

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

KATHLEEN A. BIRrane
Commissioner

GREGORY M. DERWART
Deputy Commissioner



Maryland

INSURANCE ADMINISTRATION

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November 14, 2022

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen Street
Annapolis, MD 21401

The Honorable Joseline A. Pena-Melnyk
Chair, House Health and Government
Operations Committee
241 Taylor House Office Building
6 Bladen Street
Annapolis, MD 21401

Re: Report required by Ins. 15-10B-20 (MSAR # 11920) – MIA Market Conduct Examination Reports

Dear Madam Chair Kelley and Madam Chair Pena-Melnyk:

Pursuant to the requirements of Section 2, Chapter 295 Acts of 2003, I am enclosing the Market Conduct Examination Reports conducted on Pharmacy Benefit Managers who are registered as Private Review Agents in the state of Maryland for the examination period of August 1, 2019 – July 31, 2021. The following three companies that met the requirements to be examined are as follows:

- CaremarkPCS Health, LLC
- Involve Pharmacy Solutions, Inc.
- Magellan RX Management, LLC

Please note while reports have been included for each of the companies, no violations were found for these companies. Please also note that there is one report outstanding for OptumRx, Inc. and upon completion, this report will be forwarded to you.

Five printed copies of this report have been mailed to the DLS library for its records.

Should you have any questions regarding this report, please do not hesitate to contact me or my Director of Government Relations, Andrew Tress, at Andrew.tress1@maryland.gov.

Sincerely,

Kathleen A. Birrane
Insurance Commissioner

cc: Sarah T. Albert, Department of Legislative Services (5 copies)

**MARKET CONDUCT EXAMINATION REPORT
OF THE
PRIVATE REVIEW AGENT**

**CAREMARKPCS HEALTH, L.L.C.
(Certificate # 146)**

**9501 E. Shea Boulevard
Scottsdale, Arizona 85260**

Report No. MCLH-4-2021-E

Examination Period: August 1, 2019 – July 31, 2021



**STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION**

**KATHLEEN A. BIRrane, COMMISSIONER
SEPTEMBER 8, 2022**

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor



KATHLEEN A. BIRrane
Commissioner

GREGORY M. DERWART
Deputy Commissioner

MARY M. KWEI
Associate Commissioner
Market Regulation
& Professional Licensing

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September 8, 2022

The Honorable Kathleen A. Birrane
Commissioner of Insurance
State of Maryland
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

Dear Commissioner Birrane:

Pursuant to your instructions and authorization, an Examination has been made of the market conduct affairs of:

CAREMARKPCS HEALTH, L.L.C.

whose home office is located at 9501 E. Shea Boulevard, Scottsdale, Arizona 85260.
The report of such Examination is being respectfully submitted.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary M. Kwei".

Mary M. Kwei
Associate Commissioner
Market Regulation & Professional Licensing

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I. EXECUTIVE SUMMARY

The Maryland Insurance Administration (hereinafter “Administration”) conducted a target Market Conduct Examination (hereinafter “Examination”) of CaremarkPCS Health, L.L.C. (hereinafter “PRA”).

The purpose of the Examination was to assess the PRA’s compliance with applicable Maryland insurance laws regarding the criteria and standards for operating as a registered Private Review Agent for the period of August 1, 2019 through July 31, 2021 (hereinafter “Examination period”).

The Administration reviewed a total of 116 randomly selected files. During that review, the Administration identified no violations occurring during the Examination period.

II. SCOPE OF EXAMINATION

An Examination has been performed on the PRA and a Report thereon is submitted as follows:

The Examination was conducted pursuant to §§ 2-205, 2-207, 2-209, 15-10B-19, and 15-10B-20 of the Annotated Code of Maryland, Insurance Article¹ and 31.04.20 of the Code of Maryland Regulations (hereinafter “COMAR”). The Examination period was August 1, 2019 through July 31, 2021. The primary purpose of the targeted market conduct examination was to assess compliance with applicable Maryland laws relating to criteria and standards for operating as a registered Private Review Agent.

Some non-compliant practices may not have been discovered or noted in the Report. Failure to identify or criticize non-compliant business practices in Maryland or in other jurisdictions does not constitute acceptance of such practices. Examination findings and recommendations, if any, that do not reference specific insurance laws, regulations, or bulletins are presented to improve the PRA’s practices and ensure consumer protection.

The examination and testing methodologies followed standards established by the National Association of Insurance Commissioners and procedures developed by the Administration. All sample files were selected using a computer generated random sample program unless otherwise stated herein.

At the Administration’s request, the PRA provided the total population for each area listed in the chart below:

| AREA | POPULATION | SAMPLE SIZE |
|---------------------|---------------|-------------|
| Adverse Decisions | 72,066 | 109 |
| Grievance Decisions | 5 | 5 |
| Total: | 72,071 | 116 |

¹ Unless otherwise noted all statutory references are to the Annotated Code of Maryland, Insurance Article.

III. PRA PROFILE

CaremarkPCS Health, L.L.C, a limited liability company is owned 100% by CaremarkPCS, L.L.C., a wholly-owned subsidiary of Caremark Rx, L.L.C., whose ultimate parent company is CVS Health Corporation.

IV. CLOSING

A total of 116 randomly selected files were reviewed. Of the selected files, no violations were identified during this Examination period.

V. EXAMINATION REPORT SUBMISSION

The courtesy and cooperation extended by the officers and employees of the PRA during the course of the Examination are hereby acknowledged.



Theresa Morfe, AIE, MCM, FLMI
Chief Market Conduct Examiner, Life and Health
Market Regulation & Professional Licensing

In addition, the following individuals participated in this Examination and in the preparation of this Report.

Natalie Nelson, ALMI, MCM
Assistant Chief Examiner, Life and Health
Market Regulation & Professional Licensing

Mariel Kaufman, APIR, MCM
Senior Market Conduct Examiner, Life and Health
Market Regulation & Professional Licensing

Kaitlyn Rodeffer, MCM
Market Conduct Examiner
Market Regulation & Professional Licensing

Thomas Hooper, MCM
Market Conduct Examiner
Market Regulation & Professional Licensing

**MARKET CONDUCT EXAMINATION REPORT
OF THE
PRIVATE REVIEW AGENT**

**ENVOLVE PHARMACY SOLUTIONS, INC.
(CERTIFICATE #225)**

**7700 Forsyth Blvd.
St. Louis, MO 63105**

Report No. MCLH-1-2022-E

Examination Period: August 1, 2019 – July 31, 2021



**STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION**

KATHLEEN A. BIRRANE, COMMISSIONER

April 7, 2022

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor



KATHLEEN A. BIRrane
Commissioner

GREGORY M. DERWART
Deputy Commissioner

MARY M. KWEI
Associate Commissioner
Market Regulation
& Professional Licensing

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April 7, 2022

The Honorable Kathleen A. Berrane
Commissioner of Insurance
State of Maryland
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

Dear Commissioner Berrane:

Pursuant to your instructions and authorization, an Examination has been made of the market conduct affairs of:

EVOLVE PHARMACY SOLUTIONS, INC.

whose home office is located at 7700 Forsyth Boulevard, St. Louis, Missouri 63105.
The report of such Examination is being respectfully submitted.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Kwei", written in a cursive style.

Mary M. Kwei
Associate Commissioner
Market Regulation & Professional Licensing

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I. EXECUTIVE SUMMARY

The Maryland Insurance Administration (hereinafter “Administration”) conducted a target Market Conduct Examination (“Examination”) of Envolve Pharmacy Solutions, Inc. (“PRA”). The period covered was August 1, 2019 through July 31, 2021 (“Examination period”).

The purpose of the Examination was to assess the PRA’s compliance with applicable Maryland laws regarding the criteria and standards for operating as a registered Private Review Agent certified in the State of Maryland.

No files were reviewed for this Exam. Policies and procedures were reviewed. Of the policies and procedures reviewed, no violations were found for this examination period.

II. SCOPE OF EXAMINATION

An Examination has been performed on the PRA and a Report thereon is submitted as follows:

The Examination was conducted pursuant to §§ 2-205, 2-207, 2-208, 2-209 and 15-10B-20 of the Annotated Code of Maryland, Insurance Article and 31.04.20 of the Code of Maryland Regulations (hereinafter "COMAR"). The Examination period was August 1, 2019 through July 31, 2021. The purpose of the Examination was to assess the PRA's compliance with applicable Maryland laws regarding the criteria and standards for operating as a registered Private Review Agent in the State of Maryland.

III. COMPANY PROFILE

Envolve Pharmacy Solutions, Inc. was established in 1999 as US Script. In 2006, US Script joined Centene Corporation's specialty services division. In 2008, US Script received full PBM accreditation from Utilization Review Accreditation Commission, with reaccreditation in 2014. Envolve Pharmacy Solutions, Inc. provides comprehensive drug services nationally to pharmacies, chain pharmacies and independent pharmacies. The markets serviced by Envolve Pharmacy Solutions, Inc. are self-funded employers, hospital systems, Medicaid, Medicare, health benefit exchanges, third party administrators, labor unions and workers' compensation programs.

Additionally, Envolve Pharmacy Solutions, Inc. combines its pharmacy benefit management with AcariaHealth, a specialty pharmacy established in 2011. AcariaHealth provides services for all specialty disease states. It operates 11 pharmacy locations and three wholesale distribution sites. AcariaHealth holds licenses in all 50 states, Puerto Rico, and holds Medicaid licenses in 46 states and District of Columbia. Envolve Pharmacy Solution Inc. offers financial, clinical and operational performance by using a member focused model emphasizing products and services to manage total drug expenses and delivering patient related services.

IV. CLOSING

Policies and procedures were reviewed. Out of the policies and procedures reviewed, no violations were identified during this Examination period.

V. EXAMINATION REPORT SUBMISSION

The courtesy and cooperation extended by the officers and employees of the PRA during the course of the Examination are hereby acknowledged.



Theresa Morfe, AIE, MCM, FLMI
Chief Market Conduct Examiner, Life and Health
Market Regulation & Professional Licensing

In addition, the following individuals participated in this Examination and in the preparation of this Report.

Natalie Nelson, ALMI, MCM
Assistant Chief, L&H Market Conduct
Market Regulation & Professional Licensing

Kaitlyn Rodeffer, MCM
Market Conduct Examiner
Market Regulation & Professional Licensing

**MARKET CONDUCT EXAMINATION REPORT
OF THE
PRIVATE REVIEW AGENT**

**MAGELLAN RX MANAGEMENT, LLC
(CERTIFICATE #247)**

**14100 Magellan Plaza
Maryland Heights, MO 63043**

Report No. MCLH-2-2022-E

Examination Period: August 1, 2019 – July 31, 2021



**STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION**

KATHLEEN A. BIRRANE, COMMISSIONER

APRIL 4, 2022

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor



KATHLEEN A. BIRrane
Commissioner

GREGORY M. DERWART
Deputy Commissioner

MARY M. KWEI
Associate Commissioner
Market Regulation
& Professional Licensing

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April 4, 2022

The Honorable Kathleen A. Birrane
Commissioner of Insurance
State of Maryland
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

Dear Commissioner Birrane:

Pursuant to your instructions and authorization, an Examination has been made of the market conduct affairs of:

MAGELLAN RX MANAGEMENT, LLC

whose home office is located at 14100 Magellan Plaza, Maryland Heights, Missouri 63043. The report of such Examination is being respectfully submitted.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary M. Kwei".

Mary M. Kwei
Associate Commissioner
Market Regulation & Professional Licensing

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I. EXECUTIVE SUMMARY

The Maryland Insurance Administration (hereinafter “Administration”) conducted a target Market Conduct Examination (“Examination”) of Magellan RX Management, LLC (“PRA”). The period covered was August 1, 2019 through July 31, 2021 (“Examination period”).

The purpose of the Examination was to assess the PRA’s compliance with applicable Maryland laws regarding the criteria and standards for operating as a registered Private Review Agent certified in the State of Maryland.

No files were reviewed for this Exam. Policies and procedures were reviewed. Of the policies and procedures reviewed, no violations were found for this examination period.

II. SCOPE OF EXAMINATION

An Examination has been performed on the PRA and a Report thereon is submitted as follows:

The Examination was conducted pursuant to §§ 2-205, 2-207, 2-208, 2-209 and 15-10B-20 of the Annotated Code of Maryland, Insurance Article and 31.04.20 of the Code of Maryland Regulations (hereinafter "COMAR"). The Examination period was August 1, 2019 through July 31, 2021. The purpose of the Examination was to assess the PRA's compliance with applicable Maryland laws regarding the criteria and standards for operating as a registered Private Review Agent in the State of Maryland.

III. COMPANY PROFILE

Magellan RX Management, LLC is a division of Magellan Health, Inc. (“Plan”), and the Plan’s pharmacy benefit manager. Magellan RX Management, LLC is accredited by the Utilization Review Accreditation Commission (“URAC”) for health utilization management and pharmacy benefit management since 2014. The markets serviced by Magellan RX Management, LLC are self-funded employers, health plans, union groups, government sponsored groups, Medicare and Medicaid.

Magellan RX Management, LLC offers PBM services and utilization review of specialty and traditional mail order medications. Providers have access to a point-of-sale system applicable to Prospective Utilization Review.

Magellan RX Management, LLC. offers formulary management, insights and analytics, and member engaged programs.

IV. CLOSING

Policies and procedures were reviewed. Out of the policies and procedures reviewed no violations were identified during this Examination period.

V. EXAMINATION REPORT SUBMISSION

The courtesy and cooperation extended by the officers and employees of the PRA during the course of the Examination are hereby acknowledged.



Theresa Morfe, AIE, MCM, FLMI
Chief Market Conduct Examiner, Life and Health
Market Regulation & Professional Licensing

In addition, the following individuals participated in this Examination and in the preparation of this Report.

Natalie Nelson, ALMI, MCM
Assistant Chief, L&H Market Conduct
Market Regulation & Professional Licensing

Kaitlyn Rodeffer, MCM
Market Conduct Examiner
Market Regulation & Professional Licensing