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Department of Insurance
State of Idaho

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BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

IDAHO DEPARTMENT OF INSURANCE, Complainant, vs. NAVITUS HEALTH SOLUTIONS, LLC, a Wisconsin corporation holding Idaho Pharmacy Benefit Manager License No. 3002192829, Respondent.	Docket No. 18-4899-26 **STIPULATION AND FINAL ORDER**

COME NOW the staff of the Idaho Department of Insurance ("Department") and NAVITUS HEALTH SOLUTIONS, LLC ("Navitus") and do hereby agree and stipulate as follows:

FINDINGS OF FACT

1. Navitus is a Wisconsin corporation and a licensed pharmacy benefit manager in the state of Idaho, holding Pharmacy Benefit Manager License No. 3002192829, which was renewed until March 31, 2027. Navitus is subject to the provisions of title 41, Idaho Code, and to the rules of the Idaho Department of Insurance promulgated thereunder.

2. The Director of the Department ("Director") has jurisdiction over Navitus and the subject matter herein pursuant to Idaho Code § 41-349 and the provisions of Idaho's Producer Licensing Act, Idaho Code §§ 41-1001 *et seq.*, as well as the Idaho Insurance Code, Idaho Code §§ 41-101 *et seq.*

3. Idaho Code § 41-349 went into effect on January 1, 2025. Section 41-349 provides, in relevant part:

> In addition to any other requirements in this title, all contractual arrangements executed, amended, adjusted, or renewed between a pharmacy benefit manager and a pharmacy benefits plan or program must include, in substantial form, requirements, to the extent allowable by law, to . . . [r]equire that in-network pharmacies receive dispensing fees that reasonably cover the costs of dispensing medications.
>
> Idaho Code § 41-349(11)(i).

4. On or about April 20, 2026, the Department filed a Verified Complaint and Notice of Right to Hearing ("Complaint"), alleging that Navitus failed to pay reasonable dispensing fees to certain Idaho pharmacies in violation of Idaho Code § 41-349(11)(i). The Complaint alleged violations involving Broulim's Pharmacy locations throughout Idaho.

5. Specifically, the Complaint alleged that between January 2025 and February 2026, Navitus administered prescription claims for which it paid dispensing fees of $0.40, $0.35, or $0.00 to nine Broulim's Pharmacy locations: Broulim's Rigby (NCPDP 1305831), Broulim's Soda Springs (NCPDP 1306162), Broulim's Rexburg (NCPDP 1306299), Broulim's Shelley (NCPDP 1307493), Broulim's Driggs (NCPDP 1307568), Broulim's Sunnyside (NCPDP 1309310), Broulim's St. Anthony (NCPDP 1309928), Broulim's 17th Street (NCPDP 1309954), and Broulim's Idaho Falls (NCPDP 1309966).

6. The Complaint alleged that the dispensing fees paid by Navitus to nine pharmacy locations did not reasonably cover the costs of dispensing medications as required by Idaho Code § 41-349(11)(i).

CONCLUSIONS OF LAW

7. Idaho Code § 41-349(9) provides that if the Director finds a pharmacy benefit manager has violated any provision of title 41, Idaho Code, then the Director may subject the pharmacy benefit manager to any or all of the actions, penalties, and remedies referenced in Idaho Code §§ 41-117, 41-1016, and 41-1026.

8. Idaho Code § 41-117 provides that each instance of violation may be treated as a separate offense.

9. The parties agree that this matter may be brought to a close by a negotiated and stipulated settlement and entry of this Stipulation and Final Order.

AGREEMENT

10. Based upon the foregoing, Navitus and the Department stipulate and agree as follows:

a. For each of the prescription claims set forth in Counts I through IX of the Complaint, the dispensing fees paid ranged from $0.00 to $0.40. Accordingly, Navitus hereby stipulates for purposes of this settlement that the dispensing fees for those claims cited in the Complaint were not compliant with Idaho Code § 41-349(11)(i); Navitus and the Department therefore agree to the penalties set forth below and agree that the Director may enter the Final Order attached hereto, which provides as follows:

i. That the Stipulation be adopted in full and incorporated into the Final Order;

ii. That Navitus shall pay an administrative penalty of two hundred thousand dollars ($200,000.00), of which seventy-five thousand dollars ($75,000.00) shall be paid within thirty (30) days of the effective date of the Final Order. On condition that Navitus complies with the Corrective Action Plan (defined at 10.a.iv), the Department agrees to waive the remaining one hundred and twenty-five thousand dollars ($125,000);

iii. That Navitus shall adopt mechanisms and processes to ensure that all independent and small chain pharmacies in Idaho receive a dispensing fee of at least $11.50 for all commercial claims, on a go-forward basis ("Prospective Dispensing Fee"), or any other dispensing fee or fees mandated by law or otherwise determined to be reasonable under § 41-349(11) once contracts are executed. Navitus shall initiate the contract execution/amendment process with pharmacies or PSAOs, as the case may be, immediately upon execution of this Stipulation and Final Order and shall substantially complete such process within 90 days of the date this Stipulation and Final Order is executed. Navitus shall provide to the Department a list of the independent and small chain pharmacies that will receive a Prospective Dispensing Fee and/or a Retroactive Dispensing Fee;[1]

iv. That Navitus shall adopt mechanisms and processes to ensure that all independent and small chain pharmacies in Idaho receive a total dispensing fee of at least $9.00 for all commercial claims previously adjudicated from January 1, 2025, to the date

[1] Navitus and the Department hereby adopt the NCPDP Dispenser Class designations and definitions for (01) independent and (05) franchise pharmacy to determine independent and small chain pharmacies within Idaho affected by this Final Order.

of this Final Order ("Retroactive Dispensing Fee").[2] Navitus shall not make any adjustment to ingredient cost or any other adjustment to offset the Retroactive Dispensing Fee. Navitus shall complete substantially all of the Retroactive Dispensing Fee payments within ninety (90) days of this Final Order. Among other requirements (set forth at 10(a)(v)), the mechanisms and processes to ensure that all independent and small chain pharmacies in Idaho receive the Prospective Dispensing Fee and the Retroactive Dispensing Fee are referred to as Navitus' Corrective Action Plan or CAP; and

v. That Navitus' Corrective Action Plan shall be submitted to the Department within fourteen (14) days of the Final Order. The CAP shall include a list of the independent and small chain pharmacies affected by the Final Order and shall establish target dates and metrics to demonstrate to the Department Navitus's ability and methods for complying with the Final Order, including specific accounting to the Department of the payments to each affected pharmacy. Navitus will provide monthly progress reports to the Department until the actions outlined in the CAP are deemed by the Department to be fully completed. Additionally, the CAP will outline the processes and policies the company will adopt to ensure compliance with the Final Order and the law moving forward.

11. By entering into this Stipulation, Navitus knowingly and voluntarily waives any rights it would otherwise have to notice and a hearing at which it may be represented by counsel, present evidence, and examine witnesses. The parties hereto further waive their right of reconsideration, appeal, and other rights as set forth in title 67, chapter 52, Idaho Code, including

[2] Navitus will pay the difference between the original dispensing fee and $9.00.

the right to submit this matter for review by a court of competent jurisdiction.

12. The parties agree that the terms of this Stipulation and Final Order are appropriate and proper under the circumstances referenced herein.

13. Navitus acknowledges that it has read this Stipulation and Final Order and understands its contents; that it has been given the opportunity to discuss this Stipulation and Final Order with independent legal counsel of its choosing; and that it has entered into this Stipulation knowingly, voluntarily, and with full knowledge of any rights it may be waiving thereby.

14. Navitus acknowledges that this is an administrative action that may be required to be reported on license applications and license renewal forms and disclosed to other agencies through which Navitus holds a license.

15. This Stipulation is subject to approval by the Director or the Director's designee and shall become effective and binding upon the Department upon such approval. Should the Director decline to approve this Stipulation and Final Order, the Department and Navitus shall retain all of their rights, claims, and/or defenses, and any factual and/or legal admissions made by Navitus herein shall be withdrawn.

16. This Stipulation and Final Order binds only the Department and Navitus and does not confer rights upon any other person or entity. No provision of this Stipulation and Final Order creates any private right of action. Except in a proceeding by the Department to enforce this Stipulation and Final Order, neither this Stipulation and Final Order nor Respondent's admissions shall have preclusive effect or be admissible as evidence against Respondent in any other action or proceeding.

17. This Stipulation constitutes the full and final resolution of all matters addressed herein, and the Department agrees that, subject to the Director's approval described above, the

Department shall seek no further civil or administrative penalties for the specific violations alleged in the complaint.

18. Navitus agrees that, upon execution of this Stipulation and Final Order, no subsequent action or assertion shall be maintained or pursued in any manner asserting the invalidity of this Stipulation and Final Order and its provisions.

19. The parties agree and understand that this Stipulation and Final Order resolves only the prescription claims set forth in the Complaint. Any future violations or violations discovered by, or brought to the attention of, the Department unrelated to the Complaint that occurred before or after the filing of the Complaint may be the subject of further action by the Department.

20. This Stipulation and Final Order embody the entire agreement between the Department and Navitus, and there are no agreements, understandings, representations, or warranties that are not expressly set forth herein.

21. Upon the Director's entry of the Final Order approving this Stipulation, this Stipulation and Final Order shall be a public record under the Idaho Public Records Act.

AGREED this 10th day of September 2026.

DocuSigned by:
By: Paul M. Page
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Paul M. Page, Chief Legal Officer
Navitus Health Solutions, LLC

Navitus Health Solutions, LLC
APPROVED as to Form:

Signed by:
By: Brenda M. Shafer
92F3CBB3EF564C0...
Brenda M. Shafer
Quarles & Brady LLP
Counsel for Respondent

And

DocuSigned by:

By:____________________________
DC5AC2DE92DA48D

Mark W. Bina
Quarles & Brady LLP
Counsel for Respondent

AGREED this 10th day of September 2026.

By:____________________________
Shannon Hohl
Market Oversight Bureau Chief
Idaho Department of Insurance

APPROVED as to Form:

State of Idaho
Office of the Attorney General

By: ____________________________
Rafael J. Droz
Deputy Attorney General
Attorneys for the Idaho Department of Insurance

FINAL ORDER

The parties hereto, namely the Idaho Department of Insurance and Navitus Health Solutions, LLC ("Navitus"), having entered into the foregoing Stipulation, and the form of the order having been approved, the Director, having reviewed the same, does hereby find that there is a factual basis for entry of a Final Order herein and does hereby conclude that Navitus did violate title 41, Idaho Code, as stated in the Stipulation.

NOW, THEREFORE, based on the foregoing and in consideration of the premises,

IT IS HEREBY ORDERED that the foregoing Stipulation is approved and is incorporated herein as if set forth in full and made a part hereof;

IT IS FURTHER ORDERED that Navitus shall pay an administrative penalty of seventy-five thousand dollars ($75,000.00) and is subject to an additional one hundred twenty-five thousand dollars ($125,000.00) administrative penalty if Navitus fails to comply with the terms of the Stipulation.

DATED this 10 day of September 2026.

State of Idaho
Department of Insurance

Dean L. Cameron
Director

NOTICE REGARDING REPORTABLE PROCEEDINGS

The foregoing is considered a reportable administrative proceeding. As such, it is a public record and is public information that may be disclosed to other states and reported to companies for which you are actively appointed. This information will be reported to the National Association of Insurance Commissioners (NAIC) and will appear in the online searchable database of the Idaho Department of Insurance. You may be required to disclose this proceeding on any insurance license application and must be reported to any and all states in which you hold an insurance license.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 10th day of September 2026, I caused a true and correct copy of the STIPULATION AND FINAL ORDER to be served upon the following parties by the method(s) indicated below:

Brenda M. Shafer Counsel for Navitus Health Solutions, LLC One Renaissance Square Two North Central Avenue Suite 600 Phoenix, AZ 85004	☐ First Class Mail ☐ Certified Mail ☐ Hand Delivery ☐ Facsimile ☒ Email: brenda.shafer@quarles.com

Jan Noriyuki
Paralegal