

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re)	Chapter 11
)	Case No. 24-10164 (KBO)
Cano Health, Inc., <i>et al.</i> ,)	Jointly Administered
)	
Debtors.)	Re: Docket No. 864, 989, 1023, 1024, 1025, 1036

**LIMITED OBJECTION OF CIGNA TO FOURTH AMENDED
JOINT CHAPTER 11 PLAN OF REORGANIZATION OF
CANO HEALTH, INC. AND ITS AFFILIATED DEBTORS
AND
OBJECTION TO NOTICE OF PROPOSED REJECTION OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES PURSUANT TO
DEBTORS' PROPOSED CHAPTER 11 PLAN OF REORGANIZATION**

Cigna Health and Life Insurance Company (“CHLIC”) and certain of its affiliates¹ (collectively, “Cigna”) hereby object on the limited basis set forth below to the *Fourth Amended Joint Chapter 11 Plan of Reorganization of Cano Health, Inc. and Its Affiliated Debtors* [Docket No. 864] (“Plan”), and object to the *Notice of Proposed Rejection of Executory Contracts and Unexpired Leases Pursuant to Debtors’ Proposed Chapter 11 Plan of Reorganization* [Docket No. 1025] (“Rejection Notice”), and in support thereof, respectfully state as follows:

BACKGROUND

1. Cigna HealthCare of Florida, Inc. (“Cigna-Florida”) and one or more of the above-captioned debtors (“Debtors”) are parties to two Provider Group Services Agreements (“Florida Contracts”).

2. HealthSpring Life & Health Insurance Company, Inc. (“HealthSpring”), CHLIC and the Debtors are parties to a Provider Health Services Agreement (“HealthSpring New Mexico Contract”).

¹ Cigna HealthCare of Florida, Inc., HealthSpring Life & Health Insurance Company, Inc., HealthSpring of Florida, Inc., Express Scripts, Inc., and Medco Health Solutions, Inc.



3. HealthSpring of Florida, Inc., Cigna-Florida, HealthSpring and Debtors are parties to a Funded Medical Expense Pool Participation Agreement (“HealthSpring Florida Contract”).

4. HealthSpring, CHLIC and Debtors are parties to a Provider Health Services Agreement (“HealthSpring Contract”).

5. Express Scripts, Inc. (“ESI”), Medco Health Solutions, Inc. and the Debtors are parties to the following pharmacy provider agreements:

- Pharmacy Provider Agreement (NCM502179),
- Pharmacy Provider Agreement (NCM551359),
- Pharmacy Provider Agreement (NCM551371),
- Pharmacy Provider Agreement (NCM213271),
- Pharmacy Provider Agreement (NCM368523), and
- Pharmacy Provider Agreement (NCM502340).

(collectively with the Florida Contracts, the HealthSpring New Mexico Contract, the HealthSpring Florida Contract, and the HealthSpring Contract, the “Cigna Contracts”).²

6. On May 21, 2024, the Debtors filed their Plan. Under the terms of the Plan, all executory contracts will be assumed unless listed on the Rejection Schedule³ to be filed with the Plan Supplement. Plan, Article 8.1(a).

7. In connection with the Plan, the Debtors filed the *Notice Regarding (I) Potential Assumption of Executory Contracts and Unexpired Leases, (II) Proposed Cure Obligations, and (III) Related Procedures* [Docket No. 989] and the *Supplement to Notice Regarding (I) Potential Assumption of Executory Contracts and Unexpired Leases, (II) Proposed Cure Obligations, and*

² References to Cigna Contracts herein include all amendments, riders, schedules, exhibits, certificates, renewal caveats and disclosures, addendums, letters of intent, and banking agreements related thereto.

³ Capitalized terms not defined herein have the meaning ascribed to them in the Plan.

(III) *Related Procedures* [Docket No. 1024] (“jointly, the “Cure Notices”). The Cure Notices include the following listing:

Express Scripts, Inc.	Service Agreement	1 Express Way	\$ -
		St. Louis MO 63121	

The Cure Notices include no other Cigna references.⁴

8. Upon information and belief, ESI is not a party to a “Service Agreement” with any of the Debtors. The Cure Notices do not identify any of the Cigna Contracts.

9. On June 14, 2024, the Debtors filed the Rejection Notice. The Rejection Notice includes the following entry on Exhibit A:

Cigna	Payor Agreement	900 Cottage Grove Road, Bloomfield, Connecticut, 06002-2920
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This ambiguous listing does not specifically identify any of the Cigna Contracts.

10. On June 14, 2024, the Debtors filed the *Notice of Filing of Plan Supplement in Connection With Fourth Amended Joint Chapter 11 Plan of Reorganization of Cano Health, Inc. and Its Affiliated Debtors* [Docket No. 1023] (“Plan Supplement”), which includes the Rejection Schedule as Exhibit D.⁵

11. Consistent with the Rejection Notice, the Rejection Schedule includes the following ambiguous Cigna listing:

Cigna	Payor Agreement	900 Cottage Grove Road, Bloomfield, Connecticut, 06002-2920
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The Rejection Schedule includes no other reference to Cigna entities.⁶

12. The Debtors purport to reserve their right to add contracts to and remove contracts from the Rejection Schedule up to and after the conclusion of the Plan Confirmation hearing. Rejection Notice, ¶ 5; Plan, Article 1.173.

⁴ Cigna filed an Objection to the Cure Notices [Docket No. 1036].

⁵ The Plan Supplement also includes an Assumption Schedule as Exhibit C. Consistent with the Cure Notices, an ESI “Service Agreement” is listed on the Assumption Schedule.

⁶ The supplemental notices recently filed by the Debtors do not make any changes to the Cigna designations referenced herein. *See*, Docket Nos. 1063, 1064, 1065.

OBJECTION

13. Cigna files this objection to assure that the Debtors, *inter alia*, (i) correctly identify and designate any and all Cigna Contracts that they seek to reject prior to the Plan Confirmation hearing; and (ii) satisfy Debtors' cure obligations as to all other Cigna Contracts consistent with section 365 of the Bankruptcy Code.

A. Contract Designation.

14. The disposition of the Cigna Contracts in the context of the Plan, and the timing of that disposition, could significantly impact certain patients of the Facilities.

15. The Debtors' rejection of any of the Cigna Contracts will immediately (as of the Effective Date of the Plan) sever the applicable Facility from the Cigna Provider Network. This severance will have a significant and immediate effect on, among others: (i) those who are patients of a Facility because that Facility is currently a Cigna in-network provider under the patients' healthcare coverage; (ii) people with Cigna healthcare coverage who may be contemplating treatment at a Facility and have already received or are awaiting pre-authorization; and (iii) patients of private practice physicians in Cigna's health services network who have privileges only at the Facilities. Such severance may also disrupt doctors, employer groups, and covered persons in the Facilities' community.

16. Adequate, advance notice of any proposed severance of a Facility from the Cigna Provider Network must be provided in order to ensure that patients, covered individuals in the community, and healthcare providers are, as necessary, smoothly transitioned from the Facility, and are not economically prejudiced through no fault of their own. Recognizing the potential negative impact on patients and others, applicable state laws typically require minimum notice of any removal of a healthcare facility from a provider network. It is for this reason – the

protection of patients and other third parties – that the Cigna Contracts require advance written notice of termination.

17. Under the terms of the Plan, the Rejection Schedule is the operative document that determines whether an executory contract will be assumed or rejected. If a contract is listed on the Rejection Schedule, it will be rejected. Otherwise, the contract will be assumed.

18. The Rejection Schedule filed by the Debtors includes one generic, ambiguous Cigna reference that does not specifically identify any of the Cigna Contracts. Accordingly, Cigna hereby expressly objects to the Rejection Notice.

19. With or without its generic, ambiguous Cigna reference, the Rejection Schedule may be modified by the Debtors, with no specified notice, making the current version meaningless. Thus, Cigna has been provided with no notice as to the proposed disposition of its Contracts under the Plan.

20. As proposed, the Plan Confirmation Order will constitute an order approving the assumption or rejection of undefined groups of executory contracts, with no meaningful notice to contract counterparties. The Debtors must decide whether they propose to assume or reject the Cigna Contracts before the Court considers confirmation of the Plan, and give Cigna an opportunity to be heard after that decision. The Plan should not be confirmed unless and until Cigna has been provided with adequate, definitive notice of the Plan's proposed disposition of the Cigna Contracts, and any order confirming the Plan must definitively and accurately identify the Cigna Contracts to be rejected.

B. Cure.

21. Under the Plan, all executory contracts will be assumed unless they are listed on the Rejection Schedule. Thus, the Debtors seek to assume contracts that are not listed on the Cure Notices, and to which no cure amount has been proposed.

22. When a contract is assumed under section 365 of the Bankruptcy Code, the non-debtor third-party to that contract must be “made whole at the time of the debtor’s assumption of the contract.” *In re Entertainment, Inc.*, 223 B.R. 141, 151 (Bankr. N.D. Ill. 1998). To the extent that the Debtors seek to assume and assign any or all of the Cigna Contracts, the Debtors must pay the full cure amounts based upon the actual amounts that are due on the date that the Cigna Contracts are assumed and assigned (“Effective Date”). *See* 11 U.S.C. § 365(b)(1); *In re Network Access Solutions Corp.*, 330 B.R. 67,76 (Bankr. D. Del. 2005).

23. Amounts due under the Cigna Contracts vary, accrue on a rolling basis, and are subject to reconciliation, recoupment, and adjustment based upon, among other things, information provided by Debtors. Further, amounts will continue to accrue under the Cigna Contracts on and after the date of this Objection. Actual cure amounts cannot be determined prior to the Effective Date.

24. Any order permitting the assumption of any of the Cigna Contracts must direct that the Debtors fully pay all amounts due to Cigna under those contracts as of the Effective Date, as a condition precedent to such assumption.

WHEREFORE, Cigna respectfully requests that this Court enter an order that: (i) confirms the Plan only to the extent consistent with the foregoing; and (ii) grants Cigna such additional relief as this Court deems just and equitable.

Dated: June 21, 2024

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 21st day of June, 2024, a copy of the **Limited Objection of Cigna to Fourth Amended Joint Chapter 11 Plan of Reorganization of Cano Health, Inc. and Its Affiliated Debtors** and **Objection to Notice of Proposed Rejection of Executory Contracts and Unexpired Leases Pursuant to Debtors' Proposed Chapter 11 Plan of Reorganization** was served via CM/ECF and as indicated upon the counsel below.

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