

# PRESCRIPTION DRUG AND HEALTH CARE SPENDING REPORT

## Consolidated Appropriations Act, Title II, Section 204

### What the rule requires for enforcement date 12/27/22:

Health plans (which includes 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 for plan years 2020 and 2021 by 12/27/22 and 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 data submission, and then every two years; this report will focus on prescription drug pricing trends and the contribution to health insurance premiums.



### Cigna's Approach:

Cigna 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 + Oscar and Global Americas, as well as standalone Medical and Behavioral business. Reports will only include data readily available within Cigna's infrastructure.

This outlines Cigna's approach for 12/27/22; client action is not required for reports submitted by 12/27/22. Federal guidance issued on 6/28/22 does not change our submission approach. Additional communication regarding reports to be submitted annually beginning 6/1/23 will be provided by the end of 2022.

### What Cigna will do:

- ▶ Provide reports to the U.S. Department of Health and Human Services, Department of Labor and Department of the Treasury for Cigna's fully-insured and self-funded (ASO) clients.
- ▶ Deliver calendar-year 2020 and 2021 reports by 12/27/22.
- ▶ 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.
- ▶ Reports we submit will contain information applicable to our collective set of clients and we do not plan to share reports submitted with clients.
- ▶ Deliver annual reporting for prior year starting 6/1/2023 for calendar-year 2022 data and going forward.
- ▶ Provide focused communications for awareness.

### What Cigna will not do:

- ▶ Reports submitted by 12/27/22 will not incorporate any data from clients, other third parties or any data that is not maintained by Cigna.
- ▶ Provide any claims/revenue/rebate data at the client level.
- ▶ Report on Dental, Vision, Medicare, Payer or TPAs.



If you have questions, please contact your Cigna representative.



## Details of the Prescription Drug and Health Care Spending Report

The reports are identified by the following:



Plan Structure	Medical Costs	Prescription Drug (Rx) Spend	Revenue
P1 – Individual & Student market plan list P2 – Group health plan list P3 – FEHB	D1 – Total spending on health care services D2 – Spending by Category	D3 – Top 50 Most Frequent Brand Drugs D4 – Top 50 Most Costly Drugs D5 – Top 50 Drugs by Spending Increase D6 – Pharmacy Totals	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 HealthPlan, Cigna 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 HealthPlan, Cigna 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). Cigna is not requesting or intaking any additional information from clients, brokers, or other carriers for the initial December 2022 submission.
- Cigna will provide additional information about our approach for the June 2023 and later submissions by December, 2022.

