

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

AL REDMER, JR.
Commissioner

NANCY GRODIN
Deputy Commissioner

VICTORIA AUGUST
Associate Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2021 Fax: 410-468-2245
Email: megan.mason@maryland.gov
410-468-2000 1-800-492-6116
TTY: 1-800-735-2258
www.insurance.maryland.gov

December 17, 2015

The Honorable Thomas McClain Middleton
Chair, Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen Street
Annapolis, MD 21401-1991

The Honorable Peter A. Hammen
Chair, House Health and Government Operations Committee
Lowe House Office Building, Room 161
84 College Avenue
Annapolis, MD 21401-1991

Re: MSAR Report # 2196

Dear Chairman Middleton and Chairman Hammen:

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 July 1, 2010 - June 30, 2013. The four companies that met the requirements to be examined are as follows:

- Caremark PCS Health L.L.C.
- Catamaran PBM of Maryland, Inc.
- Express Scripts Utilization Management
- Optum Rx, Inc.

Please note that while reports have been included for each of the companies, no violations were found for either Express Scripts or Catamaran. If you have any questions or concerns, please feel free to contact me at 410-468-2021.

Respectfully submitted,

Megan R. Mason, MCM
Chief Market Conduct Examiner, Life & Health

Enc.

cc: Linda Stahr, Committee Staff, House Health & Government Operations
Patrick Carlson, Committee Staff, Senate Finance Committee
Sarah T. Albert, Department of Legislative Services (5 copies)

**MARKET CONDUCT EXAMINATION REPORT
OF THE
HEALTH BUSINESS OF
CAREMARKPCS HEALTH, LLC**

**9501 E. Shea Boulevard, MC024
Scottsdale, AZ 85260**

Report No. MCLH-2-2015-E

**Examination Periods: July 1, 2010 – June 30, 2013 and
January 1, 2015 – April 15, 2015**



**STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION**

**ALFRED W. REDMER, JR., COMMISSIONER
DECEMBER 11, 2015**

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor



AL REDMER, JR.
Commissioner

NANCY GRODIN
Deputy Commissioner

VICTORIA AUGUST
Associate Commissioner
Compliance & Enforcement

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www.insurance.maryland.gov

December 11, 2015

The Honorable Alfred W. Redmer, Jr.
Commissioner of Insurance
State of Maryland
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

Dear Commissioner Redmer:

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

CAREMARKPCS HEALTH, LLC

whose home office is located at 9501 E. Shea Boulevard, MC024, Scottsdale, Arizona 85260. The report of such Examination is being respectfully submitted.

Sincerely,

signature on file with original

Victoria August
Associate Commissioner
Compliance & Enforcement

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I. EXECUTIVE SUMMARY

The Maryland Insurance Administration (hereinafter "Administration") conducted a target Market Conduct Examination (hereinafter "Examination") of CareMarkPCS Health, LLC (hereinafter "Company").

The purpose of the Examination was to assess the Company's compliance with applicable Maryland laws regarding the criteria and standards for operating as a registered Private Review Agent for the period of July 1, 2010 through June 30, 2013 (hereinafter "First Examination period").

A total of 91 randomly selected files were reviewed. Of the selected files, a total of seven violations were identified during the First Examination period.

The Examination was expanded to assess the Company's compliance with applicable Maryland laws regarding denied appeals of maximums on allowable cost pricing in the state of Maryland for the period of January 1, 2015 through April 15, 2015 (hereinafter "Second Examination period"). A total of 113 denied appeals were reviewed. Of the selected files, no violations were identified during the Second Examination period.

The Examination of the First Examination period identified non-compliant procedures, some of which may extend to other jurisdictions. The Company is directed to take immediate corrective action to demonstrate its ability and intention to conduct business in Maryland according to the State's insurance laws and regulations. When applicable, corrective action for other jurisdictions should be addressed.

II. SCOPE OF EXAMINATION

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

The Examination was conducted pursuant to §§ 2-205, 2-207, 2-208, 2-209, 15-10B-19, 15-10B-20 and 15-1609 of the Annotated Code of Maryland, Insurance Article¹ and 31.04.20 of the Code of Maryland Regulations (hereinafter "COMAR"). The First Examination period was July 1, 2010 through June 30, 2013. The purpose of the Examination was to assess the Company's compliance with applicable Maryland insurance laws and regulations relating to criteria and standards for operating as a registered Private Review Agent. The purpose and dates of the Examination were expanded to assess the Company's compliance with applicable Maryland laws regarding denied appeals of maximum allowable cost pricing for the Second Examination period January 1, 2015 through April 15, 2015.

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 Company's business 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.

The Company was requested to provide the total population for each area listed in the chart below:

AREA REVIEWED	POPULATION	SAMPLE
Prospective Adverse Decisions	371	89
Retrospective Adverse Decisions	2	2
MAC Appeals	1,148	113
Total:	1,521	204

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

III. COMPANY PROFILE

CaremarkPCS Health, LLC. was formerly known as CaremarkPCS Health, LP, which was 100% owned by its general partner, CaremarkPCS Health Systems, LLC, and its limited partner, ADVP Consolidation, LLC. The general and limited partners were 100% owned by AdvancePCS Holding Corporation.

As a result of an internal corporate restructuring on January 1, 2009, CaremarkPCS Health, LP was converted from a limited partnership to CaremarkPCS Health, LLC, a limited liability company. CaremarkPCS Health, LP's general partner, CaremarkPCS Health Systems, LLC and its limited partner, ADVP Consolidation, LLC as well as AdvancePCS Holding, LLC, the 100% owner of the general and limited partners of CaremarkPCS Health, LP, were merged out of existence.

IV. ADVERSE DECISIONS

Issue 1 – Violation of Section 15-10B-08(b), in its failure to meet the requirements of Section 15-10A-02(f)(2)

The Company failed to send the required written adverse decision notices to the members, the members' representatives or health care providers on behalf of the members within five working days after the adverse decision had been made.

Section 15-10B-08 provides in pertinent part:

(b) A private review agent's internal grievance process shall meet the same requirements established under §§ 15-10A-02 through 15-10A-05 of this title.

Section 15-10A-02 provides in pertinent part:

(f) For nonemergency cases, when a carrier renders an adverse decision, the carrier shall:

* * * * *

(2) send, within 5 working days after the adverse decision has been made, a written notice to the member, the member's representative, and a health care provider acting on behalf of the member that:

FINDING 1

The Company failed to send adverse decision notices to the members, the members' representatives or health care providers within five working days after the adverse decisions had been made. The Company is in violation of Section 15-10B-08(b) for failure to meet the requirements of Section 15-10A-02(f)(2).

AREA EXAMINED	POPULATION	SAMPLE SIZE	VIOLATIONS	% OF ERROR	EXHIBIT
Prospective Adverse Decisions	371	89	3	3	A

The Company has implemented corrective measures to comply with applicable Maryland Insurance laws and regulations.

Issue 2 – Violation of Section 2-207(b)(1)
The Company failed to provide all documents that relate to subject of the Examination.

Section 2-207(b)(1) provides in pertinent part:

(b) Each person that is examined and its officers, employees, agents, and representatives shall:

(1) produce and make freely available to the Commissioner or an examiner the accounts, records, documents, files, information, assets, and matters that are in the possession or control of the person and relate to the subject of the examination;

FINDING 2

The Company failed to provide the Commissioner the requested copies of the original dated Notice of Adverse Decision. The Company was not able to extract the original denial notice and instead sent a regenerated copy dated March 11, 2015. The Company is in violation of Section 2-207(b)(1).

AREA EXAMINED	POPULATION	SAMPLE SIZE	VIOLATION	% OF ERROR	EXHIBIT
Prospective Adverse Decisions	371	89	1	1	B

The Company has implemented corrective measures to comply with applicable Maryland Insurance laws and regulations.

Issue 3 – Violation of COMAR 31.04.20.05D

The Company failed to provide the requested information in the manner specified by the Commissioner.

COMAR 31.04.20 provides in pertinent part:

.05 Information

D. Whenever a person receives a request from the Commissioner for information, the person shall provide the requested information:

(1) Within the time specified by the Commissioner, unless an extension has been granted by the Commissioner in accordance with §§G and H of this regulation; and

(2) In the manner specified by the Commissioner.

FINDING 3

The Company failed to provide responses to the Commissioner's requests by the due dates and in some instances provided inaccurate information.

The Company is in violation of COMAR 31.01.20.05D.

AREA EXAMINED	POPULATION	SAMPLE SIZE	VIOLATIONS	% OF ERROR	EXHIBIT
Prospective Adverse Decision	389	89	3	3	C

The Company has implemented corrective measures to comply with Maryland Insurance laws and regulations.

V. RECOMMENDATIONS

The Company's notices of adverse decision state in bold, "Notice of Coverage Decision." In addition, there are several areas throughout the notice of adverse decision where there is mention of a coverage decision. These are Notices of Adverse Decision and are not Notices of Coverage Decision. The notices are related to Adverse Decisions as defined in § 15-10A-01(b) of the Insurance Article. Coverage Decisions are defined separately in § 15-10D-01(f) of the Insurance Article.

The Company is directed to remove the statement in their notice of adverse decision that describes it as a "Notice of Coverage Decision" and all areas that state that the notice relates to a coverage decision.

It is noted the Company stated corrective measures have been implemented to prevent future errors. The letter is a custom letter template provided to them by their client. The concern was discussed with their client and the client has agreed to revise the letter template and provide an updated version for Company use.

VI. CLOSING

A total of 204 randomly selected samples were reviewed. The sample included 91 Adverse Decisions and 113 Maximum Allowable Cost files. Of the selected files, a total of seven violations were identified during the First Examination period.

Adverse Decision violations include failure to send a notice within five working days, failure to provide requested information and failure to respond to the Commissioner in a timely and accurate manner. A recommendation regarding the language in the notice of adverse decision was suggested to state "Adverse Decision" and not "Notice of Coverage Decision."

It has been noted the Company has advised that measures have been taken to implement changes per all violations and recommendations found during the First Examination period. The Company is directed to provide copies of the policies and procedures noting the changes and copies of the revised notice of adverse decision.

VII. EXAMINATION REPORT SUBMISSION

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

signature on file with original



Megan R. Mason, MCM
Chief Market Conduct Examiner, Life and Health
Compliance & Enforcement Unit

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

Monica Branson, MCM
Life and Health Market Conduct Examiner
Compliance & Enforcement Unit

Nicholas Mitchel, MCM
Life and Health Market Conduct Examiner
Compliance & Enforcement Unit

Kristen A. Newton, MCM
Market Conduct Associate
Compliance & Enforcement Unit

EXHIBITS

MARYLAND INSURANCE COMMISSIONER *
200 ST. PAUL PLACE, SUITE 2700 *
BALTIMORE, MARYLAND 21202 *

5841688
3,100.00

RECEIVED

DEC 08 2015

V.

MARYLAND INSURANCE
ADMINISTRATION

CAREMARKPCS HEALTH, LLC *
9501 E. SHEA BOULEVARD, MC024 *
SCOTTSDALE, ARIZONA 85260 *

CASE NO.: MIA-2015-12-026

* * * * *

CONSENT ORDER

This Consent Order is entered into by the Maryland Insurance Commissioner ("Commissioner") and CaremarkPCS Health, LLC ("Respondent"), pursuant to §§ 2-108, 2-204, 2-205, 15-10B-19, 15-10B-20 and 15-1609 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.) ("Insurance Article"), to resolve the matter before the Maryland Insurance Administration ("Administration").

Findings

1. At all times relevant to this Consent Order, Respondent has been certified as a private review agent with the Administration in accordance with Title 15, Subtitle 10B of the Insurance Article.
2. Pursuant to §§ 2-205, 2-207, 2-208, 2-209, 15-10B-19, 15-10B-20 and 15-1609 of the Insurance Article, the Administration conducted a Market Conduct Examination ("Examination") of Respondent. The period covered by the Examination was January 1, 2010 to June 30, 2013 and January 1, 2015 to April 15, 2015.
3. Several non-compliant practices were identified during the Examination, as stated in Examination Report number MCLH-2-2015-E ("the Report").

Conclusions of Law

4. The Examination, the details of which are included in the Report, incorporated herein as if set forth in full, concluded that Respondent violated the following Maryland Laws and Regulations,

- §§ 15-10B-08(b) in its failure to meet the requirements of 15-10A-02(f)(2) of the Insurance Article, Annotated Code of Maryland
- § 2-207(b)(1) of the Insurance Article, Annotated Code of Maryland
- Section 31.04.20.05D of the Code of Maryland Regulations

5. Respondent admits to the facts and accepts the Administration's conclusions as stated in the Report, but denies liability to any third party as a result of the violations noted in this Report. Both Respondent and the Administration agree to the conditions of the Order and the remedial measures set forth herein. Respondent executes this Order knowingly and voluntarily. The parties acknowledge that this Order is in the public interest and desire to resolve this matter without further proceedings.

Order

WHEREFORE, for the reasons set forth above, it is hereby **ORDERED** by the Commissioner and consented to by Respondent, that:

A. Respondent shall accept the Report as final and waives any right to a hearing on or for judicial review of the Report.

B. Respondent shall correct the violations as noted in the Report within ninety (90) days of the date this Order is executed by the Insurance Commissioner or his designee. Respondent shall take such measures to ensure that the conditions that led to these violations are addressed such that the same violations do not occur in the future. Respondent shall set forth in a letter to the Commissioner that the violations have been corrected and that measures have been taken to ensure

that such violations do not occur in the future. Such letter shall be accompanied by a certification, signed by an officer of the Respondent, certifying that the information is true and accurate.

C. Respondent shall pay an administrative penalty to the State of Maryland for the violations stated herein in the amount of Three Thousand One Hundred Dollars (\$3,100.00) contemporaneously with Respondent's execution of this Order. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number or name. Unpaid penalties will be referred to the Central Collection Unit for collections.

Other Provisions

D. The executed Order and any administrative penalty shall be sent to the attention of: Victoria August, Associate Commissioner, Compliance and Enforcement, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202.

E. For the purposes of the Administration and for any subsequent administrative or civil proceedings concerning Respondent, whether related or unrelated to the foregoing paragraphs, and with regard to requests for information about the Respondent made under the Maryland Public Information Act, or properly made by governmental agencies, this Order will be kept and maintained in the regular course of business by the Administration. For the purposes of the business of the Administration, the records and publications of the Administration will reflect this Order.

F. The parties acknowledge that this Order resolves all matters relating to the factual assertions and agreements contained herein and are to be used solely for the purposes of this proceeding brought by or on behalf of the Administration. Nothing herein shall be deemed a waiver of the Commissioner's right to proceed in an administrative action civil action for violations not specifically identified in this Order, including but not limited to, specific consumer complaints received by the Administration, nor shall anything herein be deemed a waiver of the right of the

Respondent to contest other proceedings by the Administration. This Order shall not be construed to resolve or preclude any potential or pending civil, administrative, or criminal action or prosecution by any other person, entity or governmental authority, including, but not limited to, the Insurance Fraud Division of the Administration, regarding any conduct by the Respondent including the conduct that is the subject of this Order.

G. Respondent has had the opportunity to have this Order reviewed by legal counsel of its choosing, and is aware of the benefits gained and obligations incurred by the execution of the Order. Respondent waives any and all rights to any hearing or judicial review of this Order to which it would otherwise be entitled under the Insurance Article with respect to any of the determinations made or actions ordered by this Order.

H. This Order contains the entire agreement between the parties relating to the administrative actions addressed herein. This Order supersedes any and all earlier agreements or negotiations, whether oral or written. All time frames set forth in this Order may be amended or modified only by subsequent written agreement of the parties.

I. This Order shall be effective upon signing by the Commissioner or her designee, and is a Final Order of the Commissioner under § 2-204 of the Insurance Article.

J. Failure to comply with the terms of this Order may subject Respondent to further legal and/or administrative action.

ALFRED W. REDMER, JR.
INSURANCE COMMISSIONER

signature on file with original

By: Victoria August 
Associate Commissioner
Compliance & Enforcement

Date: 12-11-15

RESPONDENT'S CONSENT

RESPONDENT hereby CONSENTS to the representations made in, and to the terms of, the above Consent Order. On behalf of Respondent, the undersigned hereby affirms that he or she has taken all necessary steps to obtain the authority to bind CaremarkPCS Health, LLC to the terms of this Consent Order resolving Report number MCLH-2-2015-E.

Name: Thomas S. Moffatt

signature on file with original

Signature: _____

Title: Vice President & Assistant Secretary of CaremarkPCS Health, L.L.C.

Date: _____

11/27/2015

**MARKET CONDUCT EXAMINATION REPORT
OF THE
HEALTH BUSINESS OF
CATAMARAN PBM OF MARYLAND, INC.**

**1600 McConnor Parkway
Schaumburg, IL 60173**

Report No. MCLH-3-2015-E

Examination Period: July 1, 2010 – June 30, 2013

January 1, 2015 – April 15, 2015



**STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION**

**ALFRED W. REDMER, JR., COMMISSIONER
NOVEMBER 23, 2015**

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor



AL REDMER, JR.
Commissioner

NANCY GRODIN
Deputy Commissioner

VICTORIA AUGUST
Associate Commissioner
Compliance & Enforcement

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
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Email: victoria.august@maryland.gov
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

November 23, 2015

The Honorable Alfred W. Redmer, Jr.
Commissioner of Insurance
State of Maryland
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

Dear Commissioner Redmer:

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

CATAMARAN PBM OF MARYLAND, INC.

whose home office is located at 1600 McConnor Parkway, Schaumburg, Illinois 60173.
The report of such Examination is being respectfully submitted.

Sincerely,

signature on file with original

Victoria August
Associate Commissioner
Compliance & Enforcement

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I. EXECUTIVE SUMMARY

The Maryland Insurance Administration (hereinafter "Administration") conducted a Market Conduct Examination (hereinafter "Examination") of Catamaran PBM of Maryland, Inc. (hereinafter "Company").

The purpose of the Examination was to assess the Company's compliance with applicable Maryland laws regarding the criteria and standards for operating as a registered Private Review Agent for the period July 1, 2010 through June 30, 2013 (hereinafter "First Examination period").

The Administration originally requested 90 randomly selected adverse decision files from the Company for review. It was found that the requested files were from self-insured health benefit plans. A revised population of adverse decision files was requested for review. The Company provided a revised population of 29 adverse decision files. It was found that the requested files were from members of fully insured plans located and issued outside of Maryland. The Company advised there were no adverse decisions rendered for Maryland situated, fully insured plans to Maryland residents during the First Examination period. No violations were identified during the First Examination period.

The Examination was expanded to assess the Company's compliance with applicable Maryland laws regarding denied appeals of maximums on allowable cost pricing in the State of Maryland for the period of January 1, 2015 to April 15, 2015 (hereinafter "Second Examination period"). A total of three denied appeal files were reviewed. Of the selected files, no violations were identified during the Second Examination period.

II. SCOPE OF EXAMINATION

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

The Examination was conducted pursuant to §§ 2-205, 2-207, 2-208, 2-209, 15-10B-19, 15-10B-20 and 15-1609 of the Annotated Code of Maryland, Insurance Article¹ and 31.04.20 of the Code of Maryland Regulations (hereinafter "COMAR"). The First Examination period was July 1, 2010 through June 30, 2013. The purpose of the Examination was to assess the Company's compliance with applicable Maryland insurance laws regarding the criteria and standards for operating as a registered Private Review Agent. The purpose of the Examination was expanded to assess the Company's compliance with applicable Maryland laws regarding denied appeals of maximum allowable cost pricing for the Second Examination period of January 1, 2015 through April 15, 2015.

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 Company's business 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 by using a computer generated random sample program unless otherwise stated herein.

The Company was requested to provide the total population for each area listed in the chart below:

AREA	POPULATION	SAMPLE SIZE
Prospective Adverse Decisions	29	29

¹ Unless otherwise noted all statutory references are to the Annotated Code of Maryland, Insurance Article.
Catamaran PBM of Maryland, Inc. – MCLH-3-2015-E

III. COMPANY PROFILE

Date Incorporated: 1994

Commenced: 1994

Domicile: IL

Catamaran PBM of Maryland, Inc. is an operating subsidiary of Catamaran Corporation, a leading national provider of pharmacy benefit management services and healthcare information technology solutions to the healthcare benefit management industry. Catamaran Corporation is the result of the acquisition by SXC Health Solutions Corp. ("SXC") of Catalyst Health Solutions, Inc. ("Catalyst Health") on July 2, 2012. Following SXC's acquisition of Catalyst Health, SXC was renamed Catamaran Corporation, and Catalyst Rx, Inc. was renamed Catamaran PBM of Maryland, Inc.

Catalyst Rx, Inc. was founded in 1994 as a full service Pharmacy Benefits Manager (PBM). In 2001, Catalyst Rx, Inc. was acquired by Catalyst Health Solutions, Inc., formerly HealthExtras, Inc., a publicly traded company listed on the NASDAQ National Market under the stock symbol "CHSI." Since 2001, Catalyst Health Solutions, Inc. has supplemented its growth, through the acquisition of various regional pharmacy benefits managers and mail service facilities including: Pharmacy Network National Corporation (PNNC) in 2002; Pharmacy Advantage System (PAS) in 2003; Pharmacy Services Group (PSG) in 2004; EBRx, Inc. in 2005; RXx Pharmacy Solutions, Ins., in 2006; HospiScript Services, LLC and Immediate Pharmaceutical Services, Inc. in 2008; and Total Script in 2009. In addition, on September 13, 2010, Catalyst Health Solutions, Inc. acquired FutureScripts, LLC and FutureScripts Secure, LLC, the pharmacy benefits management subsidiaries of Independence Blue Cross and in June 2011, Catalyst Health acquired Walgreens Health Initiatives, Inc.

Catamaran PBM of Maryland, Inc. provides prescription benefit management services, which include electronic point-of-sale pharmacy claims management, retail pharmacy network management, mail pharmacy claims management, specialty pharmacy claims management, benefit design consultation, preferred drug management programs, drug review and analysis, as well as reporting and information analysis.

IV. RECOMMENDATION

The Company was instructed on the Administration's data request letter, dated January 22, 2015, to include adverse decisions from Maryland sitused (issued, billed or delivered in Maryland) contracts for Maryland residents and to exclude self-insured health benefit plans. The Company provided a population of 910 adverse decisions and the Administration requested 90 randomly selected adverse decisions. It was later found that the 90 adverse decision files were from self-insured health benefit plans.

The Company was consequently instructed on May 29, 2015 to provide an updated, accurate population of adverse decisions from Maryland sitused contracts for Maryland residents and to exclude self-insured health benefit plans. The Company provided a population of 29 adverse decisions. It was later found that the 29 adverse decision files were from members of fully insured plans located and issued outside of Maryland.

It is recommended that the Company implement procedures to follow instructions on all future data requests for Market Conduct Examinations and to separate with accuracy self-funded policies and non-Maryland sitused policies verses fully insured policies and Maryland sitused policies.

V. CLOSING

It was found that the Company did not have any adverse decisions from Maryland sitused fully insured plans for Maryland residents. There were no violations found during the First Examination period. A recommendation regarding providing accurate data populations was suggested.

There were no violations found in the review of the Second Examination period sample regarding denied appeals of maximum allowable cost pricing.

VI. EXAMINATION REPORT SUBMISSION

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

signature on file with original



Megan R. Mason, MCM
Chief Market Conduct Examiner, Life and Health
Compliance & Enforcement Unit

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

Monica Branson
Life and Health Market Conduct Examiner
Compliance & Enforcement Unit

Kristen A. Newton, MCM
Market Conduct Associate
Compliance & Enforcement Unit

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

**EXPRESS SCRIPTS UTILIZATION
MANAGEMENT COMPANY**

**One Express Way
St. Louis, MO 63121**

Report No. MCLH-4-2015-E

Examination Period: July 1, 2010 – June 30, 2013



**STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION**

**ALFRED W. REDMER, JR., COMMISSIONER
MAY 19, 2015**

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor



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www.insurance.maryland.gov

May 19, 2015

The Honorable Alfred W. Redmer, Jr.
Commissioner of Insurance
State of Maryland
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

Dear Commissioner Redmer:

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

EXPRESS SCRIPTS UTILIZATION MANAGEMENT COMPANY

whose home office is located at One Express Way, St. Louis, Missouri 63121. The report of such Examination is being respectfully submitted.

Sincerely,

signature on file with original

Victoria August
Associate Commissioner
Compliance & Enforcement

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I. EXECUTIVE SUMMARY

The Maryland Insurance Administration (hereinafter "Administration") conducted a target Market Conduct Examination (hereinafter "Examination") of Express Scripts Utilization Management Company (hereinafter "PRA").

The purpose of the Examination was to assess the PRA's compliance with applicable Maryland laws regarding utilization review practices of pharmacy benefit managers registered as private review agents for the period of July 1, 2010 through June 30, 2013 (hereinafter "Examination period").

There were no adverse or grievance decisions made by the PRA during the Examination period. The PRA has one fully delegated client in Maryland and all potential denials are routed to the client to make the final determination.

In addition, the PRA made advance decisions on Medicare Part D and the State of Maryland claims, which are not within the Administration's jurisdiction.

The Administration reviewed the adverse decision and grievance procedures provided by the PRA. No violations were found to have occurred 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, 2-208, and 2-209 of the Annotated Code of Maryland, Insurance Article¹ and 31.04.20 of the Code of Maryland Regulations. The Examination period was July 1, 2010 through June 30, 2013. The purpose of the Examination was to assess the PRA's compliance with applicable Maryland insurance laws and regulations relating to utilization review practice of pharmacy benefit managers registered as private review agents.

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 Company's business 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.

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

III. COMPANY PROFILE

Express Scripts was founded in 1986 as a joint venture between a St. Louis area retail pharmacy chain and Sanus Corporate Health Systems. In 1988, Sanus became a subsidiary of New York Life Insurance Company, which was sole owner from 1989 to 1992.

Since becoming a publicly traded corporation in 1992, they have sought to improve opportunities through strategic acquisitions and mergers. The 2012 merger with Medco Health Solutions enhances their ability to drive out the \$400 billion in annual pharmacy-related waste through innovation and alignment with clients.

Express Scripts Utilization Management Co., is a wholly-owned subsidiary of Express Scripts Holding Company, and is responsible for the resources and solutions which comprise utilization management offerings. As a lever to control client costs and maintain patient access to important medications, utilization management has been clearly shown to add value to the pharmacy benefit while improving health outcomes. Express Scripts has held URAC Pharmacy Benefit Management accreditation since 2007. This PBM accreditation covers UM services provided by ESUM. ESUM also achieved NCQA Utilization Management certification in January 2014.

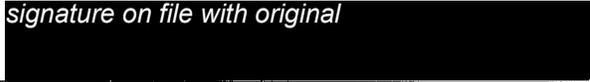
IV. CLOSING

There were no adverse or grievance decisions made by the PRA. The PRA's procedures were reviewed. No violations were found to have occurred during the 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.

signature on file with original



Megan R. Mason, MCM
Chief Market Conduct Examiner, Life and Health
Compliance & Enforcement Unit

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

Monica Branson, MCM
Life and Health Market Conduct Examiner
Compliance & Enforcement Unit

Kristen A. Walter, MCM
Market Conduct Associate
Compliance & Enforcement Unit

**MARKET CONDUCT EXAMINATION REPORT
OF THE
HEALTH BUSINESS OF**

OPTUMRX, INC.

**2300 Main Street
Irvine, California 92614**

Report No. MCLH-5-2015-E

**Examination Periods: July 1, 2010 – June 30, 2013 and
January 1, 2015 – April 15, 2015**



**STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION**

**ALFRED W. REDMER, JR., COMMISSIONER
OCTOBER 26, 2015**

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor



AL REDMER, JR.
Commissioner

NANCY GRODIN
Deputy Commissioner

VICTORIA AUGUST
Associate Commissioner
Compliance & Enforcement

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2217 Fax: 410-468-2245
Email: victoria.august@maryland.gov
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

October 26, 2015

The Honorable Alfred W. Redmer, Jr.
Commissioner of Insurance
State of Maryland
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

Dear Commissioner Redmer:

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

OPTUMRX, INC.

whose home office is located at 2300 Main Street, Irvine, California 92614. The report of such Examination is being respectfully submitted.

Sincerely,

signature on file with original

Victoria August
Associate Commissioner
Compliance & Enforcement

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I. EXECUTIVE SUMMARY

The Maryland Insurance Administration (hereinafter "Administration") conducted a Market Conduct Examination (hereinafter "Examination") of OptumRX, Inc. (hereinafter "Company").

The purpose of the Examination was to assess the Company's compliance with applicable Maryland laws regarding the criteria and standards for operating as a registered Private Review Agent for the period of July 1, 2010 through June 30, 2013 (hereinafter "Examination period").

A total of 156 randomly selected adverse decision files were reviewed. Of the selected files, a total of 85 violations occurred during the Examination period.

The Examination was expanded to assess the Company's compliance with applicable Maryland laws regarding denied appeals of maximum allowable cost pricing for the period of January 1, 2015 through April 15, 2015. A total of 76 denied appeal files were reviewed. Of the selected files, a total of two violations occurred during the Examination period.

The Examination identified non-complaint procedures, some of which may extend to other jurisdictions. The Company is directed to take immediate corrective action to demonstrate its ability and intention to conduct business in Maryland according to the State's insurance laws and regulations. When applicable, corrective action for other jurisdictions should be addressed.

II. SCOPE OF EXAMINATION

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

The Examination was conducted pursuant to §§ 2-205, 2-207, 2-208, 2-209, 15-10B-19, 15-10B-20 and 15-1609 of the Annotated Code of Maryland, Insurance Article¹ and 31.04.20 of the Code of Maryland Regulations (hereinafter "COMAR"). The Examination period was July 1, 2010 through June 30, 2013. The purpose of the Examination was to assess the Company's compliance with applicable Maryland insurance laws regarding the criteria and standards for operating as a registered Private Review Agent. The purpose of the Examination was expanded to assess the Company's compliance with applicable Maryland laws regarding denied appeals of maximum allowable cost pricing for the Examination period of January 1, 2015 through April 15, 2015.

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 Company's business 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 by using a computer generated random sample program unless otherwise stated herein.

The Company was requested to provide the total population for each area listed in the chart below:

AREA	POPULATION	SAMPLE
Prospective Adverse Decisions	397	76
Concurrent Adverse Decisions	4	4
MAC Appeals	219	76
Total:	620	156

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

III. COMPANY PROFILE**Date Incorporated:** 1989**Commenced:** 1993**Domicile:** CA

Optum consists of three individual companies: OptumRx, OptumHealth and OptumInsight. OptumRx, formerly known as Prescriptions Solutions and Pacificare Pharmacy Centers, Inc., has been servicing as Pharmacy Benefit Managers (PBMs) since 1989. OptumRX is a subsidiary of OptumRx Holdings, LLC and UnitedHealth. OptumRx serves managed care organizations, employers, unions/Taft Hartley trust funds, and consultants. The Company operates mail service pharmacies.

IV. ADVERSE DECISIONS

Issue 1 - Violation of Section 15-10B-08(b), in its failure to meet the requirements of Section 15-10A-02(b)(2)(i)
The Company failed to include an expedited procedure for use in an emergency case for purposes of rendering a grievance decision within 24 hours of the date a grievance is filed with the carrier.

Section 15-10B-08 provides in pertinent part:

(b) A private review agent's internal grievance process shall meet the same requirements established under §§ 15-10A-02 through 15-10A-05 of this title.

Section 15-10A-02 provides in pertinent part:

(b) (2) In addition to the requirements of Subtitle 10B of this title, an internal grievance process established by a carrier under this section shall:

(i) include an expedited procedure for use in an emergency case for purposes of rendering a grievance decision within 24 hours of the date a grievance is filed with the carrier;

FINDING 1:

The Company failed to include an expedited procedure for use in emergency cases for purposes of rendering a grievance decision within 24 hours of the date a grievance is filed with the carrier. The Company is in violation of Section 15-10B-08(b) for failure to meet the requirements of Section 15-10A-02(b)(2)(i).

AREA REVIEWED	POPULATION	SAMPLE	VIOLATIONS	% ERROR	EXHIBIT
Prospective Adverse Decisions	379	76	37	49	A

The Company shall implement procedures to ensure compliance with applicable Maryland Insurance laws and regulations.

**Issue 2 - Violation of Section 15-10B-08(b), in its failure to meet the requirements of Section 15-10A-02(f)(2)(i)
The Company failed to state the reason for the decision in clear and understandable language in the adverse decision notice to the member.**

Section 15-10B-08 provides in pertinent part:

(b) A private review agent's internal grievance process shall meet the same requirements established under §§ 15-10A-02 through 15-10A-05 of this title.

Section 15-10A-02 provides in pertinent part:

(f) For nonemergency cases, when a carrier renders an adverse decision, the carrier shall:

* * * * *

(2) send, within 5 working days after the adverse decision has been made, a written notice to the member, the member's representative, and a health care provider acting on behalf of the member that:

(i) states in detail in clear, understandable language the specific factual bases for the carrier's decision;

FINDING 2:

The Company failed to state the reason for the decision in clear and understandable language in the adverse decision notice to the member. The Company is in violation of Section 15-10B-08(b) for failure to meet the requirements of Section 15-10A-02(f)(2)(i).

AREA REVIEWED	POPULATION	SAMPLE	VIOLATION	% ERROR	EXHIBIT
Prospective Adverse Decisions	379	76	1	1	B

The Company shall implement procedures to ensure compliance with applicable Maryland Insurance laws and regulations.

Issue 3 - Violation of Section 15-10B-08(b), in its failure to meet the requirements of Section 15-10A-02(f)(2)(ii)
The Company failed to reference the specific criteria and standards in the adverse decision notice to the member and health care provider acting on behalf of the member.

Section 15-10B-08 provides in pertinent part:

(b) A private review agent's internal grievance process shall meet the same requirements established under §§ 15-10A-02 through 15-10A-05 of this title.

Section 15-10A-02 provides in pertinent part:

(f) For nonemergency cases, when a carrier renders an adverse decision, the carrier shall:

* * * * *

(2) send, within 5 working days after the adverse decision has been made, a written notice to the member, the member's representative, and a health care provider acting on behalf of the member that:

* * * * *

(ii) references the specific criteria and standards, including interpretive guidelines, on which the decision was based, and may not solely use generalized terms such as "experimental procedure not covered", "cosmetic procedure not covered", "service included under another procedure", or "not medically necessary";

FINDING 3:

The Company failed to reference the specific criteria and standards in the adverse decision notice to the member and health care provider acting on behalf of the member. The Company is in violation of Section 15-10B-08(b) for failure to meet the requirements of Section 15-10A-02(f)(2)(ii).

AREA REVIEWED	POPULATION	SAMPLE	VIOLATIONS	% ERROR	EXHIBIT
Prospective Adverse Decisions	379	76	40	53	C

The Company shall establish procedures to ensure compliance with Maryland insurance laws and regulations.

Issue 4 - Violation of Section 15-10B-08(b), in its failure to meet the requirements of Section 15-10A-02(f)(2)(iii)2
The Company failed to reference the designated employee or representative of the carrier in the adverse decision notice to the member and health care provider acting on behalf of the member.

Section 15-10B-08 provides in pertinent part:

(b) A private review agent's internal grievance process shall meet the same requirements established under §§ 15-10A-02 through 15-10A-05 of this title.

Section 15-10A-02 provides in pertinent part:

(f) For nonemergency cases, when a carrier renders an adverse decision, the carrier shall:

* * * * *

(2) send, within 5 working days after the adverse decision has been made, a written notice to the member, the member's representative, and a health care provider acting on behalf of the member that:

* * * * *

(iii) states the name, business address, and business telephone number of:

* * * * *

2. the designated employee or representative of the carrier who has responsibility for the carrier's internal grievance process if the carrier is not a health maintenance organization;

FINDING 4:

The Company failed to reference the designated employee or representative of the carrier in the adverse decision notice to the member and health care provider acting on behalf of the member. The Company is in violation of Section 15-10B-08(b) for failure to meet the requirements of Section 15-10A-02(f)(2)(iii)2.

AREA REVIEWED	POPULATION	SAMPLE	VIOLATIONS	% ERROR	EXHIBIT
Prospective Adverse Decisions	379	76	3	4	D

The Company shall implement procedures to ensure compliance with Maryland insurance laws and regulations.

Issue 5 - Violation of Section 15-10B-08(b), in its failure to meet the requirements of Section 15-10A-02(f)(2)(v)1, 2 and 3
The Company failed to include the required complaint filing information in adverse decision notices sent to the member and health care provider on behalf of the member.

Section 15-10B-08 provides in pertinent part:

(b) A private review agent's internal grievance process shall meet the same requirements established under §§ 15-10A-02 through 15-10A-05 of this title.

Section 15-10A-02 provides in pertinent part:

(f) For nonemergency cases, when a carrier renders an adverse decision, the carrier shall:

* * * * *

(2) send, within 5 working days after the adverse decision has been made, a written notice to the member, the member's representative, and a health care provider acting on behalf of the member that:

* * * * *

(v) includes the following information:

1. that the member, the member's representative, or a health care provider on behalf of the member has a right to file a complaint with the Commissioner within 4 months after receipt of a carrier's grievance decision;

2. that a complaint may be filed without first filing a grievance if the member, the member's representative, or a health care provider filing a grievance on behalf of the member can demonstrate a compelling reason to do so as determined by the Commissioner;

3. the Commissioner's address, telephone number, and facsimile number;

FINDING 5:

The Company failed to include the required complaint filing information in adverse decision notices sent to the member and health care provider acting on behalf of the member. The Company is in violation of Section 15-10B-08(b) for failure to meet the requirements of Section 15-10A-02(f)(2)(v)1, 2 and 3.

AREA REVIEWED	POPULATION	SAMPLE	VIOLATIONS	% ERROR	EXHIBIT
Prospective Adverse Decisions	379	76	2	3	E

The Company shall establish procedures to ensure compliance with applicable Maryland Insurance laws and regulations.

V. MAXIMUM ALLOWABLE COST PRICING

Issue 6 - Violation of Section 15-1628.1(f)(4)(ii)
The Company failed to provide, in the appeal notice, the national drug code of a drug to be purchased by the contracted pharmacy at a price at or below the benchmark price determined by the pharmacy benefits manager.

Section 15-1628.1 provides in pertinent part:

(f) Each contract between a pharmacy benefits manager and a contracted pharmacy must include a process to appeal, investigate, and resolve disputes regarding maximum allowable cost pricing that includes:

* * * * *

(4) a requirement that a pharmacy benefits manager provide:

* * * * *

(ii) the national drug code of a drug that may be purchased by the contracted pharmacy at a price at or below the benchmark price determined by the pharmacy benefits manager;

FINDING 6:

The Company failed to provide, in the appeal notice, the national drug code of a drug to be purchased by the contracted pharmacy at a price at or below the benchmark price determined by the pharmacy benefits manager. The Company is in violation of Section 15-1628.1(f)(4)(ii).

AREA REVIEWED	POPULATION	SAMPLE	VIOLATIONS	% ERROR	EXHIBIT
MAC Appeals	219	76	2	3	F

The Company shall implement procedures to ensure compliance with Maryland insurance laws and regulations.

VI. CLOSING

A total of 156 randomly selected samples were reviewed. Of the selected files, a total of 85 violations occurred during the Examination periods. The Company has been directed to modify certain policies and procedures to ensure future compliance.

Adverse decision violations include failure to include expedited procedure for use in an emergency case for purposes of rendering a grievance decision within 24 hours of the date a grievance is filed, failure to provide and document oral communication of the adverse decision, failure to state the reason for the decision in clear and understandable language in the adverse decision notice, failure to reference the specific criteria and standards in the adverse decision notice, failure to reference the designated employee or representative of the carrier in the adverse decision notice and failure to include the required complaint filing information in adverse decision notices.

Maximum allowable cost pricing violation includes the failure to provide a national drug code of a drug to be purchased by the contracted pharmacy at a price at or below the benchmark determined by the pharmacy benefits manager.

VII. EXAMINATION REPORT SUBMISSION

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

signature on file with original



Megan R. Mason
Chief Market Conduct Examiner, Life and Health
Compliance & Enforcement Unit

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

Theresa Morfe, AIE, MCM, FLMI
Assistant Chief Market Conduct Examiner, Life and Health
Compliance & Enforcement Unit

Michael Vogel, MCM
Life and Health Market Conduct Examiner
Compliance & Enforcement Unit

Kathryn Green, MCM
Life and Health Market Conduct Examiner
Compliance & Enforcement Unit

Kristen A. Walter, MCM
Market Conduct Associate
Compliance & Enforcement Unit

EXHIBITS

EXHIBIT B
Failure to Provide Decision Reason in Clear and Understandable Language
Violation of Section 15-10A-02(f)(2)(i)

MIA NUMBER	AREA EXAMINED	DESCRIPTION
57	Prospective Adverse Decisions	Failure to Provide Adverse Decision Reason in Clear and Understandable Language in Adverse Decision Notice
Total: 1		

EXHIBIT D
Failure to Reference the Designated Employee or Representative
Violations of Section 15-10A-02(f)(2)(iii)2

MIA NUMBER	AREA EXAMINED	DESCRIPTION
57	Prospective Adverse Decisions	Failure to Reference the Designated Employee or Representative in Adverse Decision Notice
58	Prospective Adverse Decisions	Failure to Reference the Designated Employee or Representative in Adverse Decision Notice
62	Prospective Adverse Decisions	Failure to Reference the Designated Employee or Representative in Adverse Decision Notice
Total: 3		

EXHIBIT E
Failure to Include Complaint Filing Information
Violations of Section 15-10A-02(f)(2)(v)1, 2 and 3

MIA NUMBER	AREA EXAMINED	DESCRIPTION	DESCRIPTION	DESCRIPTION
14	Prospective Adverse Decisions	Section 15-10A-02(f)(2)(v)1 – Failure to include right to File Complaint Within 4 months in Adverse Decision Notice	Section 15-10A-02(f)(2)(v)2 – Failure to include that a complaint may be filed without first filing a grievance in Adverse Decision Notice	Section 15-10A-02(f)(2)(v)3 - Failure to include the Commissioner's address, telephone number, and facsimile number in Adverse Decision Notice
57	Prospective Adverse Decisions	Section 15-10A-02(f)(2)(v)1 – Failure to include right to File Complaint Within 4 months in Adverse Decision Notice	Section 15-10A-02(f)(2)(v)2 – Failure to include that a complaint may be filed without first filing a grievance in Adverse Decision Notice	Section 15-10A-02(f)(2)(v)3 - Failure to include the Commissioner's address, telephone number, and facsimile number in Adverse Decision Notice
Total: 2				

EXHIBIT F
Failure to Provide the National Drug Code in Appeal Notices
Violations of Section 15-1628.1(f)(4)(ii)

MIA NUMBER	AREA EXAMINED	VIOLATION
87	MAC Appeals	Failure to provide in the Appeal Notice the national drug code of a drug that may be purchased by the contracted pharmacy at a price at or below the benchmark price determined by the pharmacy benefits manager
129	MAC Appeals	Failure to provide in the Appeal Notice the national drug code of a drug that may be purchased by the contracted pharmacy at a price at or below the benchmark price determined by the pharmacy benefits manager
Total: 2		

MARYLAND INSURANCE COMMISSIONER *
200 ST. PAUL PLACE, SUITE 2700 *
BALTIMORE, MARYLAND 21202 *

V. *

OPTUMRX, INC. *
2300 MAIN STREET *
IRVINE, CALIFORNIA 92614 *

CASE NO.: MIA-2016-10-023

* * * * *

CONSENT ORDER

This Consent Order is entered into by the Maryland Insurance Commissioner (“Commissioner”) and OptumRX, Inc. (“Respondent”), pursuant to §§ 2-108, 2-204, 2-205, 15-10B-19, 15-10B-20 and 15-1609 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.) (“Insurance Article”), to resolve the matter before the Maryland Insurance Administration (“Administration”).

Findings

1. At all times relevant to this Consent Order, Respondent has been certified as a private review agent with the Administration in accordance with Title 15, Subtitle 10B of the Insurance Article.

2. Pursuant to §§ 2-205, 2-207, 2-208, 2-209, 15-10B-19, 15-10B-20 and 15-1609 of the Insurance Article, the Administration conducted a Market Conduct Examination (“Examination”) of Respondent. The period covered by the Examination was January 1, 2010 to June 30, 2013 and January 1, 2015 to April 15, 2015.

3. Several non-compliant practices were identified during the Examination, as stated in Examination Report number MCLH-5-2015-E (“the Report”).

Conclusions of Law

4. The Examination, the details of which are included in the Report, incorporated herein as if set forth in full, concluded that Respondent violated the following Maryland Laws and Regulations,

- § 15-10B-08(b) in its failure to meet the requirements of § 15-10A-02(b)(2)(i) of the Insurance Article, Annotated Code of Maryland
- § 15-10B-08(b) in its failure to meet the requirements of § 15-10A-02(f)(2)(i) of the Insurance Article, Annotated Code of Maryland
- § 15-10B-08(b) in its failure to meet the requirements of § 15-10A-02(f)(2)(ii) of the Insurance Article, Annotated Code of Maryland
- § 15-10B-08(b) in its failure to meet the requirements of § 15-10A-02(f)(2)(iii)2 of the Insurance Article, Annotated Code of Maryland
- § 15-10B-08(b) in its failure to meet the requirements of § 15-10A-02(f)(2)(v)1, 2 and 3 of the Insurance Article, Annotated Code of Maryland
- § 15-1628.1(f)(4)(ii) of the Insurance Article, Annotated Code of Maryland

5. Respondent admits to the facts and accepts the Administration's conclusions as stated in the Report, but denies liability to any third party as a result of the violations noted in this Report. Both Respondent and the Administration agree to the conditions of the Order and the remedial measures set forth herein. Respondent executes this Order knowingly and voluntarily. The parties acknowledge that this Order is in the public interest and desire to resolve this matter without further proceedings.

Order

WHEREFORE, for the reasons set forth above, it is hereby ORDERED by the Commissioner and consented to by Respondent, that:

A. Respondent shall accept the Report as final and waives any right to a hearing on or for judicial review of the Report.

B. Respondent shall correct the violations as noted in the Report within ninety (90) days of the date this Order is executed by the Insurance Commissioner or her designee. Respondent shall take such measures to ensure that the conditions that led to these violations are addressed such that the same violations do not occur in the future. Respondent shall set forth in a letter to the Commissioner that the violations have been corrected and state the specific measures that have been taken to ensure that such violations do not occur in the future. Such letter shall be accompanied by a certification, signed by an officer of the Respondent, certifying that the information is true and accurate.

C. Respondent shall pay an administrative penalty to the State of Maryland for the violations stated herein in the amount of Twelve Thousand Two Hundred Dollars (\$12,200.00) contemporaneously with Respondent's execution of this Order. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number or name. Unpaid penalties will be referred to the Central Collection Unit for collections.

Other Provisions

D. The executed Order and any administrative penalty shall be sent to the attention of: Victoria August, Associate Commissioner, Compliance and Enforcement, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202.

E. For the purposes of the Administration and for any subsequent administrative or civil proceedings concerning Respondent, whether related or unrelated to the foregoing paragraphs, and with regard to requests for information about the Respondent made under the Maryland Public Information Act, or properly made by governmental agencies, this Order will be kept and maintained in the regular course of business by the Administration. For the purposes of the business of the Administration, the records and publications of the Administration will reflect this Order.

F. The parties acknowledge that this Order resolves all matters relating to the factual assertions and agreements contained herein and are to be used solely for the purposes of this proceeding brought by or on behalf of the Administration. Nothing herein shall be deemed a waiver of the Commissioner's right to proceed in an administrative action civil action for violations not specifically identified in this Order, including but not limited to, specific consumer complaints received by the Administration, nor shall anything herein be deemed a waiver of the right of the Respondent to contest other proceedings by the Administration. This Order shall not be construed to resolve or preclude any potential or pending civil, administrative, or criminal action or prosecution by any other person, entity or governmental authority, including but not limited to the Insurance Fraud Division of the Administration, regarding any conduct by the Respondent including the conduct that is the subject of this Order.

G. Respondent has had the opportunity to have this Order reviewed by legal counsel of its choosing, and is aware of the benefits gained and obligations incurred by the execution of the Order. Respondent waives any and all rights to any hearing or judicial review of this Order to which it would otherwise be entitled under the Insurance Article with respect to any of the determinations made or actions ordered by this Order.

H. This Order contains the entire agreement between the parties relating to the administrative actions addressed herein. This Order supersedes any and all earlier agreements or negotiations, whether oral or written. All time frames set forth in this Order may be amended or modified only by subsequent written agreement of the parties.

I. This Order shall be effective upon signing by the Commissioner or her designee, and is a Final Order of the Commissioner under § 2-204 of the Insurance Article.

J. Failure to comply with the terms of this Order may subject Respondent to further legal and/or administrative action.

ALFRED W. REDMER, JR.
INSURANCE COMMISSIONER

signature on file with original

By: Victoria August
Associate Commissioner
Compliance & Enforcement

Date: 10-26-15

RESPONDENT'S CONSENT

RESPONDENT hereby CONSENTS to the representations made in, and to the terms of, the above Consent Order. On behalf of Respondent, the undersigned hereby affirms that he or she has taken all necessary steps to obtain the authority to bind OptumRX, Inc. to the terms of this Consent Order resolving Report number MCLH-5-2015-E.

Name: Jay A. Wacmuth
signature on file with original

Signature: _____

Title: Secretary & General Counsel

Date: 10-14-15