



Fulcrum Strategies

Superior Provider Advocates

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MO DEPT OF INSURANCE,
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PROFESSIONAL REGISTRATION

July 19, 2016

Mr. John M. Huff, Director
Truman State Office Building
Room 530
PO Box 690
Jefferson City, MO 65102

Dear Mr. Huff:

Do you believe your members should have the option to consult with the business professionals of their choice? As a provider advocate with clients in Missouri, I do and I believe it is my responsibility to provide you with information on current behaviors by Cigna that effects some of your current member's ability to utilize management advise.

I am Ron Howrigan, President of Fulcrum Strategies and a former managed care executive. I own a physician-consulting firm based in Raleigh, North Carolina. I founded Fulcrum 2004 after 18 years of working for three different insurance companies, when I became disillusioned with what I saw happening to the independent practice of medicine and left the insurance industry for good. Since then, Fulcrum has assisted physician groups of all sizes and specialties across the U.S. to significantly improve their contracts and reimbursement rates, strategically plan for the future, and successfully market their practices.

Earlier this year my clients and Fulcrum began receiving notifications from Cigna that they will no longer communicate with Fulcrum. Not only will Cigna not communicate with Fulcrum, but they also refuse to negotiate with any practice represented by Fulcrum even if we are working "behind the scenes". Most recently, Cigna also threatened to exercise its right to terminate from their network any practice they "catch" receiving help or advice from Fulcrum Strategies, thus setting a very dangerous precedent. Both my attorney and I have tried several times to resolve any issues and Cigna refuses to communicate.

My concern is where does this end especially if the Anthem/Cigna Aetna/Humana mergers go forward giving the insurance giants even greater leverage and control? Will the insurance companies begin dictating what billing company, attorney or CPA that an independent medical practice consult? They already dictate how a physician practices medicine through their payment and administrative policies. I believe Cigna's current behavior is just a symptom of what could become a further erosion of a physician's ability to practice independently.

I am requesting the opportunity to discuss this further with you and would welcome any assistance from the Missouri Department of Insurance including sharing this with your members, colleagues and legislative officials. We are also providing information concerning Cigna's recent aggressive behavior to State Departments of Insurance, American Medical Association and other societies

Thank you,

Ronald J. Howrigan

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FOR IMMEDIATE RELEASE

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Cigna threatens doctors' right to work with consultants

Cigna has threatened to terminate from their network any practice that works with Fulcrum Strategies, a physician-consulting firm that represents doctors across the U.S.

Raleigh, NC. (April 15, 2016) – Fulcrum Strategies, a consulting firm that represents thousands of doctors in negotiations with managed care companies and advises on long-term business strategies, has received notification from Cigna that the insurance giant will no longer communicate with them. Not only will Cigna not communicate with Fulcrum, but they refuse to negotiate with any practice represented by the consulting firm.

Most recently, Cigna also threatened to exercise its right to terminate from their network any practice they “catch” receiving help or advice from Fulcrum Strategies, thus setting a very dangerous precedent.

“Insurance companies already attempt to dictate how physicians practice medicine through payment and administrative policies, so it’s especially troubling that physicians are now being told who they can and can’t do business with,” said Ron Howrigan, president and founder of Fulcrum Strategies. “Why shouldn’t a doctor’s office have the opportunity to hire a consultant of their choice to analyze their payer agreements? If Cigna gets away with telling physicians which business consultant they can use, what’s to stop them from dictating which other professionals physicians are allowed to work with? How about their attorney or accountant? What about their billing company? What happens if Cigna decides they don’t like them, either? Where does this end?”

Since 2004, Fulcrum has worked hard to level the playing field between medical practices and insurance companies, helping physicians to succeed in the business of medicine. Over the past 12 years, Fulcrum has assisted physicians by analyzing their contracts with carriers and negotiating fair reimbursement so physicians and medical practice staff can concentrate on caring for patients.

“Given the fact that more complex reimbursement models are on the horizon, this is especially dangerous as physicians are going to rely on the analysis, expertise and representation of business professionals,” explains Howrigan. “Cigna’s decision to restrict physicians’ access to help seems entirely contrary to the price-transparency they’re simultaneously requiring of medical practices.” Howrigan added, “At a time when they’re refusing to enter into professional discussions with Fulcrum, Cigna has received a sanction from CMS for ‘widespread and systemic failures’ that posed a ‘serious threat’ to the health and safety of Medicare beneficiaries. In my opinion, this behavior is cause for concern and is a warning of Cigna’s future behaviors towards physicians and their patients.”

A former insurance executive himself, Howrigan experienced firsthand how managed care companies took advantage of physicians. After 18 years working for three different insurance companies, he became disillusioned with what he saw happening to the independent practice of medicine and decided to leave the managed care industry for good. He founded Fulcrum Strategies in an attempt to right the wrongs he saw and to help physicians achieve fair and adequate reimbursement on their payer agreements. "I have six years left until my karma balances out," jokes Howrigan.

Kidding aside, Fulcrum Strategies' expertise provides the medical community with the representation and information necessary to make informed business decisions. "We provide enormous value to our clients, and they deserve that," says Howrigan. "We are doing the right thing."

For more information about Cigna's recent decision, please visit www.stopcignanow.com.

About Fulcrum Strategies:

Fulcrum Strategies is physician consulting firm based in Raleigh, North Carolina. Fulcrum was founded in 2004 by Ron Howrigan, a former managed care executive. After 18 years working for three different insurance companies, Ron became disillusioned with what he saw happening to the independent practice of medicine and left the insurance industry for good. In founding Fulcrum, Ron's goal was to provide medical practices with leverage to succeed against the managed care companies. A decade later, Fulcrum has helped physician groups of all sizes and specialties across the U.S. to significantly improve their contracts and reimbursement rates, strategically plan for the future, and successfully market their practices. Fulcrum's representation provides medical groups with the ability to make informed business decisions that ultimately impact the long-term success of their organizations.

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Fulcrum Strategies
Superior Provider Advocates

April 13, 2016

Dear Clients:

It appears Fulcrum Strategies has become a victim of its own success.

When I started the company twelve years ago, my goal was to help a few local medical groups achieve more balanced relationships with their managed care partners through improved contracts. I never imagined the company I started with just a laptop computer and a small home office would become so impactful. Over the last twelve years, we've helped almost 200 medical groups in 30 states across the country negotiate more equitable agreements with the insurance companies they work with. Since 2004, we have negotiated improvements to our clients' reimbursement to the tune of over \$100 million dollars. This money has helped physician groups stay independent. It's ensured they're equipped with the necessary resources to provide the best care possible for their patients. I can honestly say that other than my family, there is nothing I am more proud of.

Recently, we received a communication from Cigna stating they would no longer work with Fulcrum. For the last several weeks, we have tried to open a dialog with Cigna to resolve any issues they have with our company. Cigna has refused to even speak with my attorney or myself and have said they consider the matter closed.

Then Cigna went even further.

Their new position is that they will not speak with any medical group represented by Fulcrum Strategies. If you allow us to help you behind the scenes with a Cigna negotiation, and they find out, they'll cease discussions with you. The final straw came when Cigna decided that if any medical group did share the terms of their Cigna contract with Fulcrum, that group would be considered in violation of that agreement and risked termination.

Cigna is telling physicians whom they're allowed to consult with on their contracts.

The first question most of my clients ask is: "*Can Cigna do that?*" Unfortunately, Cigna is not breaking any law by taking this position. Like any business, they can choose whom they will work with and whom they won't. Their contracts, like most insurance contracts, allow them to specify who can have access to the terms and conditions of that agreement.

"*Why is Cigna doing this?*" is a little stickier. The only people who can truly answer that question are the executives at Cigna, and I'm not sure you'd get an honest answer from them. In my opinion, Cigna has taken this position because of our success negotiating against them. I think this is their attempt to separate Fulcrum from our clients and eventually drive us out of business. I believe that Cigna doesn't like the fact that physicians are able to obtain outside, professional help in their negotiations. I think they'd much prefer you to be on your own during negotiations.

Insurance companies understand that they do not produce health care; they are simply a financing mechanism. Without contracted physicians and hospitals, insurance companies are simply the wrapping on an otherwise empty package. Physicians, medical practices, Fulcrum clients: YOU are the product! You are the ones who provide the care, and without you, they have nothing to sell. I think Cigna knows this, and they are bothered by the success of Fulcrum and what we have done for the physicians we represent. I think we are finally big enough that they decided to do something about it. I believe Cigna is counting on our clients to be complacent and let them get away with this - and I think they hope other carriers follow suit. I believe Cigna hopes Fulcrum will go away and let them go back to the good old days of holding all the cards at the negotiating table.

I'm not concerned about myself or even my team. We have achieved more than I ever thought would even be possible back in my early days. My concern with Cigna's recent decision is what it does to the independent practice of medicine. Where might this all end? If Cigna gets away with telling physicians what business consultant they can use, what's to stop them from dictating which other professionals physicians are allowed to work with? How about your attorney or accountant? What about your billing company? What happens if Cigna decides they don't like them, either?

If that doesn't bother you, consider the prospect of negotiating your payer contracts without any professional assistance. What could that do to your practice and its future?

The final question I'm hoping you're asking is: "*What can I do to stop this?*" Fortunately, there are a number of things.

1. **Expose Cigna and what they are doing.** Tell your colleges, legislators, friends and anyone else you talk to about this. The more people that know about this the better.
2. **Write letters to Cigna executives and express your concerns with their actions.** A list of Cigna executives and their contact information is attached to this letter.
3. **Express your concerns to your specialty societies and your state medical society.**
4. **Tell your patients what Cigna is doing to your practice.**
5. **Decide how you want to work with Cigna.** Cigna can decide whom they work with - but that goes both ways. You can also decide who gets to work with you. Your practice can decide to stop working with Cigna or to require that they pay a premium for your services as a result of this decision.
6. **Challenge Cigna's decision.** Let them know you disagree with their position and that you're going to work with Fulcrum anyway.

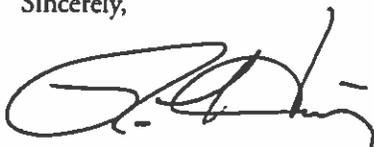
This effort is really not about me or about Fulcrum. It's really about you and the future of your group. As things get more complicated and difficult in the years to come, physicians are going to need the expertise and representation of consultants like Fulcrum to make informed business decisions. Unfortunately, it's obvious that Cigna doesn't want to see that happen. I think they'd rather take advantage of medical groups in an effort to increase their profits and stock prices. Cigna does not seem to want to find a way to work collaboratively.

My team and I would like nothing better than to be here, helping our clients, for another twelve years. That said, keeping your access to Fulcrum and others like us really depends upon you.

If you sit on the sidelines and let Cigna get what they want, it's unlikely we will be here when you really need us. If, instead, you stand up for your practice and its right to choose its business partners, then I am convinced that Cigna will be forced to change their position. Right now we represent over 1,000 physicians. Imagine the impact it would have if David Cordani, the CEO of Cigna, received 1,000 letters from doctors objecting to his company's decision?

The entire Fulcrum team is committed to helping doctors. We are ready and willing to fight Cigna on this move because we think it's wrong. However, we are a company of just eight people. Alone we are unlikely to change Cigna's minds. We need your help to do that. If you have benefited from working with Fulcrum, think you will need our services in the future, or simply don't like the idea of an insurance company telling you what to do and who you're allowed to talk to, then now is the time to act. Don't let Cigna decide what your tomorrow will be because you didn't stop them today.

Sincerely,



Ron Howrigan
President
Fulcrum Strategies

If you disagree with Cigna's decision to tell doctors whom they are allowed to consult with, we encourage you to express your concerns with their actions.

A list of Cigna executives and their contact information is included below.

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Where does this end?



Letter from the President: Ron Howrigan



For years, physicians have been bombarded by insurance companies dictating how they can practice medicine through payment and administrative policies. Everything from prior authorizations, network requirements, site of service designations, and post claim records requests have bogged down physicians with unnecessary requirements that

often do nothing to improve the care they provide. It's no wonder why physicians are frustrated that insurance companies make the rules that doctors must live by. One of my clients said it best when he said, "I guess the golden rule is right. He who has the gold makes the rules, and these guys have all the gold."

One insurance company in particular has taken this approach to a whole new level. Recently, Fulcrum Strategies received a communication from Cigna HealthCare stating they would no longer work with Fulcrum. For the last several weeks, we have tried to open a dialog with Cigna to resolve any issues they have with our company. Cigna has refused to speak with my attorney or myself and have said they consider the matter closed.

Then Cigna went even further.

Their new position is that they refuse to speak with any medical group represented by Fulcrum Strategies. If you allow us to help you behind the scenes with a Cigna negotiation, and they find out, they'll cease discussions with you. The final straw came when Cigna decided that if any medical group did share the terms of their Cigna contract with Fulcrum, that group would be considered in violation of that agreement and risk termination.

In the midst of some of the most difficult and complex times ever faced by physicians, Cigna has decided that it now can tell doctors whom they're allowed to consult with for business advice.

Unfortunately, Cigna is not breaking any law by taking this position. Like any business, they can choose with whom they will work, and with whom they won't. Their contracts, like most insurance contracts, allow them to specify who can have access to the terms and conditions of that agreement.

Why is Cigna doing this? The only people who can truly answer that question are the executives at Cigna. In my opinion, Cigna has taken this position because of our success negotiating against them. I think this is their attempt to separate Fulcrum from our clients and eventually drive us out of business. I believe that Cigna doesn't like the fact that physicians are able to obtain outside, professional help with their negotiations. I think they'd much prefer you to be on your own during negotiations.

Insurance companies understand that they do not produce health care; they are simply a financing mechanism. Without contracted physicians and hospitals, insurance companies are simply the wrapping on an otherwise empty package. Physicians, medical practices, Fulcrum clients: YOU are the product! You are the ones who provide the care, and without you, they have nothing to sell.

I believe Cigna is counting on physicians to be complacent and let them get away with this - and I think they hope other carriers follow suit. I believe Cigna hopes Fulcrum will go away and let them go back to the good old days of holding all the cards at the negotiating table.

My concern with Cigna's recent decision is what it does to the independent practice of medicine. *Where does this end?* If Cigna gets away with telling physicians what business consultant they can use, what's to stop them from dictating which other professionals physicians are allowed to work with? How about your attorney or accountant? What about your billing company? What happens if Cigna decides they don't like them, either?

If that doesn't bother you, consider the prospect of negotiating your payer contracts without any professional assistance. What could that do to your practice and its future?



So what can you do to stop this? Fortunately, there are a number of things.

- 1 Expose Cigna and what they are doing.** Tell your colleges, legislators, friends and anyone else you talk to about this. The more people who know about this the better.
- 2 Write letters to Cigna executives** and express your concerns with their actions. *A list of Cigna executives and their contact information is attached.*
- 3 Express your concerns** to your specialty societies and your state medical society.
- 4 Tell your patients** what Cigna is doing to your practice.
- 5 Decide how you want to work with Cigna.** Cigna can decide whom they work with - but that goes both ways. You can also decide who gets to work with you. Your practice can decide to stop working with Cigna or to require that they pay a premium for your services as a result of this decision.
- 6 Visit www.StopCignaNow.com** and see how you can help fight this decision by Cigna and show other insurance companies that you will not stand by idly while they take away your rights.

This effort is really not about me or about Fulcrum. It's really about you and the future of your group. As things get more complicated and difficult in the years to come, physicians are going to need the expertise and representation of consultants, like Fulcrum, to make informed business decisions. Unfortunately, it's obvious that Cigna doesn't want to see that happen. I think they'd rather take advantage of medical groups in an effort to increase their profits and stock prices.

The bottom line is this. It is becoming increasingly difficult for medical groups to survive in this health care environment. An insurance company has decided to take away doctors' ability to seek advice and assistance from experts who are dedicated to helping doctors succeed in the business of medicine.

If this bothers you as much as it does me, then I would suggest you make your feelings known before this becomes the norm.

I leave you with a famous statement by Martin Niemöller, a German anti-Nazi theologian and Lutheran pastor:

When the Nazis came for the communists,
I remained silent;
I was not a communist.

When they locked up the social democrats,
I remained silent;
I was not a social democrat.

When they came for the trade unionists,
I did not speak out;
I was not a trade unionist.

When they came for the Jews,
I remained silent;
I wasn't a Jew.

When they came for me,
there was no one left to speak out.

- Martin Niemöller



If you disagree with Cigna's decision to tell doctors whom they are allowed to consult with, we encourage you to express your concerns with their actions.

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