

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q2 2021

#### Part D Drug Appeals Process

An appeal is the process by which an individual enrolled in a Medicare prescription drug plan (enrollee) may challenge a plan's coverage determination. Appeals begin with a request by an enrollee (or his or her representative) for a redetermination by the plan. If the enrollee is dissatisfied with the plan's redetermination, the enrollee may request a reconsideration by the Part D Independent Review Entity (also called the Part D Qualified Independent Contractor or "Part D QIC"). An enrollee who is dissatisfied with the Independent Review Entity's decision may appeal to an Administrative Law Judge if their appeal meets the Amount in Controversy threshold. If the enrollee continues to be dissatisfied with the decision, additional appeal levels include the Medicare Appeals Council and federal judicial review.

The following data summarizes and highlights some of the key data on reconsiderations for the Medicare prescription drug benefit program, from April 1, 2021 - June 30, 2021 (Quarter 2).

#### Reconsideration Volume

The Part D QIC received 8,378 reconsideration requests during Q2 of 2021. This represents a rate of 0.16 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 43.16% of all appeals received and resulted in a rate of 0.07 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 4.76% of all appeals received and resulted in a rate of 0.008 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 52.08% of all appeals received and resulted in a rate of 0.08 expedited cases for each 1,000 beneficiaries enrolled.

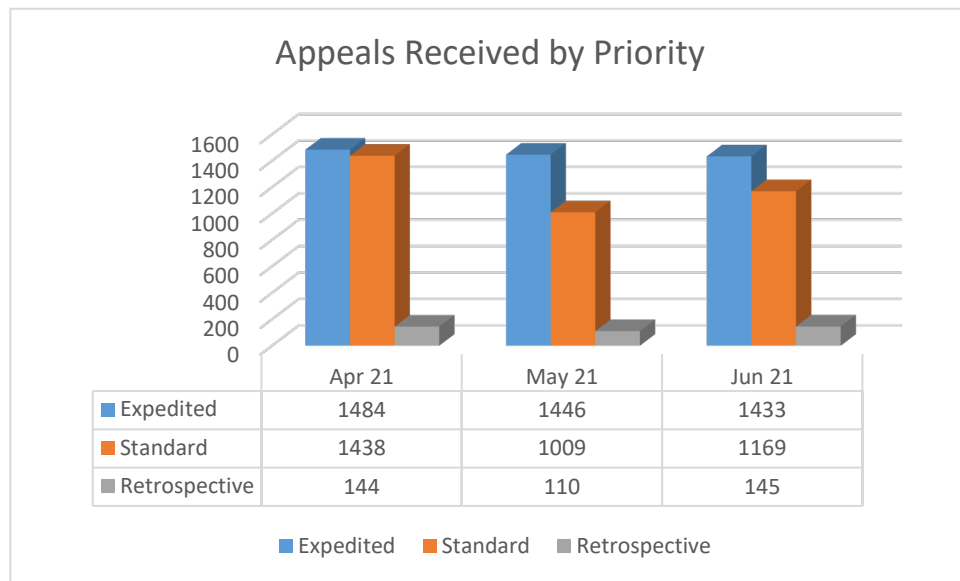
Substantive cases are cases that include upheld, reversed, or partially reversed decision only. Dismissals and withdrawals are not included in substantive cases count.

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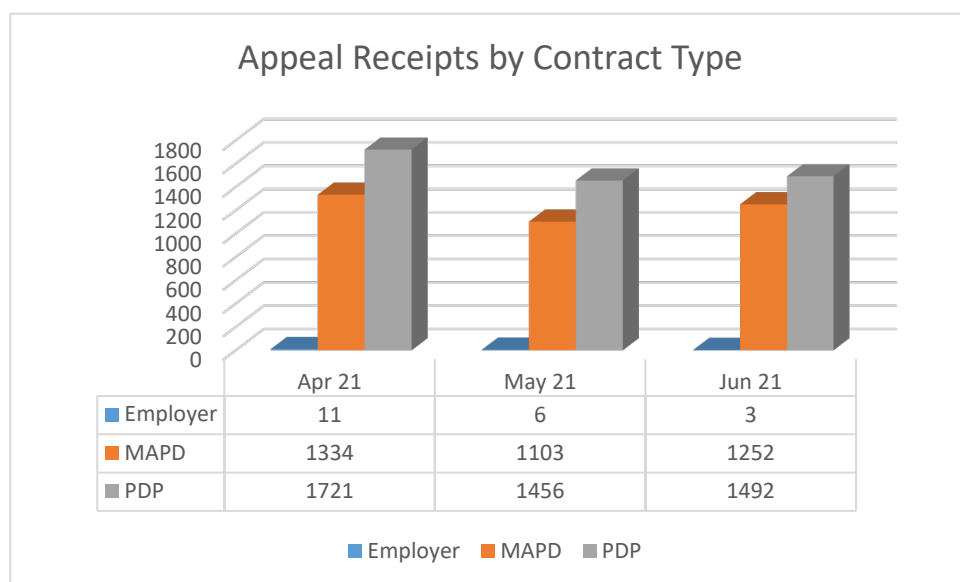
<sup>1</sup> Volume, divided by mid-year enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

### Number of Appeals Received by the Part D Drug QIC by Month



### Part D Appeal Volume by Contract Type

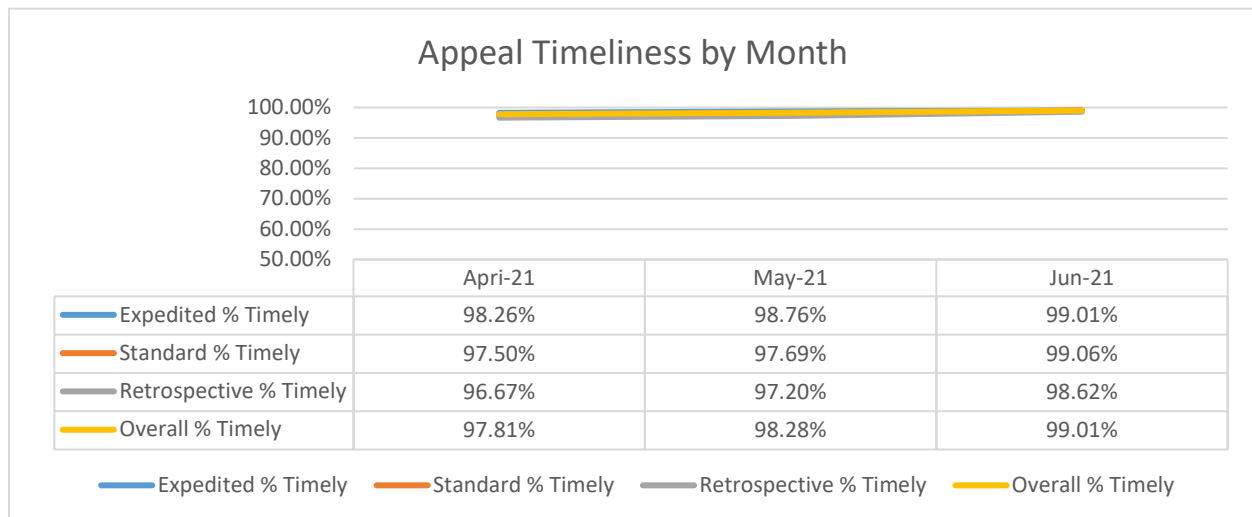


## Timeliness of Part D Reconsiderations

### Overall Timeliness by Month

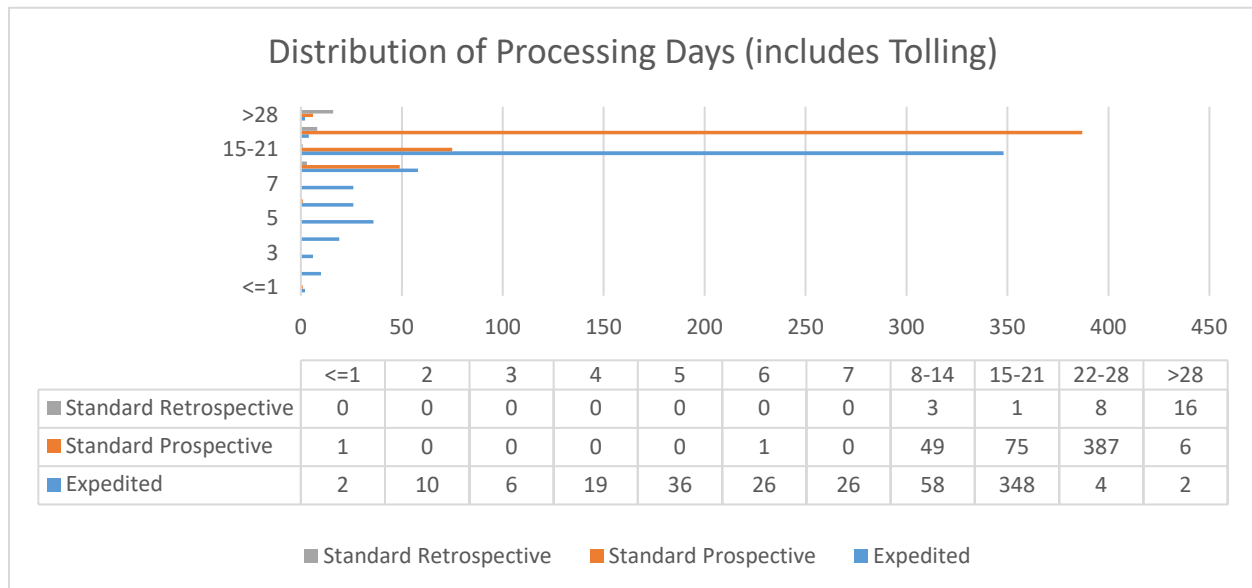
Month	Total Appeals Decided	Total Timely	% Timely
April-21	3153	3084	97.81%
May-21	2847	2798	98.28%
June-21	2526	2501	99.01%

### Reconsideration Timeliness by Priority

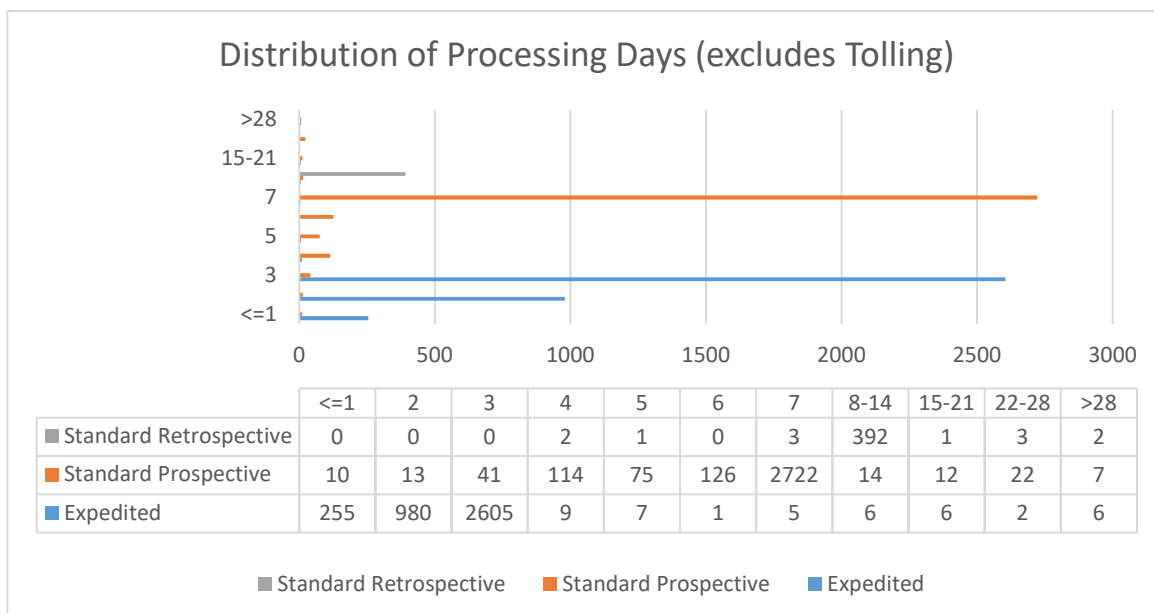


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to 14 additional calendar days. Standard appeals are completed within 7 days for pre-service cases or 14 days for retrospective (payment) cases. Standard pre-service cases may also be tolled for up to 14 additional calendar days, as warranted, for a formulary exception request or an Appointment of Representation form.

## Average Processing Days by Priority



The table above includes cases that tolled for information necessary to adjudicate the case. This action extends the duration of the case in order to allow the necessary information to be received and reviewed.



The table above excludes cases that tolled for information necessary to adjudicate the case.

## Overturn Details

### Types of Appeals and Rates of Reversal of Plan Denials

Appeal Type	Total Cases	Substantive Cases	% of Cases	Reversals*	% Reversed	% of all Reversals
Cost Sharing	1010	495	49.01%	41	8.28%	11.52%
Not covered under Part D	2931	2689	91.74%	88	3.27%	24.72%
OON: drug not avail in-network	4	3	75.00%	0	0.00%	0.00%
OON: no access OOA travel	2	2	100.00%	0	0.00%	0.00%
OON: not timely in-area access	4	1	25.00%	0	0.00%	0.00%
OON: physician office access	11	10	90.91%	0	0.00%	0.00%
Plan cost utiliz tool disputed	1675	1570	93.73%	196	12.48%	55.06%
Request for tiering exception	1542	1499	97.21%	6	0.40%	1.69%
Rqst for drug not on formulary	1347	1269	94.21%	25	1.97%	7.02%
<b>Grand Total</b>	<b>8526</b>	<b>7538</b>	<b>88.41%</b>	<b>356</b>	<b>4.72%</b>	<b>100.00%</b>

Plan Denial	Total Cases	Substantive Cases	% of Cases	Reversals*	% Reversed	% of all Reversals
At-Risk Determination	3	3	100.00%	0	0.00%	0.00%
Cost-Sharing	232	199	85.78%	26	13.07%	7.30%
Covered under A/B	377	357	94.69%	25	7.00%	7.02%
Drug is not FDA approved	132	128	96.97%	0	0.00%	0.00%
Not a Medically Accepted Indication	2122	2091	98.54%	72	3.44%	20.22%
Off-Formulary	1330	1271	95.56%	25	1.97%	7.02%
Other	1099	405	36.85%	21	5.19%	5.90%
Out of Network	35	32	91.43%	1	3.13%	0.28%
Prescription Not Required	41	41	100.00%	1	2.44%	0.28%
Purchased Outside of the US	7	7	100.00%	0	0.00%	0.00%
Tiering Exception	1563	1531	97.95%	5	0.33%	1.40%
Utilization Management	1585	1473	92.93%	180	12.22%	50.56%
<b>Grand Total</b>	<b>8526</b>	<b>7538</b>	<b>88.41%</b>	<b>356</b>	<b>4.72%</b>	<b>100.00%</b>

\*Includes both partially favorable and fully favorable decisions

## Plan Type and Appeal Dispositions

			Substantive Disposition				
	Favorable		Partially Favorable		Unfavorable		
Contract Type	Number	%	Number	%	Number	%	Total
Employer	3	14.29%	0	0.00%	18	85.71%	21
MAPD	152	4.67%	4	0.12%	3097	95.20%	3253
PDP	192	4.50%	5	0.12%	4067	95.38%	4264
Grand Total	347	4.60%	9	0.12%	7182	95.28%	7538

## Appeal Priority and Appeal Dispositions

			Substantive Disposition				
	Favorable		Partially Favorable		Unfavorable		
Priority	Number	%	Number	%	Number	%	Total
Expedited	214	5.09%	3	0.07%	3988	94.84%	4205
Standard	133	3.99%	6	0.18%	3194	95.83%	3333
Prospective	100	3.35%	2	0.07%	2882	96.58%	2984
Retrospective	33	9.46%	4	1.15%	312	89.40%	349
Grand Total	347	4.60%	9	0.12%	7182	95.28%	7538

## Rates of Overturn of Plan Denial Reasons

Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
<b>Cost-sharing</b>						
Catastrophic Coverage not met	1	0.01%	1	0	100.00%	0.28%
Copay/Coinsurance Applied	138	1.83%	16	2	13.04%	5.06%
Deductible Not Met	22	0.29%	0	0	0.00%	0.00%
Drugs pur prior to cov crit	22	0.29%	4	0	18.18%	1.12%
Initial Coverage Limit Reached	8	0.11%	0	0	0.00%	0.00%
<b>Coverage Rules</b>						
No Exception	1	0.01%	0	0	0.00%	0.00%
Prior Authorization rules not	1208	16.03%	158	2	13.25%	44.94%
Quantity Limit rules not met	101	1.34%	10	2	11.88%	3.37%
Step Therapy rules not met	30	0.40%	4	0	13.33%	1.12%
<b>Exception</b>						
Brand/Generic Exception not me	4	0.05%	0	0	0.00%	0.00%
Dosage/Form not covered	15	0.20%	0	0	0.00%	0.00%
Not on formulary	1256	16.66%	26	1	2.15%	7.58%
PA Exception criteria not met	51	0.68%	9	0	17.65%	2.53%
Quantity Limit exception crite	16	0.21%	4	0	25.00%	1.12%
Step Therapy exception criteri	7	0.09%	0	0	0.00%	0.00%
Tiering exception criteria not	1531	20.31%	4	0	0.26%	1.12%
<b>Exclusion</b>						
Anorexia drug	8	0.11%	0	0	0.00%	0.00%
Barbiturates	1	0.01%	0	0	0.00%	0.00%
Cosmetic Purposes or hair grow	6	0.08%	0	0	0.00%	0.00%
Covered under A or B	391	5.19%	24	0	6.14%	6.74%
DESI Drugs	15	0.20%	0	0	0.00%	0.00%
Manufacturer tying Arrangement	14	0.19%	0	0	0.00%	0.00%

Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
Not FDA Approved Drug	154	2.04%	1	0	0.65%	0.28%
Not Medically Accepted Indicat	2234	29.64%	79	1	3.58%	22.47%
OTC Drug	71	0.94%	0	1	1.41%	0.28%
Other-Exclusion	48	0.64%	6	0	12.50%	1.69%
Relief of Cough and Colds	12	0.16%	0	0	0.00%	0.00%
Sexual and Erectile Dysfunctio	54	0.72%	0	0	0.00%	0.00%
Supply not directly associated	5	0.07%	0	0	0.00%	0.00%
Vitamins and Minerals	41	0.54%	0	0	0.00%	0.00%
Weight loss or Weight Gain dru	35	0.46%	0	0	0.00%	0.00%
<b>OON</b>						
OON	35	0.46%	1	0	2.86%	0.28%
<b>No Exception</b>	3	0.04%	0	0	0.00%	0.00%
<b>Grand Total</b>	<b>7538</b>	<b>100%</b>	<b>347</b>	<b>9</b>	<b>4.72%</b>	<b>100.00%</b>



## Rates of Substantive Reason by Substantive Decision

			Substantive Decision				
	Favorable		Partially Favorable		Unfavorable		
Reason	Number	%	Number	%	Number	%	Total
Brand/Generic Differential	0	0.00%	0	0.00%	2	100.00%	2
Contract Ambiguity	6	46.15%	0	0.00%	7	53.85%	13
Cost Sharing / Benefit Limits	26	12.75%	1	0.49%	177	86.76%	204
Dosage/Form	1	10.00%	1	10.00%	8	80.00%	10
Exclusion - B vs D	15	3.97%	1	0.26%	362	95.77%	378
Not a Med Accepted Indication	58	2.20%	1	0.04%	2581	97.77%	2640
Off-Formulary Exception	29	2.55%	1	0.09%	1107	97.36%	1137
OON Rules	3	9.68%	0	0.00%	28	90.32%	31
Prior Authorization Exception	74	47.74%	0	0.00%	81	52.26%	155
Prior Authorization Rules	115	14.23%	0	0.00%	693	85.77%	808
Quantity Limit Exception	4	12.50%	2	6.25%	26	81.25%	32
Quantity Limit Rules	9	11.39%	1	1.27%	69	87.34%	79
Statutory Exclusion	0	0.00%	0	0.00%	515	100.00%	515
Step-Therapy	2	10.00%	0	0.00%	18	90.00%	20
Step-Therapy Exception	1	100.00%	0	0.00%	0	0.00%	1
TE Brand Drg, Lwr Tier Gnrc	0	0.00%	0	0.00%	478	100.00%	478
TE Criteria Met	4	28.57%	0	0.00%	10	71.43%	14
TE Criteria Not Met	0	0.00%	1	0.26%	379	99.74%	380
TE for Non-Formulary Drug	0	0.00%	0	0.00%	197	100.00%	197
TE for Specialty Tier Drug	0	0.00%	0	0.00%	113	100.00%	113
TE for Tier 1 Drug	0	0.00%	0	0.00%	12	100.00%	12
TE No Lwr Tier Alts	0	0.00%	0	0.00%	222	100.00%	222
Tier4 Brand Drg, Lwr Tier Gnrc	0	0.00%	0	0.00%	97	100.00%	97
Grand Total	347	4.60%	9	0.12%	7182	95.28%	7538

## Rates of Disposition by Tolling Type

			Substantive Decision					
	Favorable		Partially Favorable		Unfavorable			
Tolling Type	Number	%	Number	%	Number	%	Total	
AOR Form	0	0.00%	0	0.00%	58	100.00%	58	
Prescribing Physician Statement	42	6.36%	0	0.00%	618	93.64%	660	
Grand Total	42	5.85%	0	0.00%	676	94.15%	718	