

NEW HAMPSHIRE INSURANCE DEPARTMENT
MARKET CONDUCT TARGETED EXAMINATION

OF

CIGNA HEALTHCARE OF NEW HAMPSHIRE, INC.
ROUTING 454
2 COLLEGE PARK DRIVE
HOOKSETT, NEW HAMPSHIRE 03106

NAIC # 0901-95493
Jurisdictions Participating:
New Hampshire

FOR
NETWORK ADEQUACY
IN THE
GREATER MANCHESTER AREA
AS OF APRIL 11, 2002

ADOPTED

AUGUST 21, 2002

Executive Summary

A targeted examination of specific files and documentation of numerous policies and procedures was conducted at the request of the Commissioner. The on-site review at CIGNA Healthcare of New Hampshire, Inc. was completed to confirm the proper reporting of negotiating efforts and that appropriate policies and procedures were evident during the contract negotiations between CIGNA Healthcare of New Hampshire, Inc. and the New Hampshire Physicians Organization (NHPO). The major concern was CIGNA's ability to maintain an adequate network within the Manchester area, with maximum consumer awareness.

Background

The Department (NHID) received a request and met with representatives of the NHPO. The NHPO provided the Department with information regarding the status of terminated CIGNA provider contracts held by physicians within their organization. The supporting documentation that was provided related to the 177 physicians servicing the Manchester area within the NHPO and their participating contract agreements with CIGNA Healthcare of New Hampshire, Inc. The Department had previously requested periodic updates from CIGNA on the contract negotiations with individual providers and the NHPO. Information received from both parties raised NHID concern due to conflicting information associated with the total number of providers terminated. Based on the conflicting information, the Department requested the examiner to compare the reported data from both parties, document conflicting information relating to the termination status of these physicians and confirm the accuracy of reported information within CIGNA provider contract files. In addition, the Department requested the examiner to address general questions of concerns drafted by the Department in the form of a questionnaire and addressed to CIGNA officials. The questionnaire addressed consumer awareness and protection efforts, provider information availability and network adequacy.

Scope

The scope of the targeted examination consisted of the following on-site activities:

- provider contract file review (14 files)
- completion of the questionnaire for confirmation of policies and procedures in place at CIGNA Healthcare of New Hampshire, Inc. to secure consumer awareness and protection.

Procedures

The list of 14 NHPO physicians with reported conflicts in termination status was faxed to the legal counsel of CIGNA Healthcare of New Hampshire, Inc. with a request for the contract files to be retrieved for review by the examiner. The examiner found no exceptions in the 14 files reviewed.

The Department questionnaire used by the examiner was completed with CIGNA legal counsel and the provider relations representative for the Manchester area. The following issues were addressed: Provider Directory updating procedures, web page verification and availability, member list availability for terminated providers, Call Physician coverage policy, participating specialists procedure confirmation, transition issues, payment issues, open authorizations policy and procedures and renewal of prescription procedures for non-participating physicians. The on-site discussion and documented policies review confirmed the procedures maintained by the insurer relating to the concerns addressed within the questionnaire were appropriate with minimal consumer risk.

The attached detail documents the findings of the on-site examination.

Conclusion:

On May 15, 2002 the Insurer met with the New Hampshire Insurance Department and confirmed a two year contract (1/1/02 through 12/31/03) had been signed with the New Hampshire Physicians Organization with 100% participation in contract renewal by the 177 physician within the NHPO.

CIGNA Healthcare of New Hampshire, Inc.
On-Site Examination of Provider Contract Files
4/11/02

From reports provided by NHPO and CIGNA, the examiner identified 14 physicians subject to conflicting reports about contract status. A list of the 14 providers was forwarded to Sharon Hecker with instructions to furnish the files for examination.

The files were reviewed with Brian Wells, Sharon Hecker and the examiner to confirm the documentation. The following was determined:

#1 Martin Ginsberg, Anesthesiology – listed within a practice and not listed individually on CIGNA List –Terminated Status

#2 Stephen Perreault, Anesthesiology – non-participating provider with CIGNA (no record of participation status)

#3 David Wagner, Anesthesiology – listed within a practice - not listed individually on CIGNA List

#4 F. William Danby, Dermatology

#5 Lynette Margesson, Dermatology – neither provider participated with CIGNA since January 2000 - not listed as terminated since they were not active for 2 years.

#6 Lawrence Hoopp, General Surgery – listed as “in negotiations” – has since cancelled and will be included on updated list

#7 Cecilia Clemans, OB/GYN

#8 Jeanne Johnson, OB/GYN

#9 Mary Jo Montanarella, OB/GYN

#10 Linda Syiek, OB/GYN - providers numbered 6-9 are within the same practice –terminated date is listed as 7/1/02 by NHPO - CIGNA has no indication of termination on this practice and has a contract date of 7/1/02 with a 6 month notification stipulation in the contract

#11 Barry Jacobs, Ophthalmology - listed as “in negotiations” but terminated on 5/5/02 – new status was reflected in the new listing received 4/12/02

#12 Douglas Goumas, Orthopedic

#13 John Lynn, II, Orthopedic

#14 Lance Macey, Orthopedic - providers numbered 12-14 are within the same practice - on 3/29/02 CIGNA received notice of intent to terminate the contracts with a desire to renegotiate- negotiations are in process

Conclusion:

- The examiner found no misrepresentation of status for any of the 14 providers selected for review.
- If status was "in negotiation", then proper documentation of that status was in the provider file.
- If status was reported "cancelled", then the cancelled date was found within the file.
- Two of the providers should not have been included in the network, as indicated by NHPO, since the last contract held with CIGNA was January of 2000.
- Four OB/GYN providers have a contract date of 7/1/02 and have a 6 month notification of termination clause within the contract. No notice of termination was received by CIGNA as of 4/11/02.
- On 3/29/02 three Orthopedic providers requested a copy of their contracts with a renewal date of 12/01/02. This practice also has a 6 month termination notification clause in the contract. Negotiations are in process as previously reported to the Department.
- The total number of members affected by the CIGNA Primary Care Physicians (PCP) terminations was:
1,300 from Suncook Family Practice
400 from one other practice with two PCP's.
- Suncook Family Practice members were placed with a new contracting practice in Hooksett, New Hampshire

**CIGNA Healthcare of New Hampshire/
New Hampshire Physician Organization
Network Questionnaire**

The following questions were presented to Sharon Hecker, Legal Counsel and Michelle Corey, Provider Relations Representative (Manchester area) by the examiner to clarify transition of members for terminated providers. Their replies are summarized in bold faced type included with each question. The examiner's comments are included in parentheses.

I. PROVIDER DIRECTORY:

What is the schedule for updating Member and Provider Directories?

Provider and member Directories are updated twice a year January 31 and July 31 each year. (A special letter is to be prepared for participating providers listing physicians specialists still participating due to timing of directory which is not until 7/31/02.)

2. WEB PAGE:

Does CIGNA Healthcare have a web page? **Yes**

Does the web page provide provider network information? **Yes**

CIGNA's Web Page is www.cigna.com and the provider network information is updated daily. (New ID cards being issued at the group renewal date have the web page printed down the left side of the card.)

3. TERMINATED PROVIDERS (Member List for PCP's):

Were lists of provider patients requested by terminating providers from CIGNA for notification to patients?

CIGNA was only aware of Suncook Family Practice requesting a list. Since these providers went to a fee for service schedule approximately a year ago CIGNA would not be able to provide a current list. Only providers that have a capitation arrangement with CIGNA could receive a current list.

(Information is not retained for providers with fee for service contracts.)

A list was provided to Suncook Family however as explained above it was not current as that detail is not maintained in the new platform for a fee for service provider.

4. CALL PHYSICIAN COVERAGE:

What is CIGNA's policy concerning reimbursement for call group physicians?

Call Physicians – non-participating coverage arrangement. Charges are paid.

A Manchester physician called CIGNA, as he is a covering physician for a participating provider. Exception was made for Manchester area physicians to pay charges.

5. PARTICIPATING SPECIALISTS:

How are participating specialists for patient referrals provided to physicians?

Lists have been provided to Elliot and CMC with a special notice to be prepared for any other providers requiring notification.

Have you been asked to provide physicians with this information? *No*

How did you respond? *N/A*

6. TRANSITION ISSUES:

(a) Emergency Room:

What is CIGNA position regarding reimbursement for emergency room when patient has seen non-participating physician?

There is no difference between par and non-par reimbursement in emergency room.

(b) Elective Surgery:

No difference in treatment for elective surgery than any other

(c) Continuation of care:

For OB patients with delivery date subsequent to a physician's termination effective date an open authorization for 60 days.

OPEN AUTHORIZATIONS: (If letter sent to member was not timely due to contract negotiations) See Exceptions Policy for Manchester PS104 (Rec. 4/22/02)

All authorizations (open) have been loaded with a 60-day authorization.

Members have been sent a letter. See attached memo regarding authorizations from Michelle Corey Provider Representative. (It should be noted that all physicians involved created approximately 3900 open authorizations. An exception policy is being typed for terminations in Manchester and will be forwarded to the examiner when completed. Rec. 4/22/02)

Primary OB Physicians for qualified members will be treated as any other and reimbursement is charges (bills are usually sent as a Global Bill after delivery)

Any current patient should be told by physician that they are a nonparticipating provider. (A Manchester provider had called to determine status of existing OB patients and was assured that they were all honored by CIGNA.)

7. PAYMENT INFORMATION:

How is continued care where a referral has been approved for a number of visits to a physician that become non-participating in the interim handled?

No letter was sent. Verbal discussions regarding payment has been held with some providers.

Who should submit the bill?

CIGNA is requesting that the bill be sent to them and they will pay charges.

CIGNA by law or contract can not tell the provider to not bill the patients.

CIGNA stated that if necessary they will send a letter to patients encouraging them not to pay the bill.

Any balance billing should be forwarded by member to CIGNA(Customer Service).

8. RENEWAL OF PRESCRIPTION:

Can a prescription be filled from a physician who has become non-participating?

CIGNA's Pharmacy Director stated that all prescriptions written by a physician who then terminates could still be filled. The only thing that their system checks is that the physician has a valid DEA number. The system does not check their contract status. (It should be noted that pharmacy is handled by the ARGUS Company who processes all pharmacy claims under a delegated contract.)