

# STATE OF MISSOURI



## DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

*In Re:*

CIGNA HEALTHCARE OF ST. LOUIS, INC.  
(NAIC #95635)

)  
)  
) **Market Conduct Examination**  
) **No. 332457**

### ORDER OF THE DIRECTOR

NOW, on this 27<sup>th</sup> day of August, 2021, Director, Chlora Lindley-Myers, after consideration and review of the market conduct examination report of Cigna Healthcare of St. Louis, Inc., examination report no. 332457, prepared and submitted by the Division of Insurance Market Regulation (hereinafter "Division") pursuant to §374.205.3(3)(a)<sup>1</sup>, does hereby adopt such report as filed. After consideration and review of the market conduct examination report, relevant work papers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be the Director's findings and conclusions accompanying this order pursuant to §374.205.3(4). The Director does hereby issue the following orders:

This order, issued pursuant to §374.205.3(4) and §374.046.15. RSMo, is in the public interest.

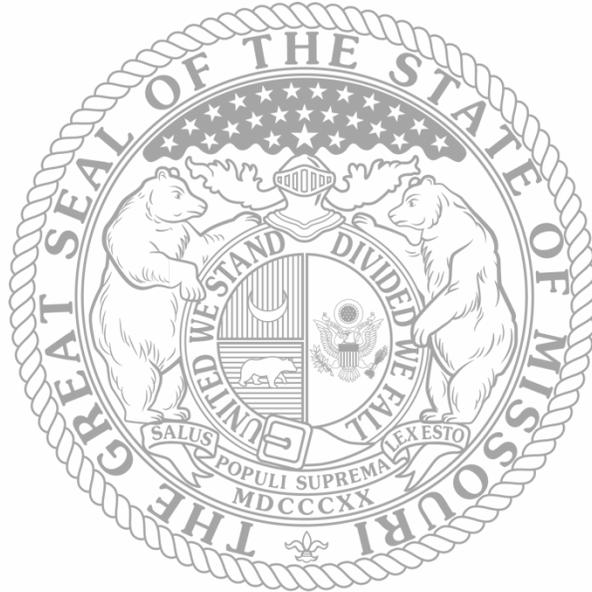
**IT IS SO ORDERED.**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of my office in Jefferson City, Missouri, this 27<sup>th</sup> day of August, 2021.



*Chlora Lindley-Myers*  
Chlora Lindley-Myers  
Director

<sup>1</sup> All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended or to the Code of State Regulations, 2020, as amended.



**FINAL MARKET CONDUCT EXAMINATION REPORT  
Health Business of**

**Cigna Healthcare of St. Louis, Inc.  
NAIC #95635**

**MISSOURI SBS EXAMINATION #332457**

**NAIC MATS #MO-HICKSS1-126**

**August 18, 2021**

**Home Office  
231 South Bemiston Ave., Suite 500  
Clayton, MO 63105**

**STATE OF MISSOURI  
DEPARTMENT OF COMMERCE & INSURANCE**

**JEFFERSON CITY, MISSOURI**

## TABLE OF CONTENTS

<b>FOREWORD.....</b>	<b>3</b>
<b>SCOPE OF EXAMINATION.....</b>	<b>3</b>
<b>COMPANY PROFILE.....</b>	<b>4</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>EXAMINATION FINDINGS .....</b>	<b>5</b>
<b>I. COMPLAINT HANDLING.....</b>	<b>5</b>
<b>II. GRIEVANCE PROCEDURES .....</b>	<b>6</b>
<b>III. CRITICISMS AND FORMAL REQUESTS TIME STUDY .....</b>	<b>8</b>
<b>EXAMINATION REPORT SUBMISSION.....</b>	<b>9</b>

August 18, 2021

Honorable Chlora Lindley-Myers, Director  
Missouri Department of Commerce and Insurance  
301 West High Street, Room 530  
Jefferson City, Missouri 65101

Director Lindley-Myers:

In accordance with your market conduct examination warrant, a targeted market conduct examination has been conducted of the specified lines of business and business practices of

**Cigna Healthcare of St. Louis, Inc. (NAIC #95635)**

hereinafter referred to as Cigna Healthcare of St. Louis, Inc. or as the Company. This examination was conducted as a desk examination at the offices of the Missouri Department of Commerce and Insurance (DCI).

**FOREWORD**

This examination report is generally a report by exception. However, failure to criticize specific practices, procedures, products or files does not constitute approval thereof by the DCI.

During this examination, the examiners cited errors considered potential violations made by the Company. Statutory citations were as of the examination period unless otherwise noted.

When used in this report:

- “Company” refers to Cigna Healthcare of St. Louis, Inc.
- “CSR” refers to the Missouri Code of State Regulations
- “DCI” refers to the Missouri Department of Commerce and Insurance
- “Director” refers to the Director of the Missouri Department of Commerce and Insurance
- “NAIC” refers to the National Association of Insurance Commissioners
- “RSMo” refers to the Revised Statutes of Missouri

**SCOPE OF EXAMINATION**

The DCI has authority to conduct this examination pursuant to, but not limited to, §§374.110, 374.190, 374.205, 375.938, and 375.1009, RSMo., conducted in accordance with §374.205.

The purpose of this examination was to determine if the Company complied with Missouri statutes and DCI regulations. The primary period covered by this review is January 1, 2015, through December 31, 2017, unless otherwise noted. Errors found outside of this time period may also be included in the report.

The examination was a targeted examination involving the following lines of business and business functions: Health Insurance in the areas of Complaint Handling and Grievance Procedures.

The examination was conducted in accordance with the standards in the NAIC's *Market Regulation Handbook*. As such, the examiners utilized the benchmark error rate guidelines from the NAIC *Market Regulation Handbook* when conducting reviews that applied a general business practice standard. The NAIC benchmark error rate for claims practices is seven percent (7%) and for other trade practices, it is ten percent (10%). Error rates exceeding these benchmarks are presumed to indicate a general business practice. The benchmark error rates were not utilized, however, for reviews not applying the general business practice standard.

In performing this examination, the examiners only reviewed a sample of the Company's practices, procedures, products and files. Therefore, some noncompliant practices, procedures, products and files may not have been found. As such, this report may not fully reflect all of the practices and procedures of the Company.

## **COMPANY PROFILE**

Cigna Healthcare of St. Louis, Inc. is licensed by the DCI under Chapter 354, RSMo, to operate as a Health Maintenance Organization (HMO). The Company is a wholly owned subsidiary of Healthsource, Inc., which is a wholly owned subsidiary of Cigna Health Corporation, which is an indirect wholly owned subsidiary of Cigna Corporation. The Company was incorporated as a for-profit corporation under the laws of the State of Missouri on May 2, 1985, and it commenced its operations on February 1, 1986. Effective September 30, 2011, the Company merged with its affiliate, Cigna Healthcare of Ohio d/b/a Cigna Healthcare of Kansas/Missouri, with the Company being the surviving corporation.

According to the Department's *2016 Missouri Health Maintenance Organization Report*, the Company's service area at the beginning of the examination period encompassed the Missouri counties of Andrew, Barry, Buchanan, Cass, Christian, Clay, Clinton, DeKalb, Franklin, Greene, Jackson, Jasper, Jefferson, Lafayette, Lawrence, Newton, Platte, Polk, Ray, St. Charles, St. Louis, St. Louis City, and Webster.

## **EXECUTIVE SUMMARY**

The DCI conducted a targeted market conduct examination of Cigna Healthcare of St. Louis, Inc. The examiners found no areas of concern in their review.

## EXAMINATION FINDINGS

### I. COMPLAINT HANDLING

The complaint handling portion of the examination provides a review of the Company's complaint handling practices. The examiners reviewed how the Company handled complaints to ensure it was performing according to its own guidelines and Missouri statutes and regulations.

#### **A. NAIC Complaint Handling Standard 1: All complaints are recorded in the required format on the regulated entity's complaint register.**

Pursuant to §375.936(3), RSMo, and 20 CSR 100-8.040(3)(D), insurance companies are required to maintain a log or register of all written complaints received for the last three years. The log or register must include all Missouri complaints, including those sent to the DCI and those sent directly to the Company. The examiners requested and reviewed the Company's complaint log as to content and format.

The Company's complaint log contained 32 complaint records of complaints sent directly to the Company and no complaints sent to the DCI. To verify the accuracy of the complaint log as to DCI complaints, the examiners reviewed the DCI complaint system. No DCI complaints for the Company were noted within the scope of the examination.

The examiners found no errors in this review.

#### **B. NAIC Complaint Handling Standard 2: The regulated entity has adequate complaint handling procedures in place and communicates such procedures to policyholders.**

To test for this standard, the examiners requested and reviewed a copy of the Company's complaint handling procedure manual. The examiners also reviewed the member Evidence of Coverage documents to determine if the provisions communicate clear procedures on how to file a complaint.

The examiners found no errors in this review.

#### **C. NAIC Complaint Handling Standard 3: The regulated entity takes adequate steps to finalize and dispose of the complaint in accordance with applicable statutes, rules and regulations and contract language.**

To test for this standard, the examiners requested and reviewed the files for all 32 of the complaints listed in the complaint log to determine if the Company had adequately resolved the complaints.

The examiners found no errors in this review.

**D. NAIC Complaint Handling Standard 4: The time frame within which the regulated entity responds to complaints is in accordance with applicable statutes, rules and regulations.**

To test for this standard, the examiners reviewed all 32 complaint files requested in Complaint Handling Standard 3 above to assess whether the Company responded in a timely manner.

The examiners found no errors in this review.

**II. GRIEVANCE PROCEDURES**

The grievance procedures portion of the examination is designed to evaluate how well the company handles grievances. The Missouri definition of a “grievance” is set forth in §376.1350(17), RSMo.

**A. NAIC Health Examination Grievance Procedure Standard 1: The health carrier treats as a grievance any written complaint, or any oral complaint that involves an urgent care request, submitted by or on behalf of a covered person regarding: 1) the availability, delivery or quality of health care services, including a complaint regarding an adverse determination made pursuant to utilization review; 2) claims payment, handling or reimbursement for health care services; or 3) matters pertaining to the contractual relationship between a covered person and the health carrier.**

To test for this standard, the examiners reviewed the 32 complaint files requested in Complaint Handling Standard 3 above to assess whether the Company is correctly identifying and treating as grievances those complaints that meet the definition in §376.1350(17), RSMo.

The examiners found no errors in this review.

**B. NAIC Health Examination Grievance Procedure Standard 2: The health carrier documents, maintains and reports grievances and establishes and maintains grievance procedures in compliance with applicable statutes, rules and regulations.**

To test for this standard, the examiners requested the Company provide its grievance log in conjunction with the complaint log requested in Complaint Handling Standard 1 above. Since the Company maintains a consolidated log (i.e., all complaints, including complaints that constitute grievances, are maintained in the same log), the examiners reviewed the complaint log to assess whether it met the standards in §§376.1375, 354.445, RSMo and 20 CSR 400-7.110.

The examiners found no errors in this review.

**C. NAIC Health Examination Grievance Procedure Standard 3: A health carrier has implemented grievance procedures, disclosed the procedures to covered persons, in compliance with applicable statutes, rules and regulations, and files with the commissioner a copy of its grievance procedures, including all forms used to process a grievance.**

To test for this standard, the examiners requested and reviewed the Company's procedures specific to grievances in conjunction with the request for complaint handling procedures in Complaint Handling Standard 2 above. In addition, the examiners verified that the Company filed its grievance procedures with the DCI and that the Company informs enrollees of those procedures. The examiners also reviewed the member Evidence of Coverage documents to determine if the provisions communicate clear procedures on how to file a grievance.

The examiners found no errors in this review.

**D. NAIC Health Examination Grievance Procedure Standard 4: The health carrier has procedures for and conducts first level reviews of grievances involving an adverse determination in compliance with applicable statutes, rules and regulations.**

To test for this standard, the examiners identified 31 of the 32 complaint files requested in Complaint Handling Standard 3 above as first level reviews of grievances involving an adverse determination. The examiners reviewed all 31 of these files to see if they were handled in accordance with the requirements of §376.1382, RSMo, and the Company's written procedures.

The examiners found no errors in this review.

**E. NAIC Health Examination Grievance Procedure Standard 5: The health carrier has procedures for and conducts standard reviews of grievances not involving an adverse determination in compliance with applicable statutes, rules and regulations.**

Since the examiners determined that none of the 32 complaint files requested in Complaint Handling Standard 3 above were first level reviews of grievances not involving an adverse determination, the examiners were unable to test for this standard.

**F. NAIC Health Examination Grievance Procedure Standard 6: The health carrier has procedures for voluntary reviews of grievances and conducts voluntary reviews of grievances in compliance with applicable statutes, rules and regulations.**

To test for this standard, the examiners identified one of the 32 complaint files requested in Complaint Handling Standard 3 above as a second level review of a grievance. The examiners reviewed this file to see if it was handled in accordance with the requirements of §376.1385, RSMo, and the Company's written procedures.

The examiners found no errors in this review.

**G. NAIC Health Examination Grievance Procedure Standard 7: The health carrier has procedures for and conducts expedited reviews of urgent care requests of grievances involving an adverse determination in compliance with applicable statutes, rules and regulations.**

This standard deals with the expedited grievance review procedure in §376.1389, RSMo. When reviewing the complaint files requested in Complaint Handling Standard 3 above, the examiners noted that none of the complaints were grievances involving expedited reviews of urgent care requests. However, the examiners reviewed the grievance procedures requested in Health Examination Grievance Procedure Standard 3 above for appropriate expedited review procedures.

The examiners found no errors in this review.

**III. CRITICISMS AND FORMAL REQUESTS TIME STUDY**

This study is based upon the time required by the Company to provide the examiners with the requested material or to respond to criticisms. Missouri statutes and regulations require companies to respond to criticisms and formal requests within 10 calendar days. In the event an extension of time was requested by the Company and granted by the examiners, the response was deemed timely if it was received within the subsequent time frame. If the response was not received within the allotted time, the response was not considered timely.

**A. Criticism Time Study**

The examiners did not submit criticisms for this examination.

**B. Formal Request Time Study**

<b>Number of Calendar Days to Respond</b>	<b>Number of Requests</b>	<b>Percentage of Total</b>
0 to 10 days	9	100%
Over 10 days with extension	0	0%
Over 10 days without extension or after extension due date	0	0%
<b>Totals</b>	9	100%

The examiners found no errors in this review.

## **EXAMINATION REPORT SUBMISSION**

Attached hereto is the Division of Insurance Market Regulation's Final Report of the examination of Cigna Healthcare of St. Louis, Inc. (NAIC # 95635), Examination Number 332457 and NAIC MATS #MO-HICKSS1-126. This examination was conducted by John Korte, Kembra Springs, Brad Gerling and Aubrey Snyder. The findings in the Final Report were extracted from the Market Conduct Examiner's Draft Report, dated July 20, 2021. Any changes from the text of the Market Conduct Examiner's Draft Report reflected in this Final Report were made by the Chief Market Conduct Examiner or with the Chief Market Conduct Examiner's approval. This Final Report has been reviewed and approved by the undersigned.

8-18-2021

---

Date



---

Stewart Freilich  
Chief Market Conduct Examiner