

**BEFORE THE COMMISSIONER OF  
THE DEPARTMENT OF COMMERCE AND INSURANCE  
FOR THE STATE OF TENNESSEE**

TENNESSEE INSURANCE DIVISION,	)	
Petitioner,	)	
	)	
v.	)	
	)	TID No.: 26-01
RXADVANCE CORP.,	)	
d/b/a NIRVANA HEALTH	)	
Respondent.	)	
	)	

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**CONSENT ORDER**

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WHEREAS, Petitioner, the Insurance Division of the Tennessee Department of Commerce and Insurance (“Division”) and RxAdvance Corp. (“Respondent”) hereby stipulate and agree, subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”), as follows:

**GENERAL STIPULATIONS**

1. It is expressly understood that this Consent Order (“Order”) is subject to the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the entry and execution of the Commissioner.
  
2. This Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. The Respondent fully understands that this Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Order or for facts or omissions that do not arise from the facts or transactions herein addressed.

4. The Respondent fully understands that this Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for violations of the law addressed specifically in this Order against the Respondent for violations of law under statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the execution of this Order by the Respondent.

5. The Respondent expressly waives all further procedural steps and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of this Order, the stipulations and imposition of discipline contained herein, and the consideration and entry and execution of said Order by the Commissioner.

#### **AUTHORITY AND JURISDICTION**

6. The Commissioner has jurisdiction over this matter pursuant to Title 56 of the Tennessee Code Annotated (“Tenn. Code Ann.”), specifically Tenn. Code Ann. §§ 56-2-305, 56-7-3101, and 56-7-3113, and Tenn. Comp. R. & Regs. 0780-01-95 (the “Law”). The Law places on the Commissioner the responsibility of the administration of its provisions.

#### **PARTIES**

7. The Commissioner administers the Law through the Division and authorizes the Division to bring this action for the protection of the public.

8. RxAdvance Corporation (“Respondent”) is a corporation formed in the State of Delaware. Respondent’s primary address of record is 136 Turnpike Road Suite 100, Southborough, Massachusetts 01772.

9. At all times relevant, Respondent was responsible for complying with the insurance laws and rules of the State of Tennessee.

#### FINDINGS OF FACT

10. On October 13, 2022, Respondent applied for a pharmacy benefit manager (“PBM”) license with the Division.

11. On October 18, 2022, Respondent was contacted by email and informed its application was denied.

12. Respondent did not appeal the denial nor reapply for a PBM license after being notified by the Division.

13. On August 13, 2024, the Division was notified by Myers & Stauffer (“M&S”), the third-party vendor that processes external appeals for the Division, of an external appeal regarding an initial appeal that was submitted to OptumRx, the third-party claims processor for Respondent. The initial appeal was submitted to OptumRx by Germantown Pharmacy at the direction of Respondent.

14. OptumRx returned Germantown Pharmacy’s initial appeal as “claim not found.”

15. M&S informed the Division that Germantown Pharmacy contacted Nirvana Health, the parent company of Respondent, but Nirvana Health did not respond.

16. On August 15, 2024, the Division was notified by M&S of an external appeal from Dayton Drug and Wellness that indicated Respondent did not respond to an initial appeal that was originally submitted to Respondent.

17. On September 25, 2024, M&S informed the Division by email of an additional four (4) external appeals from Tennessee pharmacies where the pharmacies were told by Respondent to submit appeals to OptumRx but OptumRx responded to all four with “claim not found.” Additionally, in the same September 25, 2024, email, M&S informed the Division of an external appeal to which Respondent did not provide a response after M&S contacted Respondent for additional information on the external appeal.

18. On September 27, 2024, the Division contacted Respondent to obtain clarification of the scope of services Respondent provides to its clients.

19. On October 11, 2024, Respondent provided a response to the Division’s September 27, 2024, communication by email and admitted to providing PBM services for approximately eighteen thousand (18,000) Tennessee residents who were Amazon employees participating in Amazon’s pharmacy benefit plan.

20. On November 14, 2024, the Division received complaint # 1286937521 (the “Complaint”) from Reams Drugs (“Reams”), a pharmacy located in Powell, Tennessee.

21. In the Complaint, Reams alleged it did not receive a reimbursement of at least its actual cost after submitting claim #2052111 to Respondent. The information submitted by Reams along with the Complaint stated that Reams’ cost was nine hundred sixty-two dollars and fifty-six cents (\$962.56) but that Reams received a reimbursement amount from Respondent of only eight hundred ninety-five dollars and ninety-nine cents (\$895.99).

22. On December 30, 2024, the Division forwarded the Complaint to Respondent to allow Respondent the chance to address the matters presented by Reams.

23. On January 13, 2025, Respondent responded to the Complaint by email and stated that the negative reimbursement amount was “attributed to the Network Administration fee” of

seventy-five cents (\$0.75) and explained it had reimbursed Reams at the average wholesale price for the drug at issue, which was “in accordance with established procedures,” and that “no further action is required on [Respondent’s] part.”

24. On January 21, 2025, the Division informed Respondent by email that the Division had determined Respondent was operating as an unlicensed PBM in Tennessee and outlined the necessary actions Respondent must take to obtain a PBM license.

25. On January 15, 2026, Respondent provided all necessary documentation for the Department to complete the processing of Respondent’s PBM license application.

### CONCLUSIONS OF LAW

26. At all times relevant hereto, Tenn. Code Ann. § 56-7-3102(5) has provided:

“Pharmacy benefits manager” means a person, business or other entity and any wholly or partially owned subsidiary of the entity, that administers the medication and/or device portion of pharmacy benefits coverage provided by a covered entity. “Pharmacy benefits manager” includes, but is not limited to, a health insurance issuer, managed health insurance issuer as defined in § 56-32-128(a), nonprofit hospital, medication service organization, insurer, health coverage plan, health maintenance organization licensed to practice pursuant to this title, a health program administered by the state or its political subdivisions, including the TennCare programs administered pursuant to the waivers approved by the United States department of health and human services, nonprofit insurance companies, prepaid plans, self-insured entities, plans governed by the Employee Retirement Income Security Act of 1974 (ERISA) (29 U.S.C. § 1001 et seq.), and all other corporations, entities or persons acting for a pharmacy benefits manager in a contractual or employment relationship in the performance of pharmacy benefits management for a covered entity and includes, but is not limited to, a mail order pharmacy;

27. At all times relevant hereto, Tenn. Code Ann. § 56-7-3113(a) has provided:

No person or entity shall administer the medication or device portion of pharmacy benefits coverage provided by a covered entity or otherwise act as a pharmacy benefits manager in this state unless the person or entity has obtained licensure through the department of commerce and insurance.

28. At all times relevant hereto, Tenn. Code Ann. §§ 56-7-3110 has provided:

A violation of this part may subject the pharmacy benefits manager or covered entity to any of the sanctions described in § 56-2-305.

29. At all times relevant hereto, Tenn. Code Ann. § 56-2-305 has provided:

(a) If, after providing notice consistent with the process established by § 4-5-320(c) and providing the opportunity for a contested case hearing held in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, part 3, the commissioner finds that any insurer, person, or entity required to be licensed, permitted, or authorized by the division of insurance has violated any statute, rule or order, the commissioner may, at the commissioner's discretion, order:

(1) The insurer, person, or entity to cease and desist from engaging in the act or practice giving rise to the violation;

(2) Payment of a monetary penalty of not more than one thousand dollars (\$1,000) for each violation, but not to exceed an aggregate penalty of one hundred thousand dollars (\$100,000), unless the insurer, person, or entity knowingly violates a statute, rule or order, in which case the penalty shall not be more than twenty-five thousand dollars (\$25,000) for each violation, not to exceed an aggregate penalty of two hundred fifty thousand dollars (\$250,000). [...] For purposes of [Tenn. Code Ann. § 56-2-305(a)(2)], each day of continued violation shall constitute a separate violation[.]

30. At all times relevant hereto, Tenn. Code Ann. § 56-1-110(b) has provided:

(1) The commissioner may, against any person, agency, or company licensed, registered, or permitted by or operating under a certificate of authority issued by the commissioner, or acting in an unlawful capacity that brings such person, agency, or company under the jurisdiction of the commissioner, assess the actual and reasonable costs of the investigation, prosecution, and hearing of any disciplinary action held in accordance with the contested case provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, part 3, in which sanctions of any kind are imposed on that person, agency, or company. These costs may include, but are not limited to, those incurred and assessed for the time of the prosecuting attorneys, investigators, expert witnesses, administrative judges, and any other persons involved in the investigation, prosecution, and hearing of the action.

[. . .]

(3) [. . .]

(B) If the individual or entity disciplined fails to pay an assessment when it becomes final, the commissioner may apply to the chancery court of Davidson County, which shall have jurisdiction over recovery of the costs, for a judgment and seek execution of the judgment.

31. Respondent's operations, and the Findings of Fact outlined herein, demonstrate that it operated as an unlicensed PBM in the state of Tennessee in violation of Tenn. Code Ann. § 56-7-3113(a).

**ORDER**

**IT IS THEREFORE ORDERED**, pursuant to Tenn. Code Ann. § 56-2-305, that Respondent pay a **CIVIL PENALTY** in the amount of two hundred fifty thousand dollars (\$250,000) for Respondent's unlicensed activity as a pharmacy benefit manager in violation of Tennessee law.

The first page of this Order must accompany payment of the civil penalty for reference. Payment of the civil penalty shall be made by January 30, 2026, of the date this Order is executed by the Commissioner, and payment must be mailed to the following address:

**State of Tennessee  
Department of Commerce and Insurance  
Legal Division  
Attn: Elliott G. Webb  
Davy Crockett Tower, 12<sup>th</sup> Floor  
500 James Robertson Parkway  
Nashville, TN 37243**

This Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures and facsimile or electronic copies shall be deemed to constitute duplicate originals.

This Order is in the public interest and in the best interests of the parties, represents a compromise and settlement of the controversy between the parties, and is for settlement purposes only. By the signatures affixed below, the Respondent affirmatively states that it has freely agreed to the entry and execution of this Order, that it waives the right to a hearing on the matters

underlying this Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made to it by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing the Order, affirmatively state their agreement to be bound by the terms of this Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this Order, are binding upon them.

ENTERED AND EXECUTED on January 30th, 2026.

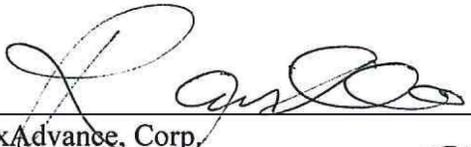
Signature:   
Carter Lawrence (Jan 30, 2026 10:28:20 CST)

Carter Lawrence, Email: Carter.Lawrence@tn.gov  
Department of Commerce and Insurance

**APPROVED FOR ENTRY AND EXECUTION:**

Signature:   
Scott McAnally (Jan 29, 2026 19:21:02 CST)

Scott McAnally, Email: Scott.McAnally@tn.gov  
Assistant Commissioner for Insurance  
Tennessee Dept. of Commerce and  
Insurance

  
RxAdvance, Corp.  
Name: RAVI IKA  
Title: President / CEO

**RESPECTFULLY SUBMITTED:**

Signature: 

Elliott G. Webb, Email: ElliottWebb@tn.gov  
Associate General Counsel  
Department of Commerce and Insurance  
Davy Crockett Tower, 12<sup>th</sup> Floor  
500 James Robertson Parkway  
Nashville, Tennessee 37243  
(615) 532-3846  
Elliott.Webb@tn.gov