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

IN THE MATTER OF CAREMARK, L.L.C. AND CAREMARKPCS HEALTH, L.L.C.	INS 26-1022569 INS 26-1022568 **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:

CAREMARKPCS HEALTH, L.L.C., with an address of record of 9501 E. Shea Blvd., MC024, Scottsdale, Arizona 85260, is a registered Third-Party Administrator (TPA) in the State of South Dakota holding a TPA registration with a Pharmacy Benefit Manager (PBM) Qualification;

CAREMARK, L.L.C., with an address of record of 9501 E. SHEA BLVD., MC 024, Scottsdale, Arizona 85260, was a licensed or registered TPA in the State of South Dakota;

CAREMARK, L.L.C. and CAREMARKPCS HEALTH, L.L.C. (collectively, CAREMARK), is aware that the South Dakota Division of Insurance (Division) has conducted an investigation into CAREMARK's PBM-related activities in South Dakota;

The Division alleges the following with regard to CAREMARK:

1. CAREMARK, as a PBM, entered into written agreements with health insurance companies and other third-party payors to provide covered prescription services to covered individuals of health benefit plans, and to implement a program whereby CAREMARK directed covered individuals' prescription drug claims to Drug Discount Programs for processing;

2. In connection with CAREMARK's Program, participating South Dakota pharmacies collected health benefit plan cost share amounts from covered individuals, for which a fee was assessed, charged, or collected, in violation of SDCL 58-29E-12 and 58-29E-16;

3. CAREMARK received requests from the Division to refund these fees to participating South Dakota pharmacies, cease offering this program, and provide member claims via the program for every pharmacy in South Dakota;

4. CAREMARK impeded the Division's investigation by failing to timely provide the Division complete information regarding fees collected from participating pharmacies resulting from CAREMARK's program, in violation of SDCL 58-33-66;

5. CAREMARK ceased offering the Program on August 12, 2025, and, after further communications with the Division, refunded all fees to participating South Dakota pharmacies;

6. Pursuant to SDCL 58-29D-24, 58-29D-31(4), (8), and 58-30-167(2), (7), the Director of the Division may revoke CAREMARK's TPA registration with PBM qualification for any one of the above-cited alleged violations of South Dakota law;

CAREMARK denies the above allegations, disputes that it has engaged in any conduct that violates South Dakota law, and does not admit any wrongdoing in connection with the Division's assertations herein. CAREMARK specifically denies that CAREMARK's Program was in violation of SDCL 58-29E-12 and 58-29E-16 or any other provisions of South Dakota law. CAREMARK further denies that it has engaged in any conduct that violates SDCL 58-33-66. CAREMARK nonetheless agrees to enter into this Consent Order to resolve the Division's allegations against it;

CAREMARK is aware of and understands the nature of the allegations and has been informed that it has the right to a Notice of Hearing, counsel, and appeal, and that by signing this Consent Order, waives these rights;

In return for CAREMARK agreeing to, signing, and complying with the provisions of this Consent Order, the Division agrees not to proceed to administrative hearing and agrees that this Consent Order will constitute an informal disposition of all potential enforcement actions concerning alleged violations of South Dakota law referenced herein prior to the date of his Consent Order pursuant to SDCL 1-26-20;

CAREMARK agrees to a monetary penalty in the amount of $450,000 pursuant to SDCL 58-4-28.1, in lieu of an administrative hearing and Final Decision;

CAREMARK further agrees to conduct its business in accordance with the insurance laws and regulations of the State of South Dakota; and

CAREMARK 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 CAREMARK pay a monetary penalty in the amount of $450,000 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 CAREMARK abide by the agreements made by it in this Consent Order; 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 19th day of November, 2026.

Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of CAREMARK, 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 30th day of October, 2026.

Signature of Authorized Representative

Printed Name
Thomas S. Moffatt

Vice President and Corporate Secretary
Title