

BEFORE THE DIVISION OF INSURANCE
DEPARTMENT OF LABOR AND REGULATION
STATE OF SOUTH DAKOTA

IN THE MATTER OF EXPRESS SCRIPTS)
ADMINISTRATORS, LLC, DBA)
EXPRESS SCRIPTS) CONSENT ORDER

In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

EXPRESS SCRIPTS ADMINISTRATORS, LLC, DBA EXPRESS SCRIPTS (“EXPRESS SCRIPTS”), whose address of record is One Express Way, Mail Stop HQ2E03, St. Louis, MO 63121 is a company holding a third-party administrator’s license with a pharmacy benefits manager qualification in the State of South Dakota;

EXPRESS SCRIPTS is aware that the South Dakota Division of Insurance (“Division”) has conducted an investigation of its insurance-related activities in South Dakota regarding subrogation claims submitted by the South Dakota Department of Social Services (“DSS”) through its vendor, HMS;

The Division has alleged the following:

- 1) EXPRESS SCRIPTS did not timely process clean claims submitted by DSS in violation of SDCL § 58-12-20;
- 2) EXPRESS SCRIPTS did not timely acknowledge and act upon subrogation claims submitted by DSS in violation of SDCL § 58-33-67;
- 3) EXPRESS SCRIPTS did not timely respond to Division inquiries dated March 27, 2014 and May 1, 2014 regarding the above in violation of SDCL §§ 58-33-66 and 58-33-68;
- 4) EXPRESS SCRIPTS did not retain incoming claim files submitted by DSS in violation of SDCL §§ 58-1-26, 58-3-7.4, and 58-33-67;
- 5) Pursuant to SDCL §§ 58-29D-31 and 58-29E-2, the Division may revoke or suspend EXPRESS SCRIPTS’s licenses for the above-cited violations;

EXPRESS SCRIPTS is aware of and understands the nature of the allegations and has been informed that it has the right to notice, hearing, and appeal, and that by agreeing to and signing this Consent Order waives these rights;

In return for EXPRESS SCRIPTS agreeing to the provisions of this Consent Order, the Division agrees not to proceed to hearing and agrees that this Consent Order will constitute an informal disposition of this licensing matter pursuant to SDCL § 1-26-20;

EXPRESS SCRIPTS agrees to a monetary penalty in the amount of \$125,000 pursuant to SDCL § 58-4-28.1, in lieu of contesting this matter formally;

EXPRESS SCRIPTS further agrees to conduct itself in accordance with the insurance laws and regulations of the State of South Dakota;

EXPRESS SCRIPTS further agrees that this Consent Order may be considered for the purpose of determining the appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that EXPRESS SCRIPTS pay a monetary penalty in the amount of \$125,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

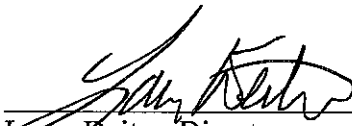
ORDERED that EXPRESS SCRIPTS abide by the agreements made by it in this Consent Order; and it is further

ORDERED that should EXPRESS SCRIPTS fail to comply with the provisions of this Order, the Division may seek the suspension or revocation of EXPRESS SCRIPTS's licenses at hearing pursuant to SDCL § 58-29D-31, or seek other remedies available at law; and it is further

ORDERED that the use of this Consent Order for competitive purposes by an insurance agent or third-party administrator holding a license in the State of South Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority; and it is further

ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

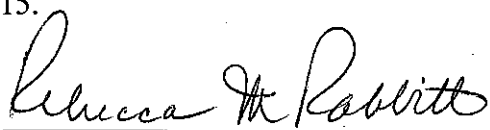
Dated at Pierre, South Dakota this 27 day of April, 2015.



Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of EXPRESS SCRIPTS, represents it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enters into this Consent Order.

Dated this 20th day of April, 2015.



Signature of Authorized Representative
Rebecca M Rabbitt

Printed Name

VP Government Programs, Medicare

Title