



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

TENNESSEE INSURANCE DIVISION,	)	
	)	
Petitioner,	)	
	)	
vs.	)	TID No.: 25
	)	
SOUTHERN SCRIPTS, LLC.	)	
dba LIVINITI	)	
	)	
Respondent.	)	
	)	

CONSENT ORDER

WHEREAS, Petitioner, the Insurance Division of the Tennessee Department of Commerce and Insurance (“Division”) and Southern Scripts, LLC., d/b/a LIVINITI, (“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 compromise and avoiding litigation and 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 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, and expressly waives 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 and 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 on the Commissioner the responsibility of the administration of its provisions.

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 #30) 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 Respondent as of December 31, 2023, to determine the Respondent's compliance with Tenn. Code Ann. Title 56, Chapter 7, Parts 31 and 32; and Tenn. Comp. R. & Regs. 0780-01-95.

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

10. On July 14, 2025, a copy of the June Report was sent to the Respondent.

11. On August 18, 2025, the Division received a response from the Respondent regarding the June report.

12. In the June Report, the auditor-in-charge identified one (1) distinct violation of Tennessee law committed by Respondent based on the auditor's review of the Respondent's business activities. *See* Report on Southern Scripts, LLC., d/b/a LIVINITI, pp. 3-6.

13. The June Report regarding the affairs of the Respondent was adopted by the Commissioner on October 13, 2025, via an Order Adopting Report on Audit (the "Audit Order"). The Audit Order contained the following directive:

a. The Company failed to establish and maintain an effective process for identifying similarly situated pharmacies to ensure proper reimbursement.

CONCLUSIONS OF LAW

14. At all times relevant hereto, 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. At all times relevant hereto, 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. At all times relevant hereto, Tenn. Code Ann. § 56-7-3206(c)(3)(A)(vi) provides:

(c)(3)(A) If a pharmacy or agent acting on behalf of a pharmacy prevails in an appeal provided for in this subsection (c), then within seven (7) business days after notice of the appeal is received by the pharmacy benefits manager or covered entity, the pharmacy benefits manager or covered entity shall:

[...]

(vi) Apply the findings from the appeal as to the rate of reimbursement and actual cost for the particular drug or medical product or device to other similarly situated pharmacies.

17. At all times relevant hereto, Tenn. Comp. R. & Regs. 0780-01-95-.04(4)(a) provides:

(4)(a) When applying the findings from an initial appeal that was resolved in favor of a pharmacy to other similarly situated pharmacies as to the rate of reimbursement and actual cost for the particular drug or medical product or device that was at issue in the initial appeal, a PBM shall, within seven business days of resolution of an initial appeal, apply the findings retroactively as set out in subparagraph (b) of this paragraph to all similarly situated pharmacies that received the challenged rate of reimbursement for the particular drug or medical product or device that was at issue in the initial appeal, including any appeals pending with a PBM where the challenged rate of reimbursement is the subject of the pending appeal, by:

(1) Notifying all similarly situated pharmacies of the adjusted rate of reimbursement in writing. The notice shall contain the applicable national drug code number or the unique device identifier at issue, as appropriate, and the rate of reimbursement to which the similarly situated pharmacy is now entitled for the drug or medical product or device; and

(2) Paying all similarly situated pharmacies the difference in the original rate of reimbursement the similarly situated pharmacy received and the adjusted rate of reimbursement that resulted from the initial appeal resolved in favor of a pharmacy. The PBM shall not charge any fees or require any additional documentation from similarly situated pharmacies to pay the difference required under this part.

18. The facts presented, which were discovered in the December audit and set forth in the Final Report, demonstrate the Company violated the aforementioned laws within Paragraphs 8 through 17.

ORDER

IT IS THEREFORE ORDERED, pursuant to Tenn. Code Ann. § 56-2-305, that Respondent pay a **CIVIL PENALTY** in the amount of ten thousand dollars (\$10,000) for Respondent's violation of Tennessee law as outlined above.

IT IS FURTHER ORDERED that, in addition to the payment of the civil penalty assessed above, Respondent shall **CEASE AND DESIST** any activity that is a violation of the one (1) directive identified by the Audit Order and restated in Paragraph 13 of this Order.

IT IS FURTHER ORDERED that this Order represents a full settlement and release of all violations by Respondent outlined in paragraphs 8 through 18 above that were identified during the Division's audit of 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. 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 _____, 2026.

Carter Lawrence, Commissioner
Department of Commerce and Insurance

[ADDITIONAL SIGNATURES ON THE FINAL AND LAST PAGE]

APPROVED FOR ENTRY AND EXECUTION:

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

Southern Scripts, LLC.

Name: _____

Title: _____

RESPECTFULLY SUBMITTED:

The original document, signed and dated
September 9, 2026, is available upon request.

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