

Edward P. Potanka
Vice President Chief Counsel
Legal and Public Affairs



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VIA ELECTRONIC MAIL

E-OHPSCA-FAQ.ebsa@dol.gov

Routing B6LPA
900 Cottage Grove Road
Hartford, CT 06152
Telephone 860.226.6418
Facsimile 860.226.4693
Edward.potanka@Cigna.com

RE: FAQs about Affordable Care Act Implementation (Part XIX), May 2, 2014

Cigna Corporation and its subsidiaries (“Cigna”) is a global health services organization dedicated to helping the people we serve improve their health, well-being and sense of security. Cigna is a major provider of medical, dental, disability, life and accident insurance and related products and services. Worldwide, we offer peace of mind and a sense of security to our customers seeking protection for themselves and their families at critical points in their lives.

Thank you for the opportunity to comment on the above-referenced FAQ. We believe that reference-based pricing (“RBP”), if implemented with appropriate safeguards, can be an invaluable tool to engage consumers, whether in group or individual plans, in considering the cost and quality of healthcare services while preserving meaningful access to medically appropriate, quality care. While new with respect to medical services, RBP is not a new concept. It has been used to successfully manage pharmacy benefit costs for years. If implemented with the existing safeguards recommended below, RBP can produce similar results without sacrificing meaningful access to medically appropriate care.

RBP does not require a consumer to use a particular provider. Instead, it involves implementing a maximum allowable expense for a given health care service/item. The consumer then has to make an informed decision regarding which provider to use for the service/item subject to that plan limit. The following safeguards can help to assure that RBP limits do not become a subterfuge for imposing limitations on coverage otherwise prohibited under Section 1302(c)(1):

1. Clear Disclosure of RBP Limits: Consumers must, first of all, be aware of any RBC limits incorporated in their plan of coverage. Absent such awareness, consumers will be unable to make an informed decision regarding their choice of providers with respect to medical services/items that may be subject to the RBP limits. Existing provisions of federal law (ERISA) and state insurance law require clear and conspicuous disclosure of plan limitations and are, in our review adequate to ensure appropriate disclosure for RBP limits to consumers.
2. Network Adequacy. An issuer or group health plan that implements a RBP limit on a given medical service/item must ensure that there are duly credentialed participating providers that are contracted to provide the service/item subject to the RBP limit at reimbursement rates that do not exceed the RBP and that those participating providers are adequate in number and geographic distribution (e.g., driving distance) as to assure meaningful access to that particular health care service/item for all individuals covered by the policy or group health plan.

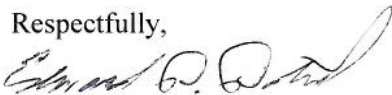
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3. Provider Pricing Transparency. Having an adequate number of geographically accessible participating providers whose charges for a health care service/item do not exceed the RBP limit does not accomplish the objective of ensuring meaningful access to the particular service/item unless consumers are made aware of those providers. Consumers must be afforded visibility into which participating providers of a service that is subject to a RBP limit have contracted to provide that service/item at a reimbursement rate that does not exceed the RBP limit. Only if armed with this information can consumers make an informed decision regarding their choice of health care providers. Issuers and group health plans must ensure that consumers have easy access to information identifying participating providers whose reimbursement rates for services/items subject to RBP limits are no greater than the RBP limit. We suggest that requirements similar to those found in ERISA with respect to methods of disclosure would be appropriate. In addition, we believe that issuers and sponsors of self-insured group health plans that utilize RBP limits in their plans will naturally have a strong interest in ensuring that individuals are able to readily determine the identity of these providers so as to avoid consumer surprise and complaints.

America requires a better and more efficient health care system. Allowing issuers and employers that sponsor group health plans to innovate with value-based insurance designs such as RBP is critical if the health care system in the United States is to evolve into a system that promotes value over volume. .

Thank you for your consideration of these comments.

Respectfully,



Edward P. Potanka
Vice-President & Assistant Chief Counsel