

Prescription drug and health care spending report

Consolidated Appropriations Act, Title II, Section 204

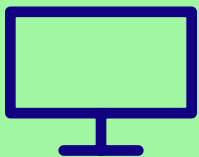
What the rule requires

Health plans (which include employers who offer medical benefit plans to their employees) must report information on plan medical costs and prescription drug spending to the Secretaries of Health and Human Services (HHS), Labor and the Treasury – originally for plan years 2020-2021 by 12/27/22 – and now by 6/1 annually for subsequent plan years. The primary intent of the data collection is to provide valuable information about competition and market concentration in the pharmaceutical and health care industries to policy makers. The collected data will be used in a report published on the HHS website 18 months after the initial data submission, and then every two years. This report will focus on prescription drug pricing trends and the contribution to health insurance premiums.



Cigna HealthcareSM will produce medical and pharmacy spend reporting annually for fully-insured and self-funded (ASO) clients. Reporting applies to US Commercial Medical, Behavioral and Pharmacy Business for integrated business, including Cigna Healthcare + Oscar and Global Americas, as well as standalone Medical and Behavioral business. Reports will only include data readily available within the Cigna Healthcare infrastructure.

To comply with the CAA Section 204 final rule, Cigna Healthcare is submitting files on our clients' behalf, at no additional cost to the clients. This is the standard option for self-funded and fully-insured clients.



If you have questions,
please contact your
Cigna Healthcare representative.

What Cigna Healthcare will do:

- Provide reports to the U.S. Department of Health and Human Services, Department of Labor and Department of the Treasury for our fully-insured and self-funded (ASO) clients.
- Deliver reports by June 1 of each year for the prior calendar year data.
- Aggregate client data at an HHS-defined market segment and state level for each Spend Report; no specific client data will be available.
- Provide detailed client plan structure and aggregated spend data to HHS.
- Cigna Healthcare will verify or update premium split information from clients each year during the renewal process.
- Reports we submit will contain information applicable to our collective set of clients and we do not plan to share reports submitted with clients.
- Each year, an email will be sent to clients and brokers to confirm that Cigna Healthcare has submitted the required information on behalf of its clients.

What Cigna Healthcare will not do:

- Other than premium split information, reports submitted will not incorporate any data from clients, other third parties or any data that is not maintained by Cigna Healthcare.
- Provide any claims/revenue/rebate data at the client level.
- Report on Dental, Vision, Medicare, Payer or TPAs.

Details of the Prescription Drug and Health Care Spending Report

The reports are identified by the following:



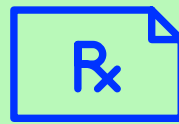
Plan Structure

- PI – Individual & Student market plan list
- P2 – Group health plan list
- P3 – FEHB



Medical Costs

- D1 – Total spending on health care services
- D2 – Spending by Category



Prescription Drug (Rx) Spend

- D3 – Top 50 Most Frequent Brand Drugs
- D4 – Top 50 Most Costly Drugs
- D5 – Top 50 Drugs by Spending Increase
- D6 – Pharmacy Totals



Revenue

- D1 – Premium and Life-Years
- D7 – Rx Rebates by Therapeutic Class
- D8 – Rx Rebates for the Top 25 Drugs

- For clients with both Medical and Pharmacy coverage integrated through Cigna Healthcare, Cigna Healthcare will submit the applicable Plan (P1, P2, or P3) and Data (D1–D8) files. This applies for self-funded and fully-insured clients but excludes SAR, Payer Solutions, Allegiance clients.
- For clients with only Medical coverage through Cigna Healthcare, Cigna Healthcare will submit the applicable Plan (P1, P2 or P3) and Data (D1–D2) files. Clients should work with their carve-out Pharmacy carriers for support on D3–D8 files.
- The Departments specifically set up submissions to allow multiple reporting entities to submit files on behalf of a plan (client). Other than premium split information, Cigna Healthcare is not requesting or intaking any additional information from clients, brokers or other carriers.



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