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

TENNESSEE INSURANCE DIVISION,	)	
Petitioner,	)	
vs.	)	**TID No.: 25-51**
SCRIPT CARE, LTD.	)	
Respondent.	)	

CONSENT ORDER

WHEREAS, Petitioner, the Insurance Division of the Tennessee Department of Commerce and Insurance ("Division") and Script Care, Ltd. ("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 the Order is entered and executed by the Commissioner.

2. This Order is executed by the Respondent for the purpose of compromise and avoiding litigation and further administrative action with respect to this cause. The Respondent does not admit to any violation of law or regulation, and this Order shall not be construed as an

admission of liability or wrongdoing by the Respondent. 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 either the Commissioner or the Respondent 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 addressed in this Order or for facts or omissions that do not arise from the facts or transactions herein addressed.

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

AUTHORITY AND JURISDICTION

5. 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 and 56-7-3101, and Tenn. Comp. R. & Regs. 0780-01-95 (the "Law"). The Law places the responsibility of the administration of its provisions on the Commissioner.

PARTIES

6. The Division is the lawful agent through which the Commissioner administers the Law and is authorized to bring this action for the protection of the public.

7. The Respondent is a pharmacy benefits manager ("PBM'") doing business in the State of Tennessee. The Respondent (License #37) has the authority to administer the medication or device portion of pharmacy benefits coverage provided by a covered entity or otherwise act as a PBM in the State of Tennessee pursuant to Tenn. Code Ann. § 56-7-3113.

FINDINGS OF FACT

8. The Division conducted an audit of the Respondent as of December 31, 2023, to determine the Respondent's compliance with Tenn. Code Ann. Title 56, Chapter 7, Parts 31 and 32; Tenn. Code Ann. Title 56, Chapter 8, Part 1; and Tenn. Comp. R. & Regs. 0780-01-95.

9. On August 6, 2025, the auditor-in-charge filed a verified, written report on the audit with the Division (the "August Report").

10. On September 17, 2025, the Division sent a copy of the August Report to the Respondent.

11. On October 1, 2025, the Division received a response regarding the August report from the Respondent.

12. In the August Report, the auditor-in-charge identified two (2) distinct violations of Tennessee law committed by the Respondent based on the auditor's review of the Respondent's business activities. *See* Report on Script Care, LTD., pp. 3-6.

13. The August Report regarding the affairs of the Respondent was adopted by the Commissioner on November 10, 2025, through an Order Adopting Report on Audit (the "Audit Order"). The Audit Order contained the following two (2) findings:

> a. The Company recouped the full drug cost from an audited pharmacy for dispensing errors.
>
> b. The Company failed to provide audited pharmacies an itemized breakdown of each claim that was subject to recoupment.

CONCLUSIONS OF LAW

14. Tenn. Code Ann. § 56-7-3101(a) provides:

> (a) Pharmacy benefits managers shall, and contracts for pharmacy benefits management must, comply with the requirements of this part.

15. Tenn. Code Ann. § 56-7-3101 (b)(1)(A) provides:

(b)(1) The commissioner of commerce and insurance shall promulgate rules to effectuate the purposes of this part and part 32 of this chapter, including, but not limited to, rules to:

(A) Implement pharmacy benefits manager audits that are necessary to ensure compliance with this part and part 32 of this chapter; provided, such audits must not occur more than once every three (3) years unless the commissioner determines there is a need to investigate the financial condition of or legality of conduct by a pharmacy benefits manager[.]

16. Tenn. Code Ann. § 56-7-3103(i) provides:

(i) In the event the actual quantity dispensed on a valid prescription for a covered beneficiary exceeds the allowable maximum days supply of the product as defined in the applicable pharmacy benefit provider agreement, the amount allowed to be recouped, repaid or offset against future reimbursement shall be limited to an amount that is calculated based on the quantity of the product dispensed found to be in excess of the allowed days supply quantity and using the cost of the product as reflected on the original claim.

17. Tenn. Comp. R. & Regs. 0780-01-95-.09(2)(b) provides:

(2) When a PBM's audit of a pharmacy pursuant to T.C.A. § 56-7-3103 results in a recoupment, in addition to any other requirement imposed in law or rule, a PBM shall include in the documentation of the audit information that demonstrates how the recoupment did not result in the pharmacy receiving less than its actual cost for each affected prescription drug or device at issue, including but not limited to:

[…]

(b) An itemized breakdown for each claim that is subject to recoupment showing, at least, a comparison of what the pharmacy actually received and what the pharmacy should have received.

18. The Findings of Facts herein, which were discovered in the December audit and set forth in the Final Report, demonstrate the Company violated the aforementioned laws outlined in the Conclusions of Law. The Respondent disputes these assertions but has agreed to resolve these matters through this Order.

ORDER

IT IS THEREFORE ORDERED, pursuant to Tenn. Code Ann. § 56-2-305, that the Respondent pay a **CIVIL PENALTY** in the amount of four thousand dollars ($4,000) in connection with the alleged non-compliance with Tennessee law as outlined above, which the Respondent agrees to pay solely for the purpose of resolving this matter without further proceedings.

IT IS FURTHER ORDERED that, in addition to the payment of the civil penalty above, the Respondent shall **CEASE AND DESIST** any activity that is a violation of the Audit Order or continue engaging in the findings restated in Paragraph 13 of this Order.

IT IS FURTHER ORDERED that this Order represents a full settlement and release of all violations by the Respondent that were identified during the Division's audit of the Respondent and that occurred during the relevant audit period. The Division shall not seek additional sanctions for violations of the aforementioned laws and rules stemming from conduct that occurred during the relevant audit period and that was identified in the Division's Final Report and Audit Order. The first page of this Order must accompany payment of the civil penalty for reference. Payment of the civil penalty shall be made within thirty (30) days 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, 12th 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. Neither this Order nor the Respondent's agreement to its terms shall be deemed an admission of any violation, liability, or wrongdoing by the Respondent. By the signatures affixed below, the Respondent affirmatively states that it: freely agrees to the entry and execution of this Order; waives the right to a hearing on the matters underlying this Order, including to a review of the Findings of Fact and Conclusions of Law contained herein; and received no threats or promises of any kind by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this 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 ___________________, 2026.

____
Carter Lawrence, Commissioner
Department of Commerce and Insurance

[ADDITIONAL SIGNATURES ON THE LAST AND FINAL PAGE]

APPROVED FOR ENTRY AND EXECUTION:

____
Scott McAnally
Assistant Commissioner for Insurance
Tennessee Department of Commerce and Insurance

____
Script Care, LTD.
Name: _______________________
Title: _______________________

The original document, signed and dated August 27, 2026, is available upon request.

RESPECTFULLY SUBMITTED:

____
Elliott Webb (BPR# 038472)
Associate Counsel
Department of Commerce and Insurance
Davy Crockett Tower, 12th Floor
500 James Robertson Parkway
Nashville, Tennessee 37243
(615) 532-3846
Elliott.Webb@tn.gov