

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q3 2021

#### Part D Drug Appeals Process

An appeal is the process by which an individual enrolled in a Medicare prescription drug plan (i.e., an 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, which is also called the Part D Qualified Independent Contractor (QIC) or "Part D QIC." An enrollee who is dissatisfied with the Independent Review Entity's decision may appeal to an Administrative Law Judge if the 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 July 1, 2021, to Sept. 30, 2021 (i.e., Q3).

#### Reconsideration Volume

The Part D QIC received 6,861 reconsideration requests during Q3 of 2021. This represents a rate of 0.13 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 42.52% of all appeals received and resulted in a rate of 0.06 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 4.97% of all appeals received and resulted in a rate of 0.007 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 52.51% of all appeals received and resulted in a rate of 0.07 expedited cases for each 1,000 beneficiaries enrolled.

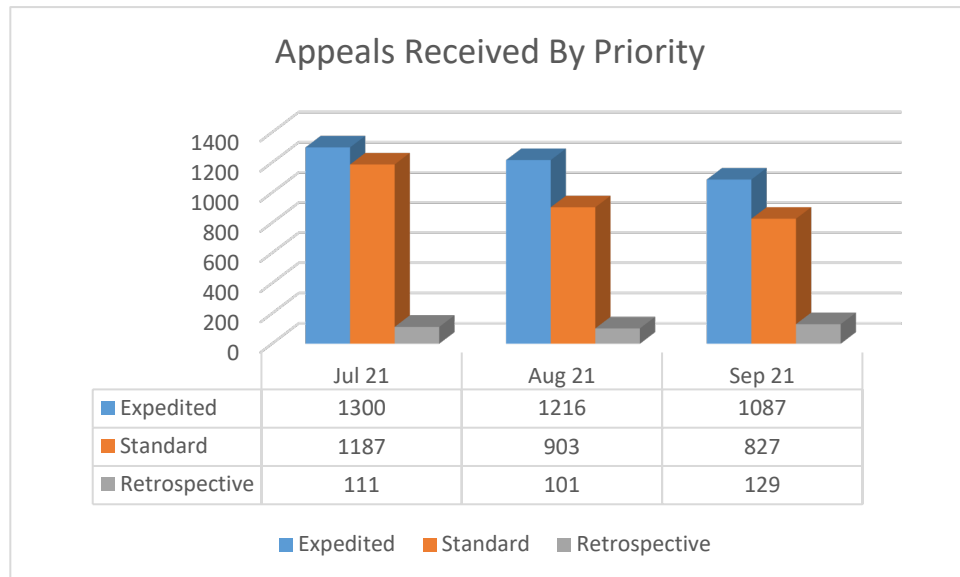
Substantive cases are cases that include an upheld, reversed or partially reversed decision only. Dismissals and withdrawals are not included in the substantive cases count.

---

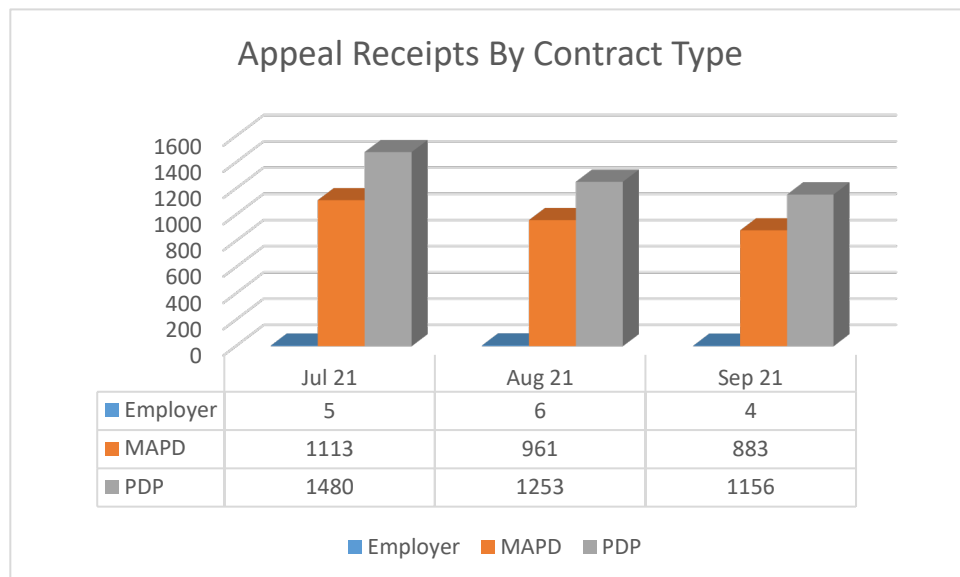
<sup>1</sup> Volume, divided by third quarter enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

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



### Part D Appeal Volume by Contract Type

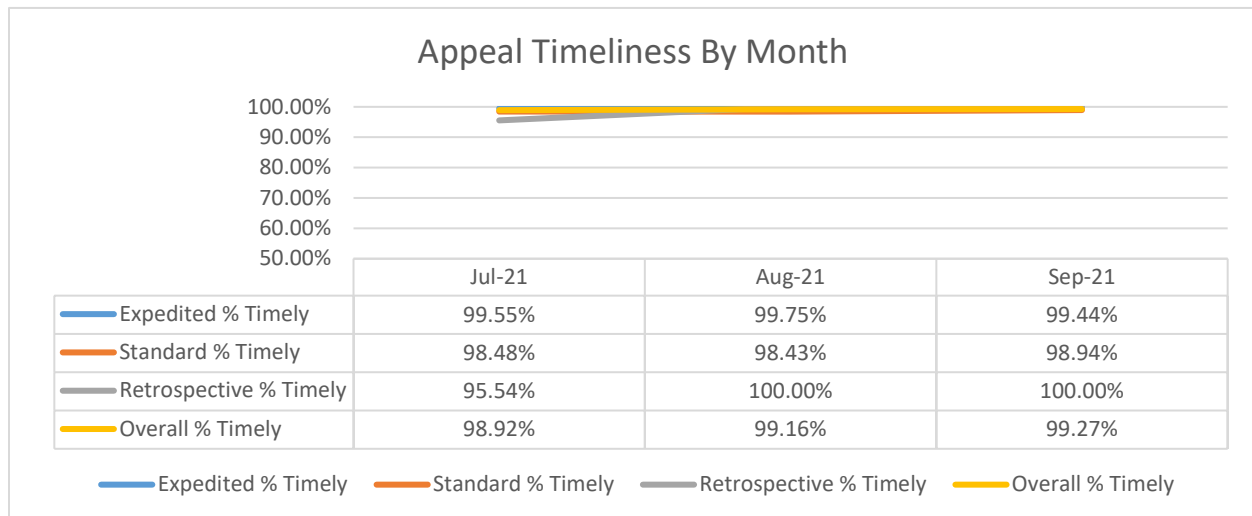


## Timeliness of Part D Reconsiderations

### Overall Timeliness by Month

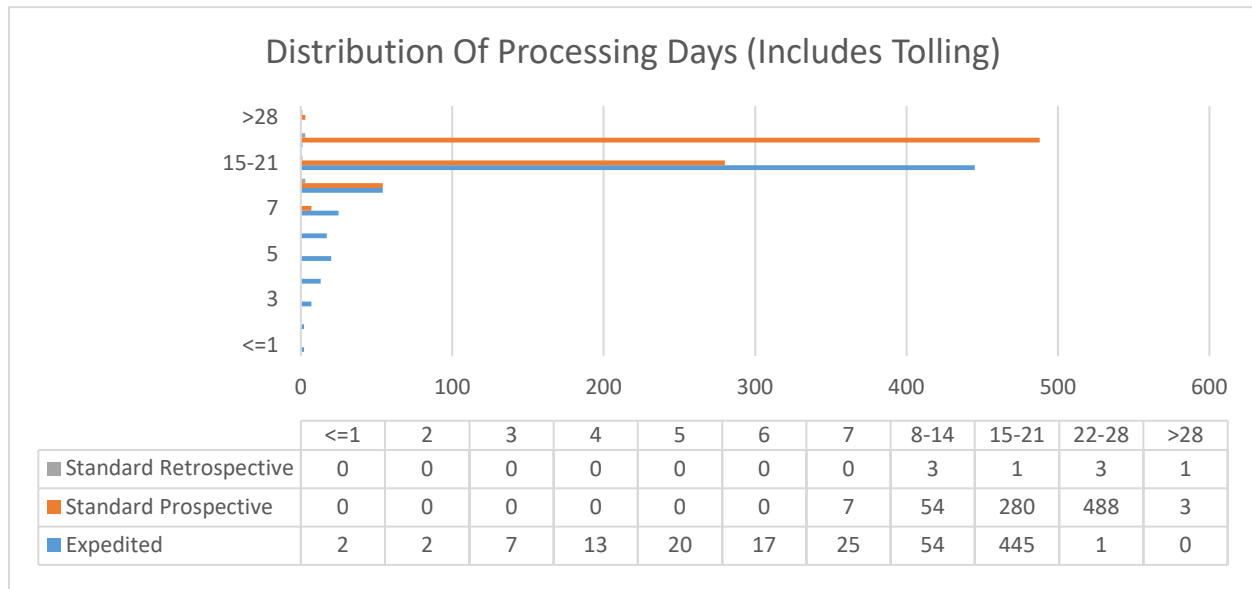
Month	Total Appeals Decided	Total Timely	% Timely
Jul-21	2497	2470	98.92%
Aug-21	2486	2465	99.16%
Sep-21	2047	2032	99.27%

### Reconsideration Timeliness by Priority

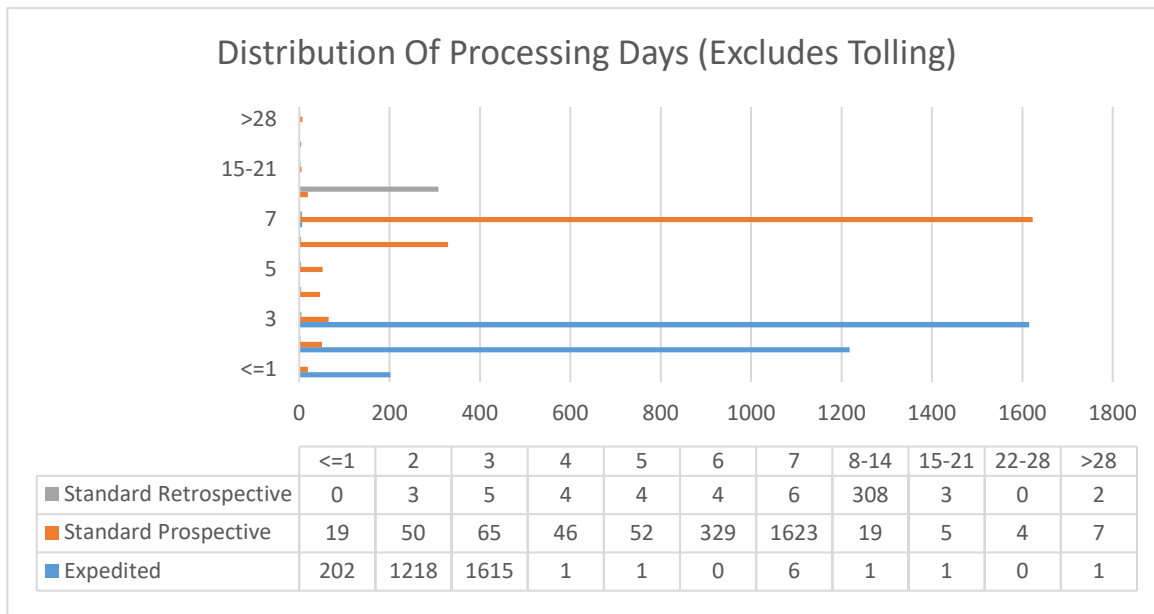


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to 14 additional calendar days. Standard appeals are completed within 7 days for pre-service cases or 14 days for retrospective (i.e., 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	763	325	42.60%	19	5.85%	7.12%
Not covered under Part D	2741	2241	81.76%	80	3.57%	29.96%
OON: drug not avail in-network	5	5	100.00%	1	20.00%	0.37%
OON: LTC facility	1	1	100.00%	0	0.00%	0.00%
OON: no access OOA travel	1	1	100.00%	0	0.00%	0.00%
OON: not timely in-area access	1	0	0.00%	0		0.00%
OON: physician office access	4	4	100.00%	0	0.00%	0.00%
Plan cost utiliz tool disputed	1411	1301	92.20%	146	11.22%	54.68%
Request for tiering exception	955	934	97.80%	2	0.21%	0.75%
Request for drug not on formulary	1148	1088	94.77%	19	1.75%	7.12%
<b>Grand Total</b>	<b>7030</b>	<b>5900</b>	<b>83.93%</b>	<b>267</b>	<b>4.53%</b>	<b>100.00%</b>

\*Includes both partially favorable and fully favorable decisions

Plan Denial	Total Cases	Substantive Cases	% Of Cases	Reversals*	% Reversed	% Of All Reversals
At-Risk Determination	1	1	100.00%	0	0.00%	0.00%
Cost-Sharing	134	93	69.40%	9	9.68%	3.37%
Covered under A or B	271	251	92.62%	10	3.98%	3.75%
Drug is not FDA approved	116	105	90.52%	3	2.86%	1.12%
Not a Medically Accepted Indication	1471	1446	98.30%	58	4.01%	21.72%
Off-Formulary	1192	1141	95.72%	22	1.93%	8.24%
Other	1439	580	40.31%	28	4.83%	10.49%
Out of Network	12	12	100.00%	2	16.67%	0.75%
Prescription Not Required	23	22	95.65%	0	0.00%	0.00%
Purchased Outside of the US	1	1	100.00%	0	0.00%	0.00%
Tiering Exception	975	959	98.36%	1	0.10%	0.37%
Utilization Management	1395	1289	92.40%	134	10.40%	50.19%
<b>Grand Total</b>	<b>7030</b>	<b>5900</b>	<b>83.93%</b>	<b>267</b>	<b>4.53%</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	0	0.00%	0	0.00%	15	100.00%	15
MAPD	109	4.41%	1	0.04%	2362	95.55%	2472
PDP	154	4.51%	3	0.09%	3256	95.40%	3413
Grand Total	263	4.46%	4	0.07%	5633	95.47%	5900

## Appeal Priority and Appeal Dispositions

			Substantive Disposition				
			Favorable	Partially Favorable			
Priority	Number	%	Number	%	Number	%	Total
Expedited	173	5.25%	2	0.06%	3120	94.69%	3295
Standard	90	3.45%	2	0.08%	2513	96.47%	2605
Prospective	69	2.97%	0	0.00%	2256	97.03%	2325
Retrospective	21	7.50%	2	0.71%	257	91.79%	280
Grand Total	263	4.4%	4	0.07%	5633	95.47%	5900

## 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>						
Copay or Coinsurance Applied	58	0.98%	3	1	6.90%	1.50%
Deductible Not Met	13	0.22%	0	0	0.00%	0.00%
Drugs pur prior to cov crit	36	0.61%	3	0	8.33%	1.12%
Initial Coverage Limit Reached	2	0.03%	1	0	50.00%	0.37%
<b>Coverage Rules</b>						

Prior Authorization rules not	837	14.19%	110	0	13.14%	41.20%
Quantity Limit rules not met	64	1.08%	1	0	1.56%	0.37%
Step Therapy rules not met	19	0.32%	6	0	31.58%	2.25%
<b>Exception</b>						
Dosage or Form not covered	4	0.07%	0	1	25.00%	0.37%
Not on formulary	1083	18.36%	18	0	1.66%	6.74%
PA Exception criteria not met	231	3.92%	23	0	9.96%	8.61%
Quantity Limit exception criteria	41	0.69%	1	0	2.44%	0.37%
Step Therapy exception criteria	10	0.17%	1	0	10.00%	0.37%
Tiering exception criteria not	941	15.95%	1	0	0.11%	0.37%
<b>Exclusion</b>						
Anorexia drug	5	0.08%	0	0	0.00%	0.00%
Barbiturates	1	0.02%	0	0	0.00%	0.00%
Cosmetic Purposes or hair grow	7	0.12%	0	0	0.00%	0.00%
Covered under A or B	308	5.22%	11	1	3.90%	4.49%
DESI Drugs	26	0.44%	0	0	0.00%	0.00%
Manufacturer Tying Arrangement	20	0.34%	0	0	0.00%	0.00%
Not FDA Approved Drug	171	2.90%	0	0	0.00%	0.00%
Not Medically Accepted Indicat	1593	27.00%	63	0	3.95%	23.60%
OTC Drug	65	1.10%	0	0	0.00%	0.00%
Other-Exclusion	28	0.47%	1	0	3.57%	0.37%
Relief of Cough and Colds	15	0.25%	0	0	0.00%	0.00%
Sexual and Erectile Dysfunction	55	0.93%	1	0	1.82%	0.37%
Supply not directly associated	4	0.07%	0	0	0.00%	0.00%

Vitamins and Minerals	43	0.73%	0	0	0.00%	0.00%
Weight loss or Weight Gain drugs	67	1.14%	0	0	0.00%	0.00%
<b>OON</b>						
OON	40	0.68%	8	1	22.50%	3.37%
<b>No Exception</b>	113	1.92%	11	0	9.73%	4.12%
<b>Grand Total</b>	<b>5900</b>	<b>100%</b>	<b>263</b>	<b>4</b>	<b>4.53%</b>	<b>4.52%</b>

### Rates of Substantive Reason by Substantive Decision

			Substantive Decision				
	Favorable		Partially Favorable		Unfavorable		
Reason	Number	%	Number	%	Number	%	Total
Contract Ambiguity	3	75.00%	0	0.00%	1	25.00%	4
Cost Sharing or Benefit Limits	9	7.50%	1	0.83%	110	91.67%	120
Dosage or Form	0	0.00%	1	14.29%	6	85.71%	7
Exclusion: B vs D	5	1.64%	1	0.33%	299	98.03%	305
Not a Med Accepted Indication	50	2.36%	0	0.00%	2068	97.64%	2118
Off-Formulary Exception	22	2.27%	0	0.00%	949	97.73%	971
OON Rules	8	19.05%	1	2.38%	33	78.57%	42
Prior Authorization Exception	49	29.70%	0	0.00%	116	70.30%	165
Prior Authorization Rules	106	18.47%	0	0.00%	468	81.53%	574
Quantity Limit Exception	3	7.69%	0	0.00%	36	92.31%	39
Quantity Limit Rules	2	3.70%	0	0.00%	52	96.30%	54
Statutory Exclusion	0	0.00%	0	0.00%	531	100.00%	531
Step-Therapy	5	27.78%	0	0.00%	13	72.22%	18
Step-Therapy Exception	1	25.00%	0	0.00%	3	75.00%	4
TE Brand Drg, Lwr Tier Gnrc	0	0.00%	0	0.00%	360	100.00%	360
TE Criteria Met	0	0.00%	0	0.00%	5	100.00%	5
TE Criteria Not Met	0	0.00%	0	0.00%	171	100.00%	171
TE for Non-Formulary Drug	0	0.00%	0	0.00%	99	100.00%	99
TE for Specialty Tier Drug	0	0.00%	0	0.00%	68	100.00%	68
TE for Tier 1 Drug	0	0.00%	0	0.00%	5	100.00%	5
TE No Lwr Tier Alts	0	0.00%	0	0.00%	227	100.00%	227
Tier4 Brand Drg, Lwr Tier Gnrc	0	0.00%	0	0.00%	13	100.00%	13
Grand Total	263	4.46%	4	0.07%	5633	95.47%	5900



## Rates of Disposition by Tolling Type

		Substantive Decision					
Tolling Type	Favorable		Partially Favorable		Unfavorable		Total
	Number	%	Number	%	Number	%	
AOR Form	1	1.30%	0	0.00%	76	98.70%	77
Prescribing Physician Statement	42	6.45%	0	0.00%	609	93.55%	651
<b>Grand Total</b>	<b>43</b>	<b>5.91%</b>	<b>0</b>	<b>0.00%</b>	<b>685</b>	<b>94.09%</b>	<b>728</b>