

FILED

FEB 26 2026

**Department of Insurance
State of Idaho**

RAÚL R. LABRADOR
Attorney General

Rafael J. Droz – ISB No. 9934
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
PO Box 83720
Boise, ID 83720-0043
Telephone No. (208) 334-4219
Facsimile No. (208) 334-4298
rafael.droz@doi.idaho.gov

Attorneys for Idaho Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

IDAHO DEPARTMENT OF INSURANCE,

Complainant,

vs.

CARELONRX, INC., an Indiana corporation
holding Idaho Pharmacy Benefit Manager
License No. 677826,

Respondent.

Docket No. 18-4843-25

STIPULATION AND FINAL ORDER

COME NOW the staff of the Idaho Department of Insurance (“Department”) and CARELONRX, INC. (“Carelon”) and do hereby agree and stipulation as follows:

FINDINGS OF FACT

1. Carelon is a licensed pharmacy benefit manager in the state of Idaho, holding Pharmacy Benefit Manager License No. 677826, which is set to expire on March 31, 2026. Carelon is subject to the provisions of title 41, Idaho Code, and to the rules of the Idaho Department of Insurance promulgated thereunder.

2. The Director of the Department (“Director”) has jurisdiction over Carelon and the subject matter herein pursuant to the provisions of Idaho’s Producer Licensing Act, Idaho Code §§ 41-1001 *et seq.*, as well as the Idaho Insurance Code, Idaho Code §§ 41-101 *et seq.*

3. On January 9, 2026, the Department filed a Verified Complaint and Notice of Right to Hearing, (“Complaint”), seeking the imposition of administrative penalties against Carelon.

4. Among the allegations in the Complaint were that Carelon violated Idaho Code § 41-349(11)(i) by failing to provide a reasonable dispensing fee on prescriptions.

CONCLUSIONS OF LAW

5. Idaho Code § 41-349(9) provides that if the Director finds a pharmacy benefit manager has violated any provision of title 41, Idaho Code, then the Director may subject the pharmacy benefit manager to any or all of the actions, penalties, and remedies referenced in Idaho Code § 41-117, 41-1016, and 41-1026.

6. Idaho Code § 41-117 provides that each instance of violation may be treated as a separate offense.

7. The parties agree that this matter may be brought to a close by a negotiated and stipulated settlement and entry of this Stipulation and Final Order.

AGREEMENT

8. Based upon the foregoing, Carelon and the Department stipulate and agree as follows:

a. Carelon admits to seventeen (17) violations of Idaho Code § 41-349(11)(i) as alleged in Counts I, II, and III of the Department’s Complaint.

b. As sanction for the violations referenced above, Carelon and the Department agree to the penalties set forth below and agree that the Director may enter

the Final Order attached hereto, which provides as follows:

i. That the Stipulation be adopted in full and incorporated into the Final Order;

ii. That Carelon shall pay an administrative penalty of eighty-five thousand dollars (\$85,000), which represents five thousand dollars (\$5,000) for each violation admitted above.

iii. that Carelon shall pay a reasonable dispensing fee of \$11.51 for each of the seventeen (17) prescriptions to the pharmacies set forth in the Complaint.

iv. Carelon also agrees to pay a dispensing fee of \$11.51 for all prescriptions it dispenses in Idaho going forward.

9. By entering into this Stipulation, Carelon knowingly and voluntarily waives any rights it would otherwise have to notice and a hearing at which they may be represented by counsel, present evidence, and examine witnesses. The parties hereto further waive their right of reconsideration, appeal, and other rights as set forth in title 67, chapter 52, Idaho Code, including the right to submit this matter for review by a court of competent jurisdiction.

10. The parties agree that the terms of this Stipulation and Final Order are appropriate and proper under the circumstances referenced herein.

11. Carelon acknowledges that it has read this Stipulation and Final Order and understands its contents; that it has been given the opportunity to discuss this Stipulation and Final Order with independent legal counsel of its choosing; and that it has entered into this Stipulation knowingly, voluntarily, and with full knowledge of any rights they may be waiving thereby.

12. Carelon acknowledges that this is an administrative action that may be required to

be reported on license applications and license renewal forms and disclosed to other agencies through which Carelon holds a license.

13. This Stipulation is subject to approval by the Director or the Director's designee and shall become effective and binding upon the Department and Carelon upon such approval. Should the Director decline to approve this Stipulation and Final Order, the Department and Carelon shall retain all of their rights, claims, and/or defenses, and any factual and/or legal admissions made by Carelon herein shall be withdrawn.

14. This Stipulation constitutes the full and final resolution of all matters addressed herein, and the Department agrees that, subject to the Director's approval described above, the Department shall seek no further civil or administrative sanctions for the violations alleged in the Complaint, subject to the agreement set forth in Paragraph 8 above.

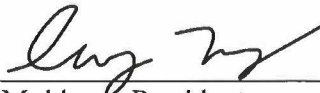
15. Carelon agrees that, upon execution of this Stipulation and Final Order, no subsequent action or assertion shall be maintained or pursued in any manner asserting the invalidity of this Stipulation and Final Order and its provisions.

16. Carelon agrees and understands that this Stipulation and Final Order resolves only the seventeen (17) violations set forth in the Complaint. Any future violations or violations discovered by, or brought to the attention of, the Department that occurred before the filing of the January 9, 2026, complaint may be the subject of further action by the Department.

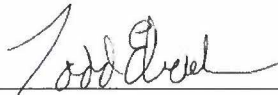
17. This Stipulation and Final Order embodies the entire agreement between the Department and Carelon, and there are no agreements, understandings, representations, or warranties that are not expressly set forth herein.

18. Upon the Director's entry of the Final Order approving this stipulation, this Stipulation and Final Order shall be a public record under the Idaho Public Records Act.


AGREED this 10th day of February 2026.

By: 
Amy Mulderry, President
CarelonRX, Inc.

APPROVED as to Form:

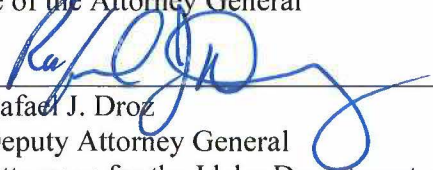
By: 
Todd M. Ebersole
Senior Associate General Counsel
Counsel for Respondent

AGREED this 25th day of February 2026.

By: 
Randall M. Pipal
Consumer Services Bureau Chief
Idaho Department of Insurance

APPROVED as to Form:

State of Idaho
Office of the Attorney General

By: 
Rafael J. Droz
Deputy Attorney General
Attorneys for the Idaho Department of Insurance

FINAL ORDER

The parties hereto, namely the Idaho Department of Insurance and CarelonRX, Inc. (“Carelon”), having entered into the foregoing Stipulation, and the form of the order having been approved, the Director, having reviewed the same, does hereby find that there is factual basis for entry of a Final Order herein and does hereby conclude that Carelon did violate title 41, Idaho Code, as stated in the Stipulation.

NOW, THEREFORE, based on the foregoing and in consideration of the premises,

IT IS HEREBY ORDERED that the foregoing Stipulation is approved and is incorporated herein as if set forth in full and made a part hereof;

IT IS FURTHER ORDERED that Carelon is assessed an administrative penalty of eight-five thousand dollars (\$85,000).

IT IS FURTHER ORDERED that Carelon shall pay a reasonable dispensing fee of \$11.51 to the pharmacies for each of the seventeen (17) prescriptions set forth in the Complaint, and to pay a dispensing fee of \$11.51 for all prescriptions it dispenses in Idaho going forward.

DATED this 25th day of February 2026.

State of Idaho
Department of Insurance



Dean L. Cameron
Director

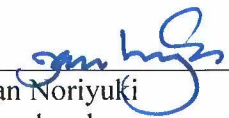
NOTICE REGARDING REPORTABLE PROCEEDINGS

The foregoing is considered a reportable administrative proceeding. As such, it is a public record and is public information that may be disclosed to other states and reported to companies for which you are actively appointed. This information will be reported to the National Association of Insurance Commissioners (NAIC) and will appear in the online searchable database of the Idaho Department of Insurance. You should be aware that this proceeding must be disclosed on any insurance license application and must be reported to any and all states in which you hold an insurance license.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26th day of February 2026, I caused a true and correct copy of the STIPULATION AND FINAL ORDER to be served upon the following parties by the method(s) indicated below:

CarelonRX, Inc. Kent Rogers, Vice President 220 Virginia Ave Indianapolis, IN 46204-3709	<input checked="" type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input type="checkbox"/> Email:
---	--



Jan Noriyuki
Paralegal

RAÚL R. LABRADOR
Attorney General

Matt Steen – I.S.B. No. 10285
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
PO Box 83720
Boise, Idaho 83720-0043
Telephone No. (208) 334-4204
Facsimile No. (208) 334-4298
matt.steen@doi.idaho.gov

Attorneys for Idaho Department of Insurance

FILED

JAN 09 2026

**Department of Insurance
State of Idaho**

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

IDAHO DEPARTMENT OF INSURANCE,

Complainant,

vs.

CARELONRX, INC., an Indiana corporation
holding Idaho Pharmacy Benefit Manager
License No. 677826,

Respondent.

Docket No. 18-4843-25

**VERIFIED COMPLAINT AND
NOTICE OF RIGHT TO HEARING**

COMES NOW the staff of the Idaho Department of Insurance (“Department”), by and through its undersigned counsel, Matt Steen, Deputy Attorney General, and does hereby give notice of verified allegations constituting violation(s) of Idaho law, notice that relief will be requested from the Director of the Department, and a notice of the right to contest the allegations and requested relief herein and right to hearing to:

EXHIBIT

A

CarelonRX, Inc.
Idaho Pharmacy Benefit Manager License No. 677826

The Department alleges the following facts and violations of title 41, Idaho Code, as itemized below. The Department will present an order seeking the relief described below upon twenty-one (21) days following service of this Verified Complaint, and CarelonRX, Inc. is further notified of its right to object to the requested relief, including the basis for any objection, and to request a hearing in writing.

JURISDICTION

1. Jurisdiction in this matter is founded in the Idaho Insurance Code, Idaho Code § 41-101 et seq., including Idaho Code § 41-210, which authorizes the Director of the Department of Insurance (“Director”) to enforce the provisions of title 41 of the Idaho Code, including those governing Respondent’s activities as a pharmacy benefit manager.

2. Jurisdiction is further founded in Idaho Code § 41-213, which authorizes the Department to institute such proceedings as deemed necessary for the enforcement of any provision of the Idaho Insurance Code including, but not limited to, license revocation and the imposition of administrative penalties.

RESPONDENTS

3. CarelonRx, Inc. (hereinafter “Carelon”) is and was an Indiana corporation during all pertinent times as alleged herein. It carries Idaho Pharmacy Benefit Manager License No. 677826 which is set to expire on March 31, 2026.

CONTROLLING LAW

4. Idaho Code § 41-349(11)(i) requires that, in addition to any other requirements in this title, all contractual arrangements executed, amended, adjusted, or renewed between a pharmacy benefit manager and a pharmacy benefits plan or program must include, in substantial

form, requirements, to the extent allowable by law, to require that in-network pharmacies receive dispensing fees that reasonably cover the costs of dispensing medications.

5. Idaho Code § 41-349(9) provides that if the Director finds a pharmacy benefit manager has violated any provision of Title 41, Idaho Code, then the Director may subject the pharmacy benefit manager to any or all of the actions, penalties, and remedies referenced in Idaho Code §§ 41-117, 41-1016, and 41-1026.

6. Idaho Code § 41-117 provides that each violation of Title 41 for which a greater penalty is not provided by another provision of law shall, in addition to any applicable prescribed denial, suspension, or revocation of certificate of authority or license, be punishable by an administrative penalty of not more than one thousand dollars (\$1,000) for any individual or natural person and not more than five thousand dollars (\$5,000) for any other person. It further provides that each instance of violation may be considered a separate offense.

FACTUAL ALLEGATIONS

7. According to the Idaho Department of Health and Welfare's 2011 Survey of Dispensing Costs of Pharmaceuticals in the state of Idaho, the median cost of dispensing weighted by total prescription volume was \$12.08 per prescription.

8. According to the Idaho Department of Insurance's 2025 Survey of the Cost of Dispensing a Prescription in the state of Idaho, the median cost of dispensing weighted by total prescription volume for in-state, non-specialty, community/retail pharmacies was \$11.26 per prescription.

COUNT I White Cross Pharmacy

9. All of the foregoing paragraphs are realleged and incorporated herein as though set forth in full.

10. On July 23, 2025, White Cross Pharmacy, NCPDP 1309043, dispensed 1 prescription for which Carelon paid the pharmacy a dispensing fee of \$0.10.

Date	Rx Number	Dispensing Fee
07/23/2025	0343210	\$0.10

11. For the prescription listed above, White Cross Pharmacy provided pharmacy services and Carelon either paid an amount to the pharmacy, or a patient paid a copayment to the pharmacy, or both. However, Carelon paid a dispensing fee of \$0.10 for the prescription.

12. Carelon's dispensing fee of \$0.10 does not reasonably cover White Cross Pharmacy's costs of dispensing medications as required by Idaho Code § 41-349(11)(i). Carelon's dispensing fee of \$0.10 covers .008% of the average cost of prescription dispensing in Idaho based on the available survey information.

13. By failing to pay White Cross Pharmacy a reasonable dispensing fee on this prescription, Carelon has violated Idaho Code § 41-349(11)(i), subjecting Carelon to discipline pursuant to Idaho Code § 41-349(9).

COUNT II
Northwest Pharmacy

14. All of the foregoing paragraphs are realleged and incorporated herein as though set forth in full.

15. On January 7, 2025, Northwest Pharmacy, NCPDP 1304904, dispensed 2 prescriptions for which Carelon paid the pharmacy a dispensing fee of \$0.00 on each prescription:

Date	Rx Number	Dispensing Fee
1/7/25	1133451	\$0.00
1/7/25	1131251	\$0.00

16. For each of the 2 prescriptions listed above, Northwest Pharmacy provided pharmacy services and Carelon either paid an amount to the pharmacy, or a patient paid a copayment to the pharmacy, or both. However, Carelon paid a dispensing fee of \$0.00 for each prescription.

17. Carelon's dispensing fee does not reasonably cover Northwest Pharmacy's costs of dispensing medications as required by Idaho Code § 41-349(11)(i). Carelon's dispensing fee of \$0.00 covers zero percent (0%) of the average cost of prescription dispensing in Idaho based on the available survey information.

18. By failing to pay Northwest Pharmacy a reasonable dispensing fee on each of these 2 prescriptions, Carelon has committed 2 separate instances of violation of Idaho Code § 41-349(11)(i), subjecting Carelon to discipline pursuant to Idaho Code § 41-349(9).

19. The dispensing of each and every prescription constitutes a separate instance of violation pursuant to Idaho Code § 41-117, which provides that "each instance of violation may be considered a separate offense."

COUNT III
ISU (Bengal Pharmacy-Challis, ID)

20. All of the foregoing paragraphs are realleged and incorporated herein as though set forth in full.

21. Between March 18, 2025, and August 27, 2025, ISU Bengal Pharmacy ("ISU"), NCPDP 1310856, dispensed 14 prescriptions for which Carelon paid the pharmacy dispensing fees as follows:

Date	Rx Number	Dispensing Fee
3/18/25	60002088-00	\$0.10
4/28/25	60002583-00	\$0.10
6/16/25	60003118-00	\$0.10

8/04/25	20203341	\$0.00
8/05/25	20192432	\$0.00
8/07/25	70000194	\$0.00
8/11/25	30330860	\$0.00
8/13/25	30339508	\$1.50
8/13/25	70004551	\$0.00
8/18/25	70004778	\$0.10
8/22/25	10093335	\$0.10
8/22/25	20204477	\$0.95
8/27/25	10090604	\$0.00
8/27/25	30326419	\$0.00

22. For each of the 14 prescriptions listed above, ISU provided pharmacy services and Carelon either paid an amount to the pharmacy, or a patient paid a copayment to the pharmacy, or both. However, Carelon paid insufficient dispensing fees on all the prescriptions.

23. Carelon's dispensing fees do not reasonably cover ISU's costs of dispensing medications as required by Idaho Code § 41-349(11)(i). Carelon's average dispensing fee for the 14 prescriptions of \$0.27 covers less than two percent (2%) of the average cost of prescription dispensing in Idaho based on the available survey information.

24. By failing to pay ISU a reasonable dispensing fee on each of these 14 prescriptions, Carelon has committed 14 separate instances of violation of Idaho Code § 41-349(11)(i), subjecting Carelon to discipline pursuant to Idaho Code § 41-349(9).

25. The dispensing of each and every prescription constitutes a separate instance of violation pursuant to Idaho Code § 41-117, which provides that "each instance of violation may be considered a separate offense."

PRAYER FOR RELIEF

Based on the foregoing facts and allegations, the Department prays for relief as follows:

26. For an Order imposing an administrative penalty against Carelon in the amount of five thousand dollars (\$5,000) per instance of violation pursuant to Idaho Code § 41-117, for a

total administrative penalty of eighty-five thousand dollars (\$85,000) for the seventeen (17) instances of violation of Idaho Code § 41-349(11)(i) alleged herein, or in such total amount as shall be proven at hearing.

27. For an Order that Carelon shall pay a reasonable dispensing fee to the pharmacies for each of the twelve (17) prescriptions comprising the current action.

28. For such other and further relief as the Director deems just and necessary under the circumstances.

//

//

Notification of Rights

To: CarelonRX, Inc., the above-named Respondent:

Pursuant to Idaho Code § 41-232A, you have the right to a hearing on this matter. In order to exercise this right, a written request for a hearing must be filed and served upon the Department within twenty-one (21) days after service of this Complaint. Failure to file and serve a written request for a hearing upon the Department within the 21-day time period shall be deemed a waiver of the opportunity for a hearing and to contest the allegations in the Complaint, pursuant to Idaho Code § 41-232A(2). If you fail to submit a timely written response to the allegations within 21 days of the service of this Complaint, a final order will be entered imposing the relief described above.

Any written request for a hearing shall be served on the Director of the Idaho Department of Insurance, addressed as follows:

Dean L. Cameron, Director
Idaho Department of Insurance
P.O. Box 83720
Boise, ID 83720-0043

A copy shall also be provided to the Department's counsel in this matter at the following address:

Matt Steen
Deputy Attorney General
Idaho Department of Insurance
P.O. Box 83720
Boise, ID 83720-0043

In lieu of a hearing, this matter may be resolved by negotiation, stipulation, agreed settlement, or consent order, pursuant to Idaho Code § 67-5241(1)(c). Should you wish to discuss these options, please contact the undersigned deputy attorney general.

//

//

Dated this 9th day of January 2026.

State of Idaho
Office of the Attorney General




Matt Steen
Deputy Attorney General
Attorneys for Idaho Department of Insurance

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of January 2026, I caused a true and correct copy of the foregoing Verified Complaint and Notice of Right to Hearing to be served upon the following by the designated means:

CarelonRX, Inc. Kent Rogers, Vice President 220 Virginia Ave Indianapolis, IN 46204-3709	<input type="checkbox"/> first class mail <input checked="" type="checkbox"/> certified mail <input type="checkbox"/> hand delivery <input type="checkbox"/> facsimile <input checked="" type="checkbox"/> email: carelonrxpbmlicensing@carelon.com
---	--



Jan Noriyuki
Paralegal