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**STATE OF OREGON
OREGON HEALTH AUTHORITY
HEALTH POLICY AND ANALYTICS DIVISION
SUSTAINABLE HEALTH CARE COST GROWTH TARGET PROGRAM**

In the Matter of:

Cigna Insurance Agency, LLC, a
Connecticut Limited Liability
Company dba Cigna Health and Life
Insurance Company

For the Cost Growth Target
measurement period: 2022-2023

Agency No. **CGT-2024-PAYER-08**

**NOTICE OF PROPOSED DETERMINATION
AND RIGHT TO REQUEST A HEARING**

Oregon Health Authority's (OHA) Sustainable Health Care Cost Growth Target Program (CGT) is tasked with monitoring the cost of health care in Oregon and holding payers and provider organizations accountable for cost growth that exceeds the annual target with statistical confidence and without an acceptable reason. The CGT is governed by Oregon Revised Statutes (ORS) 442.385 through 442.386 and Oregon Administrative Rules (OAR) Chapter 409, Division 65.

Per ORS 442.386 and OAR 409-065-0035, OHA reviews underlying cost drivers and reasons for cost growth and makes a determination as to whether such conditions or factors, or combination of such conditions or factors, suffices as reasonable cause for an entity to exceed the cost growth target for the measurement period.

Now, therefore, upon due consideration of the circumstances, including the mandatory cost growth target data submissions, supplemental information provided by the entity, and the entirety of OHA's record, OHA enters the following Notice of Proposed Determination.

Procedural History and Findings of Fact

1. OHA's CGT conducted its cost growth review under OAR 409-065-0035, which requires that OHA conduct analyses to understand potential systematic causes or other factors that might result in payers or provider organizations exceeding the cost growth target. The cost growth target for 2021 through 2025 is 3.4%.¹
2. Cigna Insurance Agency, LLC, a Connecticut Limited Liability Company dba Cigna Health and Life Insurance Company ("Cigna") is a payer in Oregon and is a mandatory reporter under OAR 409-065-0010.
 - a. On or around April 16, 2024, OHA notified Cigna that it was subject to the cost growth target program for the 2024 data cycle, with a data submission due date of September 6, 2024.
 - b. On or around September 6, 2024, Cigna submitted its mandatory data submission (CGT-1) to OHA.
 - c. Between September 6, 2024 and May 13, 2025, OHA's validation review identified concerns and Cigna resubmitted the CGT-1 file nine times. Attached as Exhibit A, and incorporated herein by reference, is the Stipulated Final Order documenting Cigna's data submission violations.
 - d. On or around June 24, 2025, OHA notified Cigna that it was not requiring Cigna to resubmit a corrected version (v10) of its CGT-1 file for 2022-2023 and that OHA had sufficient information from Cigna to move forward to the cost growth target determination of reasonableness process.

¹ The cost growth target value for 2021-2025 was established by the Cost Growth Target Implementation Committee, as documented in their January 2021 Recommendations Report.

<https://www.oregon.gov/oha/HPA/HP/HCCGBDocs/Cost%20Growth%20Target%20Committee%20Recommendations%20Report%20FINAL%2001.25.21.pdf>

3. OHA identified Cigna as having cost growth over the target between calendar years 2022 and 2023 for the following market: **Commercial, 9.1%** (v9 file).
4. Per OAR 409-065-0035(3), on or around June 24, 2025, OHA notified Cigna that:
 - a. It had exceeded the cost growth target for the 2022-2023 measurement period;
 - b. Cigna's cost growth target performance for the 2022-2023 measurement period would not be included in OHA's 2025 Cost Growth Target Annual Report; and
 - c. A determination of reasonableness process was required following an initial review of cost growth target data and other available information.
5. On July 18, 2025, OHA met with Cigna to discuss potential reasons for its excess cost growth for the Commercial market from 2022-2023. Attached as Exhibit B, and incorporated herein by reference, is a list of meeting dates and participants.
6. Following the July 18, 2025, meeting, Cigna provided additional documentation to OHA containing details and supplemental information on the reasons for its growth.

Findings of Determining Reasonableness Process

As a result of the reasonableness discussion and data review process, OHA identified the following major cost drivers for Cigna from 2022-2023:

1. **High cost outliers.** Cigna provided insurance coverage for members requiring high cost medical services in the second year of the measurement period. This medically necessary high spending contributed to a year-over-year trend surpassing the statewide target.
2. **Increased payments for behavioral health.** Cigna increased rates paid to behavioral health providers. Behavioral health rate increases were made to improve workforce shortages and expand behavioral health care in the region. The

increased payments drove up the amount paid for Cigna member on a per member per month basis.

3. **Rising cost of pharmacy (retail and medical).** A significant portion of the growth in per member per month costs between 2022-2023 was due to an increase in the amount spent on retail and medical pharmacy for Cigna members. The cost of pharmaceuticals is an ongoing concern in Oregon and nationally. The latest CMS National Health Expenditure data reports prescription drug expenditures grew 11.4% in 2023, faster than the rate increase of other health care expenditures².
4. **Rebound in utilization of hospital outpatient services following the COVID-19 pandemic.** During the COVID-19 pandemic, many patients delayed necessary care. As the pandemic eased, they returned for care, sometimes for illnesses that could have been identified and treated earlier and were more severe as a result. In 2023, these patients had increased service utilization, which drove up cost growth during this period.

PROPOSED DETERMINATION

1. Following a review of CGT data and additional information on health care spending, OHA has determined that Cigna's health care cost growth for the Commercial market from 2022-2023 was **due to acceptable reason(s)**. Cigna will not be held accountable for cost growth in this measurement period and no further action is required for this measurement period. Attached as Exhibit C, and incorporated herein by reference, is a running summary of Cigna's cost growth performance over time.

Dated this 31 day of October 2025.

By:

² National Health Expenditures, Table 2, National Health Expenditures; Aggregate, Annual Percent Change, Percent Distribution and Per Capita Amounts, by Type of Expenditure: Selected Calendar Years 1960-2023. Centers for Medicare & Medicaid Services. <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet>



Sarah Bartelmann, MPH
Cost Programs Manager
Oregon Health Authority

IMPORTANT NOTICES

PETITION FOR RECONSIDERATION: You may file a Petition for Reconsideration (“Petition”) pursuant to OAR 409-065-0050 within 30 days from the date this proposed order was mailed (See the “Date Mailed” on the first page). The Petition must include the specific grounds for reconsideration, and may be supported by written argument or attachments explaining why you believe OHA erred in its decision. This Petition will initiate an informal review process under OAR 409-065-0050.

The Petition must be submitted via email to HealthCare.CostTarget@oha.oregon.gov.

NOTICE OF RIGHT TO REQUEST A HEARING: You are entitled to a hearing as provided by the Administrative Procedures Act (chapter 183, Oregon Revised Statutes), OAR 409-065-0050 and OAR 137-070-0075. You are entitled to be represented by an attorney at the hearing. Legal aid organizations may be able to assist a party with limited resources. The Oregon Health Authority will be represented by an Assistant Attorney General from the Oregon Department of Justice.

To request a contested case hearing, your request must be in writing and must be received within twenty (20) calendar days from the date this Order was personally served, mailed, or electronically transmitted to you, based on the date at the top of this document.

A request sent by U.S. mail is “received” on the date it is postmarked. Your request may also be emailed. Your request should be sent to:

HealthCare.CostTarget@oha.oregon.gov

or

421 SW Oak Street, Suite 875
Attn: Cost Growth Target Program
Portland, OR 97204

If you submit a request for a contested case hearing, you will be notified of the time and place of the hearing. Information on the hearing process will be provided to you in accordance with ORS 183.413(2). Any hearing will be conducted by an administrative law judge from the Office of Administrative Hearings, assigned as required by ORS 183.635.

If you fail to request a hearing within the time allowed, if you request a hearing and subsequently withdraw your request for a hearing, if you request a hearing and fail to appear for the hearing, or if a hearing is scheduled and you later notify OHA that you will not appear at the specified time and place, you will have waived your right to a hearing, and this proposed order will become a final order by default. If OHA issues a final order by default, it designates its file on this matter, including all materials that you have submitted relating to this matter, as the record in this case for purposes of proving a prima facie case.

NOTICE TO ACTIVE DUTY SERVICEMEMBERS: Active-duty service members have a right to stay these proceedings under the federal service members Civil Relief Act. For more information contact the Oregon State Bar at 800-452-8260, the Oregon Military Department at 503-584-3571, or the nearest United States Armed Forces Legal Assistance Office through <http://legalassistance.law.af.mil>. The Oregon Military Department does not have a toll-free telephone number.

Exhibit A: Stipulated Final Order

STATE OF OREGON
OREGON HEALTH AUTHORITY
HEALTH POLICY AND ANALYTICS DIVISION
SUSTAINABLE HEALTH CARE COST GROWTH TARGET PROGRAM

In the Matter of: Cigna Healthcare and Life Insurance Company, a Connecticut Corporation For the Cost Growth Target Measurement Period: 2022-2023	Agency No. CGT-2024-PAYER-08 STIPULATED FINAL ORDER
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To: Glenn Zuercher, Managing Counsel, Legal & Corporate Affairs
Cigna Healthcare

Pursuant to its authority under Oregon Revised Statutes (ORS) 442.385 through 442.386 and Oregon Administrative Rules (OAR) Chapter 409, Division 65, and as stipulated herein, OHA has imposed a civil penalty against Cigna in the amount of **\$54,800** for the violation of OAR 409-065-0025(2).

OHA issued a Notice of Intent to Impose Civil Penalty and Right to Request a Hearing on June 24, 2025. On or about July 23, 2025, Cigna Health and Life Insurance Company (“Cigna”) submitted a request for OHA to reconsider the civil penalty amount and engaged in settlement discussions. Cigna agrees and stipulates to resolve this matter as follows:

FINDINGS OF FACT

1. Mandatory reporters are payers and licensed third-party administrators with at least 1,000 covered lives in Oregon across all required lines of business.
2. On or around April 16, 2024, OHA identified Cigna as a mandatory reporter under OAR 409-065-0015 following receipt and analysis of the health insurance enrollment data from the Oregon Department of Consumer and Business Services, Division of Financial Regulation, and provided that data from January 1, 2022, through December 31, 2023, must be submitted to OHA by September 6, 2024.
3. Mandatory reporters are required to submit data files for all required lines of business as defined in the CGT-2 and OAR 409-065-0015(3)(a).
4. Mandatory reporters must submit data files without subtracting or adjusting any costs including those listed as reasonable causes of cost growth in OAR 409-065-0036.
5. On or around September 6, 2024, Cigna submitted its mandatory data submission (CGT-1 v1) to OHA.
6. On or around September 11, 2024, OHA notified Cigna of the requirement to correct and resubmit data to OHA within 30 calendar days, pursuant to OAR 409-065-0015(5)(a).
7. OHA required Cigna to participate in a Stage 1 data validation meeting to discuss errors and resubmission requirements on or around September 16, 2024.
8. On or around October 1, 2024, Cigna resubmitted its mandatory data submission (CGT-1 v2) to OHA in response to OHA's September 11, 2024, notification.
9. On or around October 7, 2024, OHA notified Cigna of the requirement to correct and resubmit data to OHA within 30 calendar days, pursuant to OAR 409-065-0015(5)(a).
10. On or around October 22, 2024, Cigna resubmitted its mandatory data submission (CGT-1 v3) to OHA in response to OHA's October 7, 2024,

notification.

11. On or around October 29, 2024, OHA notified Cigna of the requirement to correct and resubmit data to OHA within 30 calendar days, pursuant to OAR 409-065-0015(5)(a).
12. OHA required Cigna to participate in a second Stage 1 data validation meeting to discuss errors and resubmission requirements on or around November 6, 2024.
13. On or around November 13, 2024, Cigna requested an extension for its CGT-1 v4 resubmission. OHA approved this extension request.
14. On or around November 22, 2024, Cigna submitted its mandatory data submission (CGT-1 v4) to OHA.
15. On or around December 11, 2024, OHA issued a notice of errors to Cigna requiring that Cigna correct and resubmit data to OHA within 30 calendar days, pursuant to OAR 409-065-0015(5)(a). In this notice of errors, OHA notified Cigna that continued failure to submit correct and accurate data may result in OHA issuing a Notice of Noncompliance and Intent to Impose Civil Penalties pursuant to OAR 409-065-0025(3).
16. On or around January 14, 2025, Cigna submitted its mandatory data submission (CGT-1 v5) to OHA.
17. On or around January 16, 2025, OHA notified Cigna of the requirement to correct and resubmit data to OHA within 30 calendar days, pursuant to OAR 409-065-0015(5)(a), and requested a third Stage 1 data validation meeting.
18. On or around January 22, 2025, OHA held a third Stage 1 data validation meeting with Cigna to discuss the ongoing noncompliance with data submission requirements and outstanding questions about Cigna's data submission.
19. On or around January 31, 2025, Cigna submitted its mandatory data submission (CGT-1 v6) to OHA.

20. On or around February 10, 2025, OHA notified Cigna of the requirement to correct and resubmit data to OHA within 30 calendar days, pursuant to OAR 409-065-0015(5)(a).
21. On or around March 4, 2025, Cigna submitted its mandatory data submission (CGT-1 v7) to OHA, which failed to comply with CGT's data submission requirements.
22. On or around March 21, 2025, OHA issued a Notice of Noncompliance and Intent to Impose Civil Penalty ("March 21 Notice") informing Cigna of OHA's intent to impose civil penalties should Cigna not come into compliance with its obligations under Oregon law. The March 21 Notice cited, in part, the following violations:
 - a. **Violation 1:** Pursuant to OAR 409-065-0010(2), mandatory reporters are required to submit data files in a manner and form as prescribed by OAR 409-065-0015. Pursuant to OAR 409-065-0025(2)(e), a mandatory reporter is in noncompliance with data submission requirements when they fail to comply with validation and quality control efforts, including resubmitting or correcting data in a timely fashion as required by OHA. Cigna has repeatedly failed to timely correct data noted by OHA on September 11, 2024, October 7, 2024, October 29, 2024, December 11, 2024, January 16, 2025, and February 10, 2025.
 - b. **Violation 2:** Pursuant to OAR 409-065-0010(2), mandatory reporters are required to submit data files in a manner and form as prescribed by OAR 409-065-0015. Pursuant to OAR 409-065-0025(2)(b), a mandatory reporter fails to comply with data submission requirements when a mandatory reporter submits a data element in an unapproved format. As noted by OHA on September 11, 2024, December 11, 2024, January 16, 2025, and February 10, 2025, Cigna continues to submit RX_MED_PROV total dollar amounts that are higher than their corresponding lines by provider name – year – line of business – attribution level in TME_PROV, indicating that those amounts are not a subset of TME_PROV.

- c. **Violation 3:** Pursuant to OAR 409-065-0010(2), mandatory reporters are required to submit data files in a manner and form as prescribed by OAR 409-065-0015. Pursuant to OAR 409-065-0025(2)(b), a mandatory reporter fails to comply with data submission requirements when a mandatory reporter submits a data element in an unapproved format. As noted in OHA's notice of errors issued on January 16, 2025, following the CGT-1 v5 submission, the TME_PROV + TME_UNATTR are not equal to TME_ALL. Member months and dollars by category, year, and line of business in TME_ALL should be equal to the sum of TME_PROV + TME_UNATTR. While it appears Cigna corrected this error in its CGT-1 v6 submission, the issue arose again in Cigna's CGT-1 v7 data file submitted on March 4, 2025.
- d. **Violation 4:** Pursuant to OAR 409-065-0010(2), mandatory reporters are required to submit data files in a manner and form as prescribed by OAR 409-065-0015. Pursuant to OAR 409-065-0025(2)(a), (b), and (c) a mandatory reporter fails to comply with data submission requirements when a mandatory reporter submits a data element in an unapproved layout, an unapproved format, or with unapproved coding. Further, pursuant to OAR 409-065-0025(2)(e), a mandatory reporter is in noncompliance with data submission requirements when they fail to comply with validation and quality control efforts, including resubmitting or correcting data in a timely fashion as required by OHA. As noted by OHA on September 11, 2024, October 7, 2024, October 29, 2024, December 11, 2024, January 16, 2025, and February 10, 2025, Cigna's CGT-1 data submissions have issues with provider attribution, some which may result from unapproved formats or coding, some of which may result from poor quality control.
23. On April 21, 2025, Cigna provided a response to OHA's March 21 Notice by submitting its mandatory data submission (CGT-1 v8) to OHA, which failed to comply with CGT's data submission requirements.
24. On May 6, 2025, OHA notified Cigna of the requirement to correct and resubmit data, and respond to additional questions, to OHA within seven calendar days.

25. On May 13, 2025, Cigna submitted its mandatory data submission (CGT-1 v9) to OHA, which failed to comply with CGT's data submission requirements. While it appears Cigna's April 21, 2025, data submission had cured Violations 2 and 3 as described in 22(b) and (c) above, these errors were reintroduced in Cigna's May 13, 2025, data submission.
26. On June 26, 2025, OHA issued a Notice of Intent to Impose Civil Penalties totaling \$109,600, as Cigna had repeatedly failed to come into compliance with the violations noted in OHA's March 21 Notice in violation of OAR 409-065-0025(4).
27. On July 23, 2025, pursuant to OAR 409-065-0050, Cigna submitted a Petition for Reconsideration in connection with the proposed civil penalty for its 2024 CGT data submission, requesting OHA exercise its discretion to reduce the proposed civil penalty in recognition of Cigna's good faith efforts, historical compliance, and corrective actions underway to improve future data submissions.
28. In its Petition for Reconsideration, Cigna outlined corrective actions and future commitments, including committing additional resources to the upcoming 2025 CGT data submission to allow for additional quality assurance testing and validation prior to submitting data to OHA; increasing the number of individuals on the Data & Analytics team who will compile reporting and participate in additional quality control efforts; and increasing communication and transparency with OHA to more rapidly identify and resolve issues.

CONCLUSIONS OF LAW

29. By engaging in the conduct set forth above, Cigna violated ORS 442.386 and OAR 409-065-0025(2) as described more specifically below:
 - a. Cigna violated OAR 409-065-0025(2)(e) by repeatedly failing to timely correct data as required by OHA, as noted by OHA on September 11, 2024, October 7, 2024, October 29, 2024, December 11, 2024, January 16, 2025, February 10, 2025, and May 6, 2025. Cigna's May 13, 2025, CGT-1

v9 data submission did not cure this violation.

- b. Cigna violated OAR 409-065-0025(2)(b) by repeatedly submitting data elements in an unapproved format, as noted by OHA on September 11, 2024, December 11, 2024, January 16, 2025, February 10, 2025, and May 6, 2025. While this violation with RX-MED_PROV total dollar amounts was cured in Cigna's CGT-1 v6 data submission on January 31, 2025, and v8 data submission on April 21, 2025, the violation was reintroduced in Cigna's CGT-1 v7 and v9 data submission on March 5, 2025, and May 13, 2025, respectively.
 - c. Cigna violated OAR 409-065-0025(2)(b) by repeatedly submitting data elements in an unapproved format, as noted by OHA on September 11, 2024, December 11, 2024, January 16, 2025, February 10, 2025, and May 6, 2025. While this violation with TME_PROV + TME_UNATTR not equal to TME_ALL was cured in Cigna's CGT-1 v6 data submission on January 31, 2025, and v8 data submission on April 21, 2025, the violation was reintroduced in Cigna's CGT-1 v7 and v9 data submission on March 5, 2025, and May 13, 2025, respectively.
 - d. Cigna violated OAR 409-065-0025(a), (b), (c), and (e) for repeated issues with provider attribution, some of which may result from unapproved formats or coding and some of which may result from poor quality control, as noted by OHA on September 11, 2024, October 7, 2024, October 29, 2024, December 11, 2024, January 16, 2025, February 10, 2025, and May 6, 2025. While Cigna provided some corrections and explanations accompanying its CGT-1 v8 data submission on April 21, 2025, new issues with provider-TIN attributions were introduced in Cigna's CGT-1 v9 data submission on May 13, 2025.
30. OHA has authority to identify mandatory reporters under OAR 409-065-0015 and require deadlines by which mandatory reporters are required to submit data for all required lines of business as defined in OAR 409-065-0015. OHA has the authority to impose a civil penalty pursuant to ORS 442.993(1)(b) and OAR 409-065-0025 for failure to comply with data submission requirements.

31. OHA and Cigna desire to settle this matter by entry of this Stipulated Final Order. Cigna has fully read this Stipulated Final Order and understands it completely. Cigna acknowledges that it has the right to notice and a contested case hearing under the Administrative Procedures Act (Chapter 183), Oregon Revised Statutes, and fully, finally and forever waives any and all such rights and any right to appeal or otherwise challenge this Stipulated Final Order and its entry into OHA's records. Cigna has consulted with an attorney regarding this Stipulated Final Order and has been fully advised in regards thereto or waives any and all rights to consult with an attorney prior to signing this Stipulated Final Order. Cigna stipulates to issuance of this Stipulated Final Order voluntarily and without any force or duress. Cigna states that no promises or representation not stated herein have been made to induce Cigna to sign this Stipulated Final Order. Cigna admits and OHA agrees and finds that Cigna engaged in the conduct described above and that this conduct violated the statutes and rules as set forth above.
32. **Collection Notice:** Pursuant to ORS 293.231, OHA will refer delinquent accounts for collection by the Department of Revenue or a private collection agency within 90 days of delinquency. Final amounts due may include collection fees imposed by the collector and the accrual of interest, up to the statutory maximum permitted by ORS 82.010, in addition to the unpaid principal amount. OHA may record any unpaid penalties or costs with the county clerk of any county in this state, pursuant to ORS 205.125 and 205.126.

FINAL ORDER

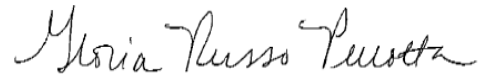
NOW, THEREFORE, based on the above stipulations by Cigna, and pursuant to ORS 183.417(3), ORS 442.993, and other applicable authority, IT IS HEREBY ORDERED THAT:

33. Cigna shall pay a civil penalty of \$54,800 to OHA within thirty (30) days of the effective date of this Stipulated Final Order.
34. This Stipulated Final Order is a public document that becomes effective on the date it is signed by OHA.

It is, therefore, ORDERED that, pursuant to ORS 183.471(3), ORS 442.386(9), and OAR 409-065-0025(4), a civil penalty in the amount of \$54,800 is imposed against Cigna Healthcare, Inc.

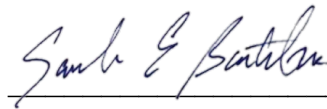
DATED this 22nd day of August 2025.

IT IS SO STIPULATED on this 21st day of August, 2025.



Gloria Russo Perrotta, Vice President

IT IS SO ORDERED on this 22nd day of August, 2025.



Sarah Bartelmann, MPH
Cost Programs Manager
Oregon Health Authority

Exhibit B: Meeting Dates and Participants

Meeting Date	Participants
July 18, 2025	OHA: Sam Smith, Trang Weitemier Cigna: Jennifer Baker, Jim Fitzpatrick, Rick Hourigan, Jason Loftus, Janelle Reiner, Glenn Zuercher

Exhibit C: Cost Growth Target Performance Over Time

Cigna Commercial Cost Growth

Measurement Year	Cost Growth %	Status	Determination
2021-2022	0.4%	Met	N/A
2022-2023	9.1% (v9 file)	Not Met	Reasonable