

Medicare Advantage Fraud

This document highlights one of the many impacts of HHS-OIG's oversight work.



HHS-OIG
IMPACT
BRIEF
July 2024

The Issue:

The Cigna Group Made its Enrollees Appear Sicker to Get More Federal Money

The government pays Medicare Advantage Organizations (MAOs) a higher amount to cover sicker enrollees. Cigna used in-home health risk assessments (HRAs) to report severe conditions, such as congestive heart failure, without adequate support in underlying medical records. It also had medical coders perform chart reviews to look for additional diagnoses; however, they often lacked adequate support. **The government alleged that MAOs operated by Cigna purposefully submitted untruthful diagnoses to increase its payments, placing Medicare and taxpayer dollars at risk.**

HHS-OIG Experts Identify Risky and Fraudulent Payments

Experts at HHS-OIG including investigators, attorneys, auditors, evaluators, and data scientists, worked with federal law enforcement partners and determined Cigna used two questionable methods to increase payments: [HRAs and chart reviews](#).

HHS-OIG has examined risks in payments made to MAOs, issuing over 40 reports since 2019. In a series of reports on HRAs and chart reviews, **HHS-OIG raised concerns that MAOs could use these tools to generate \$9.2 billion in potential improper payments annually** for 2017. HHS-OIG audited specific diagnosis codes submitted by MAOs and found that 70% were not supported by underlying medical records.

The Impact: Financial Consequences and Greater Oversight

OIG's work contributed to the settlement with Cigna in September 2023 for alleged fraud related to HRAs and chart review.

\$172M Payment to the Government

Cigna paid the government **\$172 million** to settle the case, which includes a refund for overcharging Medicare and penalties for fraud.

Program Integrity Guardrails for Cigna

To improve future compliance, HHS-OIG negotiated a comprehensive [Corporate Integrity Agreement](#) (CIA). The CIA requires Cigna to **increase its internal oversight** through rigorous internal monitoring and independent review. The agreement is in effect for five years and **HHS-OIG will monitor Cigna's adherence**.

Clear Message of Greater Accountability for MAOs

HHS-OIG has made oversight and enforcement of managed care a [top priority](#).

