

Cigna Transition to Value-Based Health Care Results in \$600 Million in Medical Cost Savings

BLOOMFIELD, Conn., 07 February, 2019 - Global health service company Cigna has exceeded its value-based care goal of having 50 percent of U.S. Medicare and commercial health care provider payments through alternative payment arrangements in the company's top 40 markets by year-end 2018. Cigna established the goal in 2015 to accelerate the transition to alternative payment models that link health care provider payments to both quality and affordability.

Cigna launched value-based care delivery a decade ago to begin to transition to a health care delivery system that pays health care providers based on improved health outcomes instead of the traditional fee-for-service model, which pays providers based on volume. The move helped the company shift 50.5 percent of provider payments to alternative payment arrangements, and improve the quality of health care for customers resulting in medical cost savings of more than \$600 million from 2013-2017¹. In addition, it has contributed to Cigna maintaining the industry's lowest medical cost trend for six consecutive years².

"Cigna's focus on quality and affordability enabled the company to exceed its 50 percent alternative payment goal, offering more value for our customers' and clients' health care dollars," said Scott Josephs, MD, chief medical officer at Cigna. "This is a critical milestone as we work to accelerate the pace of change in health care delivery in the United States. Our commitment to value-based care and alternative payment models is driving better health outcomes, increased affordability and improved patient experience for the people we serve."

Today, more than 3.6 million Cigna commercial customers access value-based care through 240+ primary care provider organizations, 500+ hospital facilities and 270+ specialist programs in six disciplines, including 245+ Episodes of Care programs³. Ninety-six percent of Cigna customers in the company's top 40 markets are within 15 miles of at least three participating primary care providers⁴. In addition, 85 percent of Cigna Medicare Advantage customers access care through value-based arrangements².

Cigna's transition to value-based health care delivery has resulted in significant improvements in health care for its customers. Top-performing accountable care program health care providers demonstrated a quality performance of 11 percent better than the market⁵ with 92 percent of providers either meeting or exceeding quality benchmarks⁶. Cigna collaborates with participating providers who receive clinical support, data and insights to help improve health outcomes. According to a survey⁷ of Cigna commercial accountable care program providers:

- 92 percent say the insights and guidance Cigna provides help them improve performance and outcomes.
- 95 percent say their relationship with Cigna is collaborative and consultative rather than transactional.
- 95 percent say it is easy to do business with Cigna.

“Cigna's combination with Express Scripts will further accelerate our transition to value-based health care, including expanding outcome-based relationships with pharmaceutical manufacturers to incentivize improved patient health,” said Dr. Josephs. “Cigna has led its industry with the lowest medical cost trend and our combination will help improve both quality and affordability.”

About Cigna

Cigna Corporation (NYSE: CI) is a global health service company dedicated to improving the health, well-being and peace of mind for those we serve. Cigna delivers choice, predictability, affordability and quality care through integrated capabilities and connected, personalized solutions that advance whole person health. All products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Connecticut General Life Insurance Company, Life Insurance Company of North America, Cigna Life Insurance Company of New York, Express Scripts companies or their affiliates. Such products and services include an integrated suite of health services, such as medical, dental, behavioral health, pharmacy, vision, supplemental benefits, and other related products including group life, accident and disability insurance.

Cigna maintains sales capability in over 30 countries and jurisdictions, and has more than 160 million customer relationships throughout the world. To learn more about Cigna[®], including links to follow us on Facebook or Twitter, visit www.cigna.com.

¹ Cigna January 2019 analysis of national Accountable Care program groups with effective dates from 2013 through 2017. Reimbursements already paid to groups are subtracted from the savings to reflect overall investment.

² Cigna Corporation Investor Presentation, February, 1, 2019.
<https://www.cigna.com/assets/docs/about-cigna/CI-investor-kit.zip>.

³ Cigna internal analysis of existing arrangements as of December 2018.

⁴ Cigna August 2018 analysis of national medical book of business customers in the top 45 US markets, defined by market size, within 15-mile zip code radius (zip code to zip code distance of provider main office location) of three Accountable Care program physicians. Subject to change.

⁵ Cigna June 2018 analysis (weighted average) of top five national Accountable Care program groups per metric compared to local market in 2017. Accounts for 23,405 aligned customers. Comparisons to market are established using Cigna internal claims data.

⁶ Cigna June 2018 analysis of 2017 data of Accountable Care program groups nationally, active at least one year.

⁷ Cigna Accountable Care Organization (ACO) Experience Survey, September 2017.