by Tenn. Code Ann. § 56-7-2360(a)(2), 42 U.S.C. § 300gg-26(a)(8)(A)(i) – (iv), and 45 C.F.R. § 146(c)(4)(i). Specific recommendations are identified as follows:
 - a. Demonstrate comparability and relative stringency in the application of the Return of Investment (ROI) factor for prior authorization by providing supporting evidence for multiple codes providers can use for M/S services. Additionally, refrain from applying a different process and evidentiary standard when calculating ROI for all MH/SUD services by grouping multiple MH/SUD codes, specifically regarding “add-ons” for certain codes added to another code that already requires prior authorization.
 - b. Provide sufficient information and supporting documentation regarding the factors considered in the design and application of the NQTL, as written and in operation, for prior authorization. Specifically, information regarding the discrepancy within the formula used to determine the estimated cost to review a service for MH/SUD and M/S services appears to be missing.
 - c. Demonstrate comparability regarding the processes, strategies, evidentiary standards, and other factors used to apply the NQTL, as written for step therapy. Specifically, review and modify as appropriate the requirement for a prescriber to report inadequate efficacy or significant intolerance to two (2) drugs treating MH/SUD conditions before the patient can be approved for different medication compared to one (1) drug treating M/S conditions. Additionally, review and modify as appropriate the requirement to report and document side effects in order to try a new drug treating MH/SUD conditions whereas this requirement does not exist for drugs treating M/S conditions.

The adoption of this examination report shall not preclude the Department from imposing sanctions against the Company for additional violations of Tennessee insurance law which may be

revealed in the examination report, it being the intent of this Order merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED AND EXECUTED July 1, 2025.



Carter Lawrence, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:



Jenny Taylor (BPR# 027264)
Associate General Counsel
Department of Commerce and Insurance
Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243
(615) 426-1084
Jenny.Taylor@tn.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as filed has been emailed to Bill Huddleston, Assistant Commissioner for Insurance, Department of Commerce and Insurance at bill.huddleston@tn.gov; and mailed first class, postage prepaid, to Cigna Healthcare of Tennessee, Inc., 1000 Corporate Centre Drive, Franklin, TN 37067, on July 7, 2025.

Jenny Taylor
Jenny Taylor (Jen 30, 2025 15:09 CDT)

Jenny Taylor
Associate General Counsel