

AMERICAN OSTEOPATHIC ASSOCIATION

Physician Guide to the Cigna Class Action Lawsuit Settlement – Retrospective Monetary Relief

If you are a physician who filed claims with Cigna or its subsidiaries from August 4, 1990 through September 4, 2003 you are automatically part of the class covered by the settlement agreement for the class action lawsuit pending in Florida Federal Court. The proposed settlement automatically includes all qualifying physicians unless they specifically requested to be excluded by the opt out deadline of November 20, 2003. If you did not specifically opt out of the settlement by filling out a specific form, you are automatically eligible for all benefits the settlement entails. The class does not include physicians who are or were employees of a Cigna staff model HMO at the time of providing covered services. If you are part of the class, documents will be forwarded to you automatically by the attorneys representing the physician class, or by Cigna. Overall, there is a \$70 million minimum, and unlimited maximum, monetary recovery available to class members depending on which option they choose.

Background

A few years ago numerous lawsuits were filed across the country by a number of state and county medical societies on behalf of physicians against some of the largest managed care organizations including Cigna, Aetna, PacifiCare, and Humana. These lawsuits were consolidated and transferred to Federal court in Florida where it became a certified class action lawsuit. All of the physicians in the United States who submitted claims with the defendant managed care organizations became members of the class, which is comprised of 700,000 physicians. Allegations in the lawsuit included bundling, downcoding and that the carriers were misrepresenting their criteria for various treatment and coverage decisions. The lawsuit challenged these practices on a number of legal violations including the Federal Racketeer Influenced and Corrupt Organization Act (RICO).

Monetary Relief – The Cigna Settlement provides a minimum of \$70 million in damages to physicians who are class members. Physicians will have two options described in detail below.

Option 1 – Category A Claims – Physicians will have the option of accepting a flat rate payment that will be calculated on a pro rata basis based on the number of physicians who select this option from a \$30 million established settlement fund. **No documentation regarding claims is necessary to submit if you choose this option.** If you accept the flat rate (amount is unknown at this time) you will not be eligible to submit claims for the other categories of compensation set forth below. This is the simplest way to get your settlement fund because no documentation is required to be submitted. All you have to fill out is a “[Category A Proof of Claim Form](#)” with signed certification.

Option 2 – Option two has two different choices both of which require specific documentation in order to get settlement proceeds. Under option 2 physicians can select either **Category One Compensation** or **Category Two Compensation**. Either option will require physicians to submit paperwork showing they faced denial or payment reductions for 1,200 different code combinations. Cigna has committed to paying for those codes based on paperwork that is submitted.

Option 2 Choice A - Category One Compensation – This option addresses specific coding and bundling edits. Physicians who billed specific CPT code combinations listed on the “[Category One Code List](#)” are entitled to specific payments set forth on the list **if** they submit the required documentation showing that Cigna denied payment under the circumstances and within the dates of service set forth on the [Category One Code List](#). There are over 1200 specific code combinations with additional fee payments from \$2.94 up to \$657.51.

Documentation Required – 1) A [proof of claim form](#) with a signed certification. A proof of claim form can be used to submit multiple Category One Proofs of Claim. 2) A cover sheet for each proof of claim indicating the CPT codes for which compensation or additional compensation is sought. 3) Documentation for each proof of claim,

attached to the cover sheet, showing that payment was denied by Cigna for one or more Category One codes under the circumstances and within the date of service limitations set forth on the [Category One Code List](#).

If your claim form cannot be located, internal accounting records such as printouts of accounts receivable records or paid account records regarding the claim at issue will be acceptable.

If you want to exercise this option, you must go to www.cignaphysiciansettlement.com or www.hmosettlement.com to see the Category One Code List.

- [Category One Code List](#)
- [Proof of Claim Form for Category One Compensation](#)

Option 2 - Choice B –Category Two Compensation - This option addresses other coding and bundling edits. Physicians whose claims were denied or returned based on Cigna’s coding and bundling edits ***other than*** those specified on the “[Category One Coding List](#)” may request payment generally at the 2001 Medicare Fee Schedule Rate. In order to do so, you must submit specific documentation including a complete copy of the relevant medical records.

Documentation Required – In order to exercise this option you must submit 1) Documentation for each [proof of claim](#) attached to the cover sheet. The form must show that you were denied payment in whole or in part, or you received a reduced payment based on a different billing code than the one billed, for one or more CPT codes, or you received a reduced payment based upon the application of Multiple Procedure Logic. 2) A Cigna HealthCare Remittance Form (i.e., an explanation of benefits) showing that payment was denied in whole or in part **or** 3) If you cannot locate the explanation of benefits form, copies of internal accounting records (i.e., printouts of accounts receivable records or paid account records), provided those records show all of the CPT codes which were submitted for payment for that claim at issue, and what has remained unpaid, in whole or in part. (If ***your internal accounting records or explanation of benefits do not show all CPT codes which were submitted for payment you may supplement those records with additional documentation such as a HCFA 1500 form.***) 4) A complete copy of the clinical,

operative, or other medical records generated in connection with services you provided on the specific date of service concerned.

- There are certain exceptions in which you do not have to submit medical records.
- You do **not** have to include medical records if denials were based on the failure to recognize modifiers 50, RT, LT, FA-F9, TA -T9, or based on translation of a HCPCS Level II “J” code into an incorrect or overbroad CPT Code. ** A copy of the original claim and Cigna’s remittance form or internal accounting records showing that the denial was based on the codes must be submitted.
- Medical records are not required for denials based on modifier 51 exempt CPT codes and / or add-on CPT codes which were exempt from multiple procedure reduction, but a copy of Cigna’s remittance form or internal accounting records showing that the denial was based on those codes must be submitted.
- [Category One Code List](#)
- [Proof of Claim Form for Category Two Compensation](#)

Medical Necessity Compensation – If your bills were based on Cigna’s determination that the services were not medically necessary, or were experimental or investigational, you may request payment. These claims will be reconsidered by Cigna and paid or if denied, will be forwarded to an independent review entity for final determination.

Documentation Required – A complete copy of the relevant medical records beginning 90 days before the date of the service at issue is required for each medical necessity claim.

- [Proof of Claim Form for Medical Necessity Denial Compensation](#)

Who to call for help

Julia Smeds Stewart, JD is the court appointed Settlement Administrator. She will answer your settlement related questions or will be able to find answers for you. Ms. Stewart can be reached at

205-241-3122 or by fax at 205-323-8907 or email at jstewart@waadlaw.com. You can also contact Lisa Kaplan, JD, Assistant Director, Managed Care Relations at AOA for general information. She can be reached at 800-621-1773, ext. 8194 or lkaplan@osteopathic.org.