

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

FILED
APR 29 2016
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.)	
DOAK, Insurance Commissioner,)	
Petitioner,)	
vs.)	
)	Case No. 16-0420-DIS
US SCRIPT, INC., a licensed pharmacy business)	
manager doing business in the State of Oklahoma,)	
Respondent.)	

**CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD**

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, by and through counsel, Dan R. Byrd, and alleges and states as follows:

JURISDICTION

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101-7301, and 59 O. S. §§ 357-360 of Chapter 8 Pharmacy Benefit Plans as well as O.A.C. 365:25-29-1-11 of Subchapter 29. Pharmacy Benefits Managers.

2. Respondent US Script, Inc. ("Respondent") is a licensed pharmacy business manager doing business in the State of Oklahoma.

FINDINGS OF FACT

1. O.A.C. 365:25-29-8 provides that "(a) Before March 1 of each year, every PBM providing pharmacy benefits management shall submit to the Insurance Commissioner a report of its financial condition verified by the oath of an executive officer. The report shall be prepared using generally accepted accounting principles and consist of a balance sheet, income statement, and statement of cash flows. The report may be supplemented by any additional information required by the

Insurance Commissioner. (b) The Commissioner may extend the time prescribed for filing annual or other reports or exhibits of any kind for good cause shown. However, the Commissioner shall not extend the time for filing annual statements beyond sixty (60) days after the time prescribed by this Section.”

2. O.A.C. 365:25-29-10(a) provides that “After notice and opportunity for hearing, and upon determining that the PBM has violated any of the provisions of 59 O.S. §§ 357-360 of the Oklahoma Statutes, or this Subchapter, or upon finding the existence of grounds to refuse the issuance or renewal of such license, the Commissioner may suspend or revoke a PBM’s license or assess a civil penalty of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00) for each instance of violation, or both. Each day that a pharmacy benefits manager conducts business in the State of Oklahoma without a license shall be deemed to be an instance of violation. The payment of the penalty may be enforced in the same manner as civil judgments may be enforced.”

3. The Oklahoma Insurance Department (the “Department”) sent a mass email to all PBMs on February 11, 2016 with the instructions on where and how to file. Then on March 9, 2016 an email was sent to the PBM companies individually telling them they had failed to file the annual statement and gave them a due date of fifteen (15) days.

4. As of the date of this Order, Respondent has failed to file its PBM annual statement as required by O.A.C. 365:25-29-8 and has not requested any extension for its filing.

CONCLUSIONS OF LAW

1. Respondent has violated O.A.C. 365:25-29-8 for failing to timely file its PBM annual statement with the Department.

5. Pursuant to O.A.C. 365:25-29-10(a), "After notice and opportunity for hearing, and upon determining that the PBM has violated any of the provisions of 59 O.S. §§ 357-360 of the Oklahoma Statutes, or this Subchapter, or upon finding the existence of grounds to refuse the issuance or renewal of such license, the Commissioner may suspend or revoke a PBM's license or assess a civil penalty of not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00) for each instance of violation, or both. Each day that a pharmacy benefits manager conducts business in the State of Oklahoma without a license shall be deemed to be an instance of violation. The payment of the penalty may be enforced in the same manner as civil judgments may be enforced."

ORDER

IT IS THEREFORE ORDERED that US Script, Inc. is **FINED** Five Hundred Dollars (\$500.00).

Respondent is further notified that it may request a hearing within thirty (30) days of the receipt of this Order concerning this action, and upon such request, the Oklahoma Insurance Department shall conduct a hearing before an independent hearing examiner. A request for hearing shall be made in writing to Dan R. Byrd, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112, and **state the basis for requesting the hearing.**

If Respondent does not request a hearing within the thirty (30) days allotted, this Order shall become a FINAL ORDER on the 31st day following the receipt of the Order and the fine ordered herein shall be due.

WITNESS My Hand and Official Seal this 21st day of April, 2016.



JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

A handwritten signature in black ink, appearing to read "Dan R. Byrd", is written over a horizontal line. The signature is stylized and somewhat cursive.

Dan R. Byrd
Assistant General Counsel
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma, 73112
Tel. (405) 522-6330
Fax (405) 522-0125

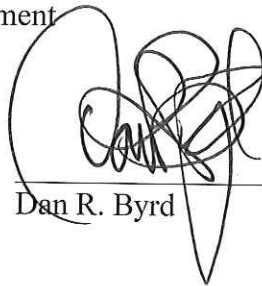
CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing *Conditional Administrative Order and Notice of Right to Be Heard* was mailed certified, return receipt requested, on this 29th day of April, 2016, to:

**CERTIFIED MAIL NO:
7015 3010 0001 4604 2482**

US Script, Inc.
5 River Park Place East, Suite 200
Fresno, CA 93720

Copy to: DeAnn Robinson, APIR
Financial Division
Oklahoma Insurance Department



A handwritten signature in black ink, appearing to read 'Dan R. Byrd', is written over a horizontal line. The signature is highly stylized and cursive.

Dan R. Byrd

U.S. Postal Service™
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Street and Apt. No., or PO Box #

City, State, ZIP+4®

US Script, Inc.
 5 River Park Place East, Suite 200
 Fresno, CA 93720
16-0420-DIS/DRB(mt)
(Cond. Adm. Ord. & Notice ~4-28-16)

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

US Script, Inc.
 5 River Park Place East, Suite 200
 Fresno, CA 93720
16-0420-DIS/DRB(mt)
(Cond. Adm. Ord. & Notice ~4-28-16)



9590 9402 1346 5285 6035 06

2. Article Number (Transfer from service label)

7015 3010 0001 4604 2482

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *J. Skelton*

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

RECEIVED

5-2-16

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

OKLAHOMA INSURANCE DEPARTMENT
 MAY 16 2016

Legal Division

3. Service Type

- Adult Signature
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- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt