



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Market Conduct Report

of

CaremarkPCS Health, L.L.C. dba CVS Caremark

October 21, 2021

From August 18, 2021 through October 18, 2021, the Market Conduct Division of the Connecticut Insurance Department examined the utilization review practices of CaremarkPCS Health, L.L.C. dba CVS Caremark (the Company), using a sample period of March 1, 2019 through December 31, 2019. The examination was limited to Connecticut enrollees.

CaremarkPCS Health, L.L.C. dba CVS Caremark has its home office in the State of Arizona and is licensed as a utilization review entity in the State of Connecticut under license number 200001234. By authority granted under §38a-591 of the Connecticut General Statutes, this examination was conducted by Market Conduct examiners of the State of Connecticut Insurance Department (the Department) at the Department's offices in Hartford, Connecticut.

The purpose of the examination was to evaluate the Company's utilization review practices in the State of Connecticut. From a listing of utilization reviews performed by the Company, the examiners reviewed one hundred twenty (120) sample files, which included approved and denied certifications during the examination period.

The Department's findings are as follows:

- The examiners verified that forty-five (45) approval determinations failed to use the determination letter of the entity licensed by the Insurance Commissioner.

It is recommended that the Company review its policies and procedures to ensure that it is properly referenced on all determination letters as the licensed entity performing the review, as required by statute.



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

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IN THE MATTER OF : DOCKET MC 21-97
CaremarkPCS Health, L.L.C. dba CVS Caremark :
-----X

STIPULATION AND CONSENT ORDER

It is hereby stipulated and agreed between CaremarkPCS Health, L.L.C. dba CVS Caremark and the State of Connecticut Insurance Department by and through Andrew N. Mais, Insurance Commissioner ("Insurance Commissioner") to wit:

I

WHEREAS, pursuant to a market conduct examination, the Insurance Commissioner alleges the following with respect to CaremarkPCS Health, L.L.C. dba CVS Caremark:

1. CaremarkPCS Health, L.L.C. dba CVS Caremark, hereinafter referred to as Respondent, is domiciled in the State of Arizona and is licensed to transact the business of a utilization review entity in the State of Connecticut under license number 200001234.
2. From August 18, 2021 through October 18, 2021, the Department conducted an examination of Respondent's utilization review practices in the State of Connecticut covering the period from March 1, 2019 through December 31, 2019.
3. During the period under examination, Respondent failed to establish practices and procedures to ensure compliance in all instances with statutory requirements for:
 - a. using a determination letter of the entity licensed by the Insurance Commissioner.
4. The conduct as described above violates §38a-591b and §38a-591d of the Connecticut General Statutes, and §38a-591-7 of the Regulations of Connecticut State Agencies and constitutes cause for the imposition of a fine or other administrative penalty under §38a-591k of the Connecticut General Statutes.

II

1. WHEREAS, Respondent admits to the allegations contained in paragraphs three and four of Article I of this Stipulation; and
2. WHEREAS, Respondent agrees to review its utilization review practices and procedures identified as concerns during the market conduct examination, as described in the Examination of Utilization Review Practices Report and this Stipulation, and bring them into immediate compliance with Connecticut Statutes; and
3. WHEREAS, Respondent agrees to provide the Insurance Commissioner with a full report of finding and a summary of actions taken to comply with the requirements of paragraph two of this section within ninety (90) days of the date of this document; and
4. WHEREAS, Respondent, being desirous of terminating this proceeding without the necessity of a formal proceeding or further litigation, does consent to the making of this Final Order and voluntarily waives:
 - a. any right to a hearing; and
 - b. any requirement that the Insurance Commissioner's decision contain a statement of findings of fact and conclusion of law; and
 - c. any and all rights to object to or challenge before the Insurance Commissioner or in any judicial proceeding any aspect, provision or requirement of this Stipulation
5. WHEREAS, Respondent agrees to pay a fine in the amount of \$3,000.00 for the violations described herein.

NOW THEREFORE, upon the consent of the parties, it is hereby ordered and adjudged:

1. That the Insurance Commissioner has jurisdiction of the subject matter of this administrative proceeding.
2. That Respondent is fined the sum of Three Thousand Dollars (\$3,000.00) for the violations herein above described.

CAREMARKPCS HEALTH, L.L.C. dba CVS CAREMARK

BY: 

(Representative of Utilization Review Entity)

CERTIFICATION

The undersigned deposes and says that ~~he/she~~ has duly executed this Stipulation and Consent Order on this 8th day of December 2021 for and on behalf of CaremarkPCS Health, L.L.C. dba CVS Caremark that ~~he/she~~ is the Vice President & Secretary of such company, and ~~he/she~~ has authority to execute and file such instrument.

BY: [Signature]

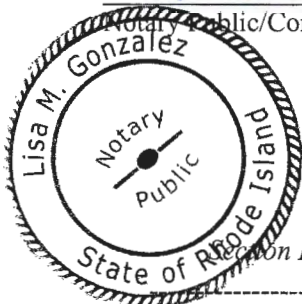
State of _____

County of _____

Personally appeared on this 8 day of December 2021,
Thomas S. Hoffatt signer and sealer of the foregoing Stipulation and Consent Order, acknowledged same to be his/~~her~~ free act and deed before me.

Lisa M. Gonzalez
Notary Public/Commissioner of the Superior Court

Lisa M Gonzalez
Notary Public
State of Rhode Island
My Comm. Exp. 11/30/2024



Section Below To Be Completed by State of Connecticut Insurance Department

Dated at Hartford, Connecticut this 21 day of December 2021.

[Signature]
Andrew N. Mais
Insurance Commissioner