

Drummond secures \$32M in settlement with CVS Caremark

Tuesday, September 09, 2025

OKLAHOMA CITY (Sept. 9, 2025) – Attorney General Gentner Drummond today announced a more than \$32 million settlement with CVS Caremark after the company allegedly kept money that belonged to Oklahoma's state employee health plan.

CVS Caremark is a pharmacy benefit manager (PBM) that manages prescription drug benefits for health plans, including HealthChoice which is Oklahoma's state employee plan. When drug companies give discounts and rebates for medications, CVS Caremark was supposed to pass that money on to HealthChoice. Instead, the state contends that CVS kept millions of dollars that should have gone to help lower healthcare costs for state employees from January 2020 through December 2024. CVS maintained that it complied with its contractual obligations.

"When a company keeps money that belongs to Oklahoma taxpayers, we're going to fight to get it back," Drummond said. "This settlement ensures that millions of dollars go where they should have gone all along - to benefit our state employees' healthcare."

Under the agreement, CVS Caremark will pay \$32.1 million to the State of Oklahoma. After deducting attorney fees for outside counsel, in line with Oklahoma state statute, approximately \$27 million will go directly to the HealthChoice plan within 30 days. None of the funds will remain with the Attorney General's Office. Instead, Drummond directed the recovery dollars go back to the state plan to benefit state employees, their families and retirees.

"These funds should be used to help keep premiums lower for HealthChoice members," Drummond said. "This recovery reflects our commitment to maximizing

benefits for the state employees who serve all Oklahomans and protecting taxpayer dollars that fund these healthcare benefits."

The Oklahoma Health Care Authority (OHCA) oversees HealthChoice. Ellen Buettner, OHCA CEO, welcomed the settlement.

"This settlement ensures millions of dollars will be directed back to the HealthChoice plan, benefiting Oklahoma's state employees and their families," Buettner said. "This recovery underscores OHCA's commitment to maximizing the value of healthcare benefits for those who serve our state."

CVS Caremark must also:

- Pay any additional rebate amounts collected for the 2020-2024 period within 90 days;
- Pass through all future rebate payments directly to the HealthChoice plan within 90 days of collection; and
- Agree to an expanded definition of "rebate" in the state contract to ensure comprehensive coverage of manufacturer payments.

The settlement also includes strengthened contract language that requires Caremark to report and remit all rebates collected to the state plan on a quarterly basis, ensuring greater transparency and accountability, as well as maximum benefits to the state employee health plan for the life of the contract.

"This successful settlement is the result of the team we formed to investigate and negotiate this matter," Drummond said. "This significant recovery would not have been possible without the exceptional work of our Consumer Protection Unit and PBM Compliance and Enforcement Unit. I appreciate the leadership of Deputy Attorney General Michael Leake, who serves as the director of the PBM Compliance and Enforcement Unit."

This settlement represents the latest action in the Attorney General's ongoing efforts to hold pharmacy benefit managers accountable. The office continues to pursue a separate lawsuit against CVS Caremark for allegedly reimbursing Oklahoma pharmacies below acquisition cost.

CVS Caremark has denied wrongdoing in the settled matter and agreed to the resolution to avoid the costs and uncertainties of litigation.

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