

Murphy, CMA Allege Cigna's New Downcoding Policy Is Unlawful, Profit-Driven

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Jalen Brown(jbrown@iwppnews.com) Inside Washington Publishers

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Rep. Greg Murphy (R-NC) and the California Medical Association (CMA) are blasting Cigna's new claims policy that automatically downcodes certain high-level Evaluation and Management (E/M) visits, with the lobbying association alleging it is unlawful and the GOP Doctor Caucus co-chair denouncing it as yet another example of major insurers putting profits ahead of patients and physicians.

"Just another instance of a big insurance company @Cigna to not pay for the care physicians provide so they can rake [in] profits. Enough of this nonsense," Murphy said in a post on X Thursday (Aug. 21). "These Healthcare insurance companies are out of control. A reckoning is coming."

Murphy's comments follow the CMA's call on Wednesday (Aug. 20) for Cigna to withdraw its new 'Evaluation and Management Coding Accuracy' policy, which the insurer says will take effect on Oct. 1. Under the policy, Cigna will automatically downcode certain high-level E/M visits if it determines the supporting documentation doesn't justify higher reimbursement. Physicians who wish to challenge the adjustment must appeal the decision and submit additional records by fax.

In a letter to the insurer, the CMA warned that Cigna's nationwide policy could violate California law, which requires health plans to adhere to nationally recognized coding standards and disclose detailed payment rules, including any non-standard methodologies used to process claims. The CMA argued that by relying solely on claim-level factors, such as the patient's diagnosis, without reviewing documentation of medical decision-making or time spent, the policy runs afoul of coding guidelines set by the American Medical Association (AMA) and federal standards established by CMS.

"Cigna's policy undermines the integrity of the E/M coding framework and appears inconsistent with AMA and CMS standards -- as well as California law," CMA wrote. "This policy will unnecessarily increase administrative burden and costs for both physicians and Cigna, while functioning less as a tool to promote accuracy and more as a barrier to appropriate reimbursement."

Cigna's new policy echoes a similar effort by UnitedHealthcare several years ago to tighten oversight of high-level office visits. That initiative would have required physicians to submit medical records before receiving payment, but it was ultimately scrapped in 2023 after strong opposition from AMA and other physician groups, who argued it imposed unnecessary costs and led to payment delays.

While upcoding by insurers -- which involves billing for a higher-level or more expensive service than what was actually provided or documented -- has drawn increased scrutiny on Capitol Hill for driving up federal health care spending, downcoding presents an equally pressing concern for physicians. Downcoding occurs when insurers reduce the level of a billed service on the grounds the documentation doesn't justify the higher code, leaving physicians paid less than they believe their work warrants.

Murphy's latest criticism of Cigna reflects a broader pattern of frustration he's expressed toward large insurers, essentially accusing them of gaming the system on both ends: by upcoding to inflate federal Medicare Advantage (MA) payments while downcoding or denying claims in commercial plans to shortchange physicians.

During a House Ways & Means Committee hearing on MA last month, Murphy voiced support for the program overall but said insurers like Humana, UnitedHealth, and Aetna should be called to testify, arguing they've "bastardized the system" and "have ruined Medicare Advantage for what it should be."

His latest warning of a "reckoning" could signal congressional plans to bring these major insurers before lawmakers in the near future. --