

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**FILED**

DEC 12 2023

STATE OF OKLAHOMA, ex rel. GLEN )  
MULREADY, Insurance Commissioner, )  
 )  
Petitioner, )  
v. )  
 )  
MAGELLAN RX MANAGEMENT, LLC )  
 )  
Respondent. )  
 )

**INSURANCE COMMISSIONER  
OKLAHOMA**

CASE NO. 23-0373-DIS

**CONDITIONAL ADMINISTRATIVE ORDER**

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, by and through counsel, Tyler P. Trammell, and alleges and states as follows:

**JURISDICTION**

1. Glen Mulready is the Insurance Commissioner of the State of Oklahoma and, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 *et seq.* and 59 O.S. §§ 357-360.

2. Respondent Magellan Rx Management, LLC (“Respondent”) holding SBS Company Number 44201415, is licensed by the State of Oklahoma as a pharmacy benefits manager (hereinafter referred to as “PBM”). Respondent’s address of record is 2900 Ames Crossing Rd., Eagan, MN 55121.

3. Pursuant to 59 O.S. § 358, a PBM shall be licensed in order to provide pharmacy benefits management, or any services included under the definition of pharmacy benefits management found in Oklahoma Statutes, and must comply with all applicable laws, rules, and regulations.

4. Pursuant to OAC 365:25-29-15, the Insurance Commissioner shall have power and authority to examine and investigate the affairs of every PBM engaged in pharmacy benefits management in the state in order to determine whether it is in compliance with all applicable provisions of Title 36 and Title 59 of the Oklahoma Statutes and Title 365 of the Oklahoma Administrative Code and may take disciplinary action to enforce the same

5. Pursuant to 59 O.S. § 358(d), the Department “may suspend, revoke or refuse to reissue or renew a license for noncompliance with any of the provisions hereby established or with the rules promulgated by the Department; for conduct likely to mislead, deceive or defraud the public or the Department; for unfair or deceptive business practices or for nonpayment of a renewal fee or fine. The Department may also levy administrative fines for each count of which a PBM has been convicted in a Department hearing.”

6. Pursuant to 36 O.S. § 908, the Commissioner may, if the Commissioner finds that any person or organization has violated the provisions of any statute for which the Commissioner has jurisdiction, impose a penalty of not less than One Hundred Dollars (\$100.00) no more than five Thousand Dollars (\$5,000.00) for each such violation. Such penalties may be in addition to any other penalty provided by law.

#### **FINDINGS OF FACT**

7. On June 5, 2023, the Oklahoma Insurance Department’s PBM Compliance and Enforcement Office notified Respondent that its license had lapsed as of midnight, May 31, 2023, due to Respondent not filing a timely renewal nor paying the required renewal fee.

8. On June 5, 2023, Respondent applied for, and filed, its renewal documentation and paid the \$500 reinstatement fee.

9. Respondent conducted and engaged in pharmacy benefits management in the State of Oklahoma for a period of five (5) days from the lapse of their license on May 31, 2023, to the submission of the renewal documentation and paying of the \$500 reinstatement fee on June 5, 2023.

10. On June 9, 2023, Respondent filed with the Department its PBM Activity Attestation. Respondent admitted that its license had expired on May 31, 2023. Respondent further admitted that it conducted 3,173 transactions amounting to \$265,171.00 while covering approximately 7,985 lives in the 9 days between the expiration of its license on May 31, 2023 and the filing of the June 9, 2023, PBM Activity Attestation.

**CONCLUSIONS OF LAW**

11. Respondent has violated 59 O.S. § 358 by continuing to provide pharmacy benefits management services for a total of five (5) days without a license.

**ORDER**

**IT IS THEREFORE ORDERED** that Respondent is hereby **FINED** Four Thousand Four Hundred Dollars (\$4,400.00). The fine shall be paid within 30 days of the date of this Conditional Administrative Order and made payable to the Oklahoma Insurance Department. The fine shall be sent to the Oklahoma Insurance Department located at 400 NE 50<sup>th</sup> Street, Oklahoma City, Oklahoma 73105 by check or money order with the case number 23-0373-DIS in the Memo line. Failure to comply with a proper order of the Commissioner will result in further administrative action.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** by the Insurance

Commissioner that this Order is a Conditional Order. Unless Respondent requests a hearing with respect to the Findings of Fact set forth above within 30 days of the date of this Conditional Order, the penalties set forth above will become a Final Order on the 31st day following the date of mailing this Order. A request for hearing should be in writing and addressed to Tyler P. Trammell, Oklahoma Insurance Department, Legal Division, 400 NE 50<sup>th</sup> Street, Oklahoma City, Oklahoma 73105. The request for hearing must state the grounds for the request to set aside or modify the Order and must be served on the Oklahoma Insurance Department within the 30 days allotted. The proceedings on such requested hearing will be conducted in accordance with the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq., and the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250 through 324. If Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order will act as a notice of the matters to be reviewed at the hearing and the Findings of Fact, Conclusions of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this December 7, 2023.



GLEN MULREADY  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

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Oklahoma Insurance Department  
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**CERTIFICATE OF MAILING**

I hereby certify that a true and correct copy of the above and foregoing *Conditional Order* was mailed by regular mail and by certified mail, with postage prepaid and return receipt requested, on this December 12<sup>th</sup>, 2023, to:

Erica Gong  
Magellan Rx Management, LLC  
2900 Ames Crossing Rd.  
Eagan, MN 55121

**CERTIFIED MAIL NO. 9589 0710 5270 0679 4481 79**



Tyler P. Trammell  
Assistant General Counsel