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Committee on Health Coverage, Insurance and Financial Services  
Testimony by Cigna in Opposition to:  
LD 1407 - An Act to Amend the Maine Insurance Code Regarding Payments  
by Health Insurance Carriers to Providers

Good Afternoon Senator Bailey, Representative Perry and Members of the Health Coverage, Insurance and Financial Services Committee, I am Christine Cooney, Cigna's State Government Affairs Manager for New England. Thank you for the opportunity to submit testimony on behalf of Cigna and offer comments in opposition to LD 1407, An Act to Amend the Maine Insurance Code Regarding Payments by Health Insurance Carriers to Providers.

For background, The Cigna Group (either individually or collectively referred to as “Cigna”) is a global health services organization committed to improving health and vitality and enhancing the lives of our clients, customers, and patients. Our Cigna Healthcare and Evernorth Health Services divisions are major providers of medical, pharmacy, dental, and related products and services, with over 190 million customer relationships in the more than 30 countries and jurisdictions in which Cigna operates. The company and its businesses employ more than 70,000 people. In all of the segments Cigna serves, the company strives to deliver health care that is affordable, predictable, and simple – so people can live healthier, more vibrant lives.

Cigna is concerned that this proposal could have unintended negative consequences for health plan customers in Maine if it were enacted, and that it would interfere with long-standing contracts between Cigna and its providers.

LD 1407 would interfere with Cigna's provider and client contracts and profoundly disrupt well-established mechanisms for communicating evolving coverage and reimbursement standards. Contracts between Cigna and network providers specifically state that the provider agrees to abide by Cigna's administrative guidelines (including coverage and reimbursement policies) as a condition of participating in our network. Administrative guidelines are used, in part, to adopt emerging industry standards, and to administer our client benefits more accurately with the advent of new technology and processes. Cigna agrees to provide advance notice of material changes to Administrative Guidelines, and the provider has the right to terminate the agreement if they object to a change in the Administrative Guidelines. This allows the parties' relationship to evolve with changing coverage and reimbursement policies without having to continually amend contracts. If contract amendments were required every time a guideline changed, or if amendments to the administrative guidelines could not be implemented within 18 months of the notice of the amendment, Cigna's ability to administer client accounts in step with emerging industry practices would be severely compromised. This would hamper innovation and limit Cigna's ability to meaningfully keep pace with industry and clinical developments.

Administrative guidelines are often used to communicate new reimbursement policies, such as billing protocols for new services. They are also used to inform providers of new coverage policies that align with customer certificates and benefit plans. Administrative guidelines are not, and cannot, be used to make changes to customer insurance certificates or negotiated reimbursement rates with providers. It is important to recognize that in the event of an inconsistency between the provider contract and the administrative guidelines, the provider contract controls.

The practice of allowing changes through administrative guidelines is a well-established and transparent process. It provides for advance notification of any changes, a portal to pull information from and a point of contact if any questions arise from providers. Administrative guidelines and provider manuals are the key to communicating beneficial changes in a rapidly evolving health care field. We have an obligation to constantly pursue options that improve the quality of, and access to, care.

This legislation would impede an insurer's ability to innovate and adapt as better care develops and would impact our ability to implement policies that align with customer benefit plans. If enacted, this legislation would give Maine providers the ability to impact the adoption of national coverage and reimbursement policies, would increase the total cost of care, and would require constant negotiation of provider contracts at enormous operational expense.

We hope you will consider the detrimental impact this unnecessary legislation could have on the health care system as whole, but most importantly on customers and patients, and agree that this bill Ought Not To Pass.

Once again, thank you for the opportunity to weigh in on this proposed bill.

If you have any questions, please do not hesitate to contact me at (804.904.3473) or [Christine.Cooney@cigna.com](mailto:Christine.Cooney@cigna.com).