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FILED

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**Department of Insurance
State of Idaho**

Attorneys for Idaho Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

IDAHO DEPARTMENT OF INSURANCE,

Complainant,

vs.

PRIME THERAPEUTICS LLC, a Delaware
limited liability company holding Idaho
Pharmacy Benefit Manager License No.
449148,

Respondent.

Docket No. 18-4815-25

STIPULATION AND FINAL ORDER

COME NOW the staff of the Idaho Department of Insurance (“Department”) and PRIME THERAPEUTICS LLC (“Prime”) and do hereby agree and stipulate as follows:

FINDINGS OF FACT

1. Prime is a licensed pharmacy benefit manager in the state of Idaho, holding Pharmacy Benefit Manager License No. 449148, which was renewed until March 31, 2027. Prime 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 Prime 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. Idaho Code § 41-349 went into effect on January 1, 2025. Section 41-349 provides, in relevant part:

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 . . . [r]equire that in-network pharmacies receive dispensing fees that reasonably cover the costs of dispensing medications.

§ 41-349(11)(i).

4. On October 24, 2025, the Department published a pharmacy survey conducted in Idaho by Myers and Stauffer LC (the “October 2025 Survey”). The October 2025 Survey found, *inter alia*, that the weighted median of dispensing costs per claim for community retail pharmacies in Idaho was \$11.26.

5. On December 1, 2025, the Department filed a Verified Complaint and Notice of Right to Hearing (“Complaint”), seeking the imposition of administrative penalties with respect to twelve claims administered by Prime under the ESI network. The complaint also alleged four violations of § 41-349(11) alleging Prime’s contract with Cambia did not provide for reasonable dispensing fees for pharmacies.

CONCLUSIONS OF LAW

6. 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.

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

8. 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

9. Based upon the foregoing, Prime and the Department stipulate and agree as follows:

a. For each of the twelve claims set forth in Counts I through IV of the Complaint, and for other claims Prime administered, the dispensing fees paid to pharmacies ranged from \$0 and \$2.00. Accordingly, Prime hereby stipulates for purposes of this settlement that the dispensing fees for those twelve claims cited in the Complaint were not compliant with § 41-349(11)(i).

b. Prime hereby stipulates for purposes of this settlement that the operative contract between Prime and Cambia Health Solutions, Inc. (“Cambia”) was not compliant with § 41-349(11) as set forth in Count V of the Complaint.

Prime and the Department therefore 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 Prime shall pay an administrative penalty of forty-eight thousand dollars (\$48,000) within thirty (30) days of the effective date of this order; and

iii. That Prime shall adopt mechanisms and processes to ensure that all independent or small chain pharmacies in Idaho receive a dispensing fee of at least \$11.26 for all commercial claims on a go-forward basis, or any other dispensing fee or fees mandated by law or otherwise

determined to be reasonable under § 41-349(11).¹

10. By entering into this Stipulation, Prime knowingly and voluntarily waives any rights it would otherwise have to notice and a hearing at which it 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.

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

12. Prime 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 it may be waiving thereby.

13. Prime 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 Prime holds a license.

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

¹ Prime and the Department hereby define "independent" pharmacies as a pharmacy with common ownership of three or less pharmacies in or outside Idaho. Prime and the Department hereby define "small chain" pharmacies as a pharmacy with common ownership of between four and twelve pharmacies in or outside Idaho.

15. This Consent Order binds only the Department and Prime and does not confer rights upon any other person or entity. No provision of this Consent Order creates any private right of action. Except in a proceeding by the Department to enforce this Consent Order, neither this Consent Order nor Respondent's admissions shall have preclusive effect or be admissible as evidence against Respondent in any other action or proceeding.

16. 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 penalties for the specific violations alleged in the complaint.


17. Prime 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.

18. Prime agrees and understands that this Stipulation and Final Order resolves only the sixteen (16) violations set forth in the Complaint. Any future violations or violations discovered by, or brought to the attention of, the Department that occurred before or after the filing of the December 1, 2025, complaint may be the subject of further action by the Department.


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

20. 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 13 day of April 2026.

By: 
Marci Conlin
Vice President, Pharmacy Network Management
Prime Therapeutics LLC.

APPROVED as to Form:


By: 
Mark W. Bina
Counsel for Respondent

AGREED this 14th day of April 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: 
Matt K. Steen
Deputy Attorney General
Attorneys for the Idaho Department of Insurance

FINAL ORDER

The parties hereto, namely the Idaho Department of Insurance and Prime Therapeutics LLC (“Prime”), 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 Prime 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 Prime is assessed an administrative penalty of forty-eight thousand dollars (\$48,000).

DATED this 15 day of April 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 may be required to disclose this proceeding 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 15th day of April 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:

Mark W. Bina Counsel for Prime Therapeutics LLC 155 North Wacker Drive Suite 3200 Chicago, IL 60606	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: <u>mark.bina@quarkles.com</u>
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Jan Noriyuki
Paralegal

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