

Fact Sheet

Part D Drug Reconsideration Appeals Data – Q3 2023

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 (IRE), which is also called the Part D Qualified Independent Contractor (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 July 1, 2023, through September 30, 2023 (Quarter 3).

Reconsideration Volume

The Part D QIC received 8,740 reconsideration requests during Quarter 3 of 2023. This represents a rate of 0.16 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹

Standard cases represented 48.26% of all appeals received and resulted in a rate of 0.08 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 6.26% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

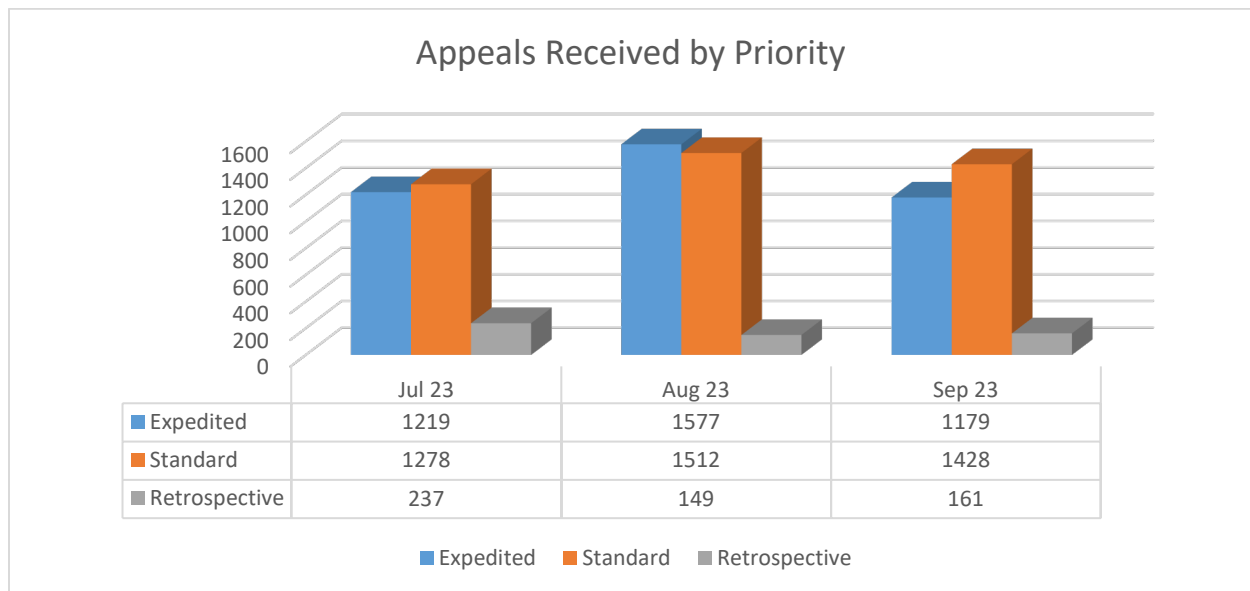
Expedited cases represented 45.48% of all appeals received and resulted in a rate of 0.07 expedited cases for each 1,000 beneficiaries enrolled.

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

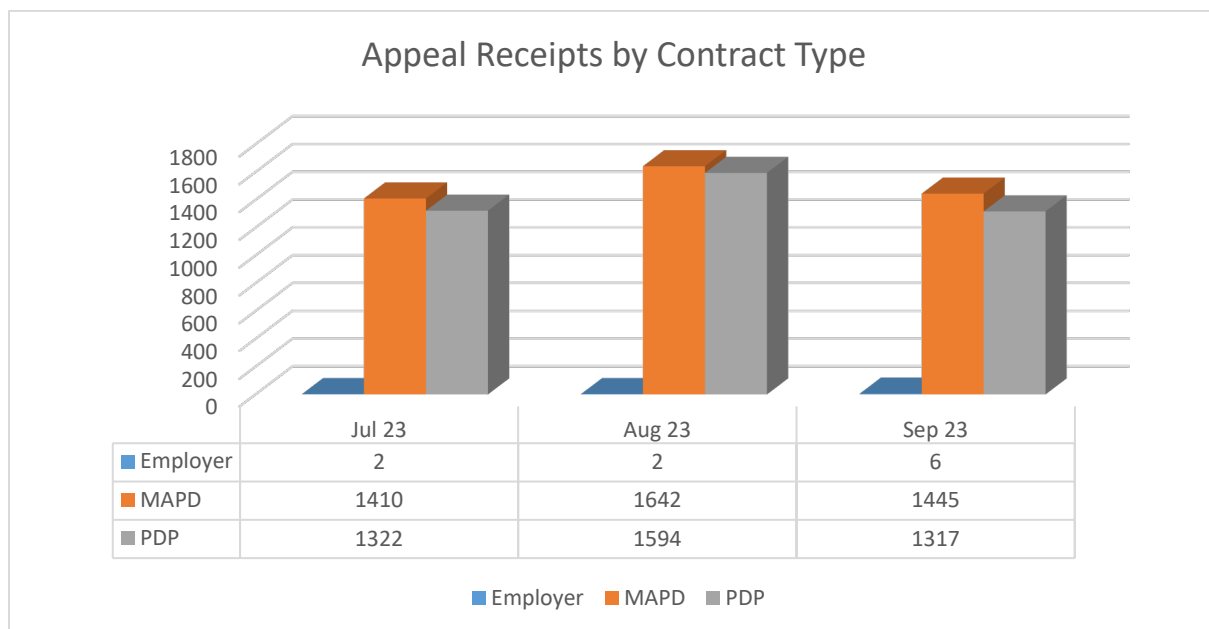
¹ Volume, divided by September enrollment (times 1,000), is used to calculate the annual rate of appeals, per 1,000 enrollees.

Reconsideration Volume

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



Part D Appeal Volume, by Contract Type



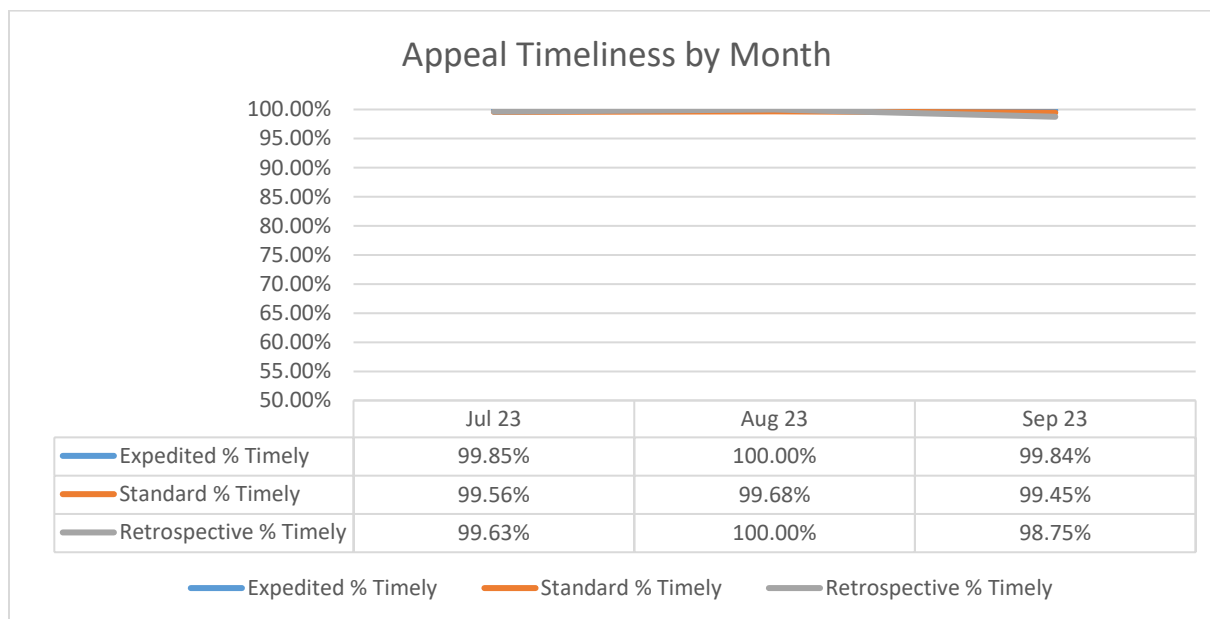
Note: Medicare Advantage Prescription Drug Plan = MAPD; Prescription Drug Plan = PDP; Prescription Drug Plan = Employer

Timeliness of Part D Reconsiderations

Overall Timeliness, by Month

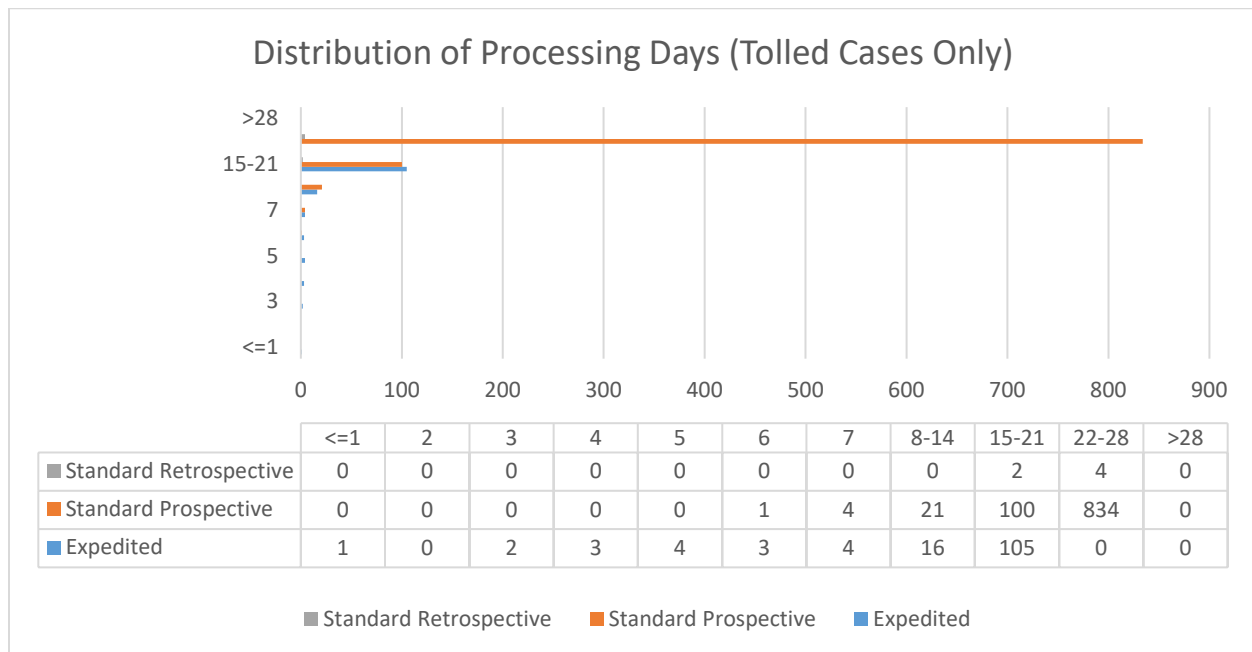
Month	Total Appeals Decided	Total Timely	% Timely
July	3163	3153	99.68%
August	3176	3171	99.84%
September	2887	2875	99.58%

Reconsideration Timeliness, by Priority

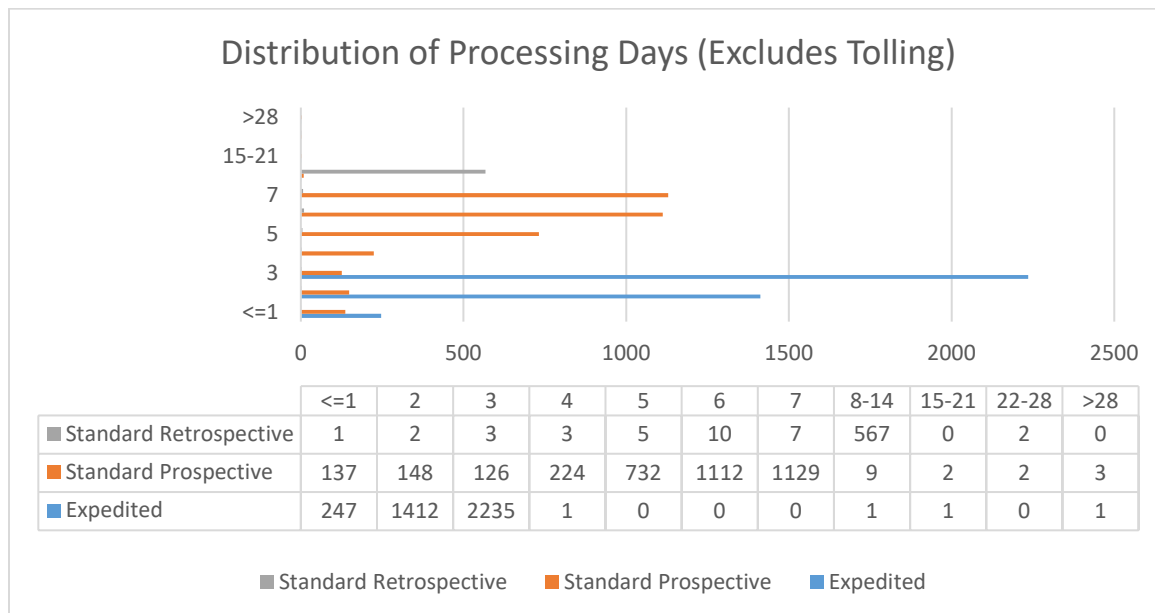


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to 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	586	294	50.17%	33	11.22%	6.79%
Not covered under Part D	3445	2456	71.29%	157	6.39%	32.30%
Out of Network (OON): Drug not avail in-network	3	3	100.00%	0	0.00%	0.00%
OON: not timely in-area access	1	1	100.00%	0	0.00%	0.00%
OON: physician office access	1	1	100.00%	1	100.00%	0.21%
Plan cost utilization tool disputed	2171	2063	95.03%	241	11.68%	49.59%
Request for tiering exception	1167	1133	97.09%	9	0.79%	1.85%
Request for drug not on formulary	1852	1780	96.11%	45	2.53%	9.26%
Grand Total	9226	7731	83.80%	486	6.29%	100.00%

*Includes both partially favorable and fully favorable decisions

Plan Denial	Total Cases	Substantive Cases	% of Cases	Reversals*	% Reversed	% of all Reversals
At-Risk Determination	20	20	100.00%	0	0.00%	0.00%
Cost-Sharing	107	96	89.72%	7	7.29%	1.44%
Covered under A/B	202	199	98.51%	9	4.52%	1.85%
Drug is not FDA approved	118	116	98.31%	1	0.86%	0.21%
Not a Medically Accepted Indication	1367	1351	98.83%	64	4.74%	13.17%
Off-Formulary	1692	1647	97.34%	37	2.25%	7.61%
Other	2483	1194	48.09%	115	9.63%	23.66%
Out of Network	17	16	94.12%	2	12.50%	0.41%
Prescription Not Required	2	2	100.00%	0	0.00%	0.00%
Purchased Outside of the US	10	10	100.00%	0	0.00%	0.00%
Tiering Exception	1160	1138	98.10%	9	0.79%	1.85%
Utilization Management	2048	1942	94.82%	242	12.46%	49.79%
Grand Total	9226	7731	83.80%	486	6.29%	100.00%

*Includes both partially favorable and fully favorable decisions

Plan Type and Appeal Dispositions

Contract Type	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Employer	1	11.11%	0	0.00%	8	88.89%	9
MAPD	243	6.28%	8	0.21%	3621	93.52%	3872
PDP	228	5.92%	6	0.16%	3616	93.92%	3850
Grand Total	472	6.11%	14	0.18%	7245	93.71%	7731

Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	275	7.07%	4	0.10%	3608	92.82%	3887
Standard	197	5.12%	10	0.26%	3637	94.61%	3844
Prospective	106	3.19%	5	0.15%	3211	96.66%	3322
Retrospective	91	17.43%	5	0.96%	426	81.61%	522
Grand Total	472	6.11%	14	0.18%	7245	93.71%	7731

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
Cost-sharing						
Copay/Coinsurance Applied	56	0.72%	11	1	21.43%	2.47%
Deductible Not Met	7	0.09%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	24	0.31%	5	2	29.17%	1.44%
Initial Coverage Limit Reached	2	0.03%	0	0	0.00%	0.00%
Coverage Rules						
Other-Coverage Rules	6	0.08%	0	1	16.67%	0.21%
Prior Authorization rules not met	1277	16.52%	197	2	15.58%	40.95%
Quantity Limit rules not met	78	1.01%	7	0	8.97%	1.44%
Step Therapy rules not met	96	1.24%	10	0	10.42%	2.06%
Exception						
Not on formulary	1320	17.07%	37	0	2.80%	7.61%
PA Exception criteria not met	11	0.14%	5	0	45.45%	1.03%
Quantity Limit exception criteria not met	7	0.09%	2	0	28.57%	0.41%
Step Therapy exception criteria not met	4	0.05%	0	0	0.00%	0.00%
Tiering exception criteria not met	988	12.78%	8	0	0.81%	1.65%
Exclusion						
Anorexia drug	2	0.03%	0	0	0.00%	0.00%
Cosmetic Purposes or hair grow	16	0.21%	3	0	18.75%	0.62%
Covered under A or B	256	3.31%	11	1	4.69%	2.47%
DESI Drugs	6	0.08%	1	0	16.67%	0.21%
Manufacturer tying Arrangement	27	0.35%	0	0	0.00%	0.00%
Not FDA Approved Drug	163	2.11%	2	0	1.23%	0.41%
Not Medically Accepted Indication	1656	21.42%	77	1	4.71%	16.05%
OTC Drug	38	0.49%	0	1	2.63%	0.21%
Other-Exclusion	26	0.34%	0	0	0.00%	0.00%
Relief of Cough and Colds	7	0.09%	0	0	0.00%	0.00%
Sexual and Erectile Dysfunction	34	0.44%	0	0	0.00%	0.00%
Vitamins and Minerals	33	0.43%	0	0	0.00%	0.00%
Weight loss or Weight Gain drug	203	2.63%	1	0	0.49%	0.21%
OON						
OON	8	0.10%	0	0	0.00%	0.00%
No Exception	1380	17.85%	95	5	7.25%	20.58%
Grand Total	7731	100%	472	14	6.29%	100.00%

Rates of Substantive Reason, by Substantive Decision

Reason	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Appellant Dismissal-IRE Agrees with Plan	0	0.00%	0	0.00%	5	100.00%	5
Contract Ambiguity	0	0.00%	0	0.00%	3	100.00%	3
Cost Sharing / Benefit Limits	91	27.91%	3	0.92%	232	71.17%	326
Dosage/Form	0	0.00%	0	0.00%	2	100.00%	2
Exclusion - B vs D	6	2.18%	1	0.36%	268	97.45%	275
Not a Medically Accepted Indication	55	2.13%	1	0.04%	2525	97.83%	2581
Off-Formulary Exception	44	3.09%	0	0.00%	1378	96.91%	1422
OON Rules	0	0.00%	0	0.00%	13	100.00%	13
Prior Authorization Exception	55	85.94%	1	1.56%	8	12.50%	64
Prior Authorization Rules	195	19.29%	1	0.10%	815	80.61%	1011
Quantity Limit Exception	8	23.53%	0	0.00%	26	76.47%	34
Quantity Limit Rules	2	1.59%	2	1.59%	122	96.83%	126
Statutory Exclusion	0	0.00%	2	0.30%	655	99.70%	657
Step-Therapy	6	11.54%	0	0.00%	46	88.46%	52
Step-Therapy Exception	3	42.86%	0	0.00%	4	57.14%	7
Tiering Exception (TE) Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	80	100.00%	80
TE Criteria Met	7	77.78%	0	0.00%	2	22.22%	9
TE Criteria Not Met	0	0.00%	1	0.51%	195	99.49%	196
TE for Non-Formulary Drug	0	0.00%	0	0.00%	27	100.00%	27
TE for Specialty Tier Drug	0	0.00%	1	1.22%	81	98.78%	82
TE for Tier 1 Drug	0	0.00%	1	14.29%	6	85.71%	7
TE No Lower Tier Alternatives	0	0.00%	0	0.00%	745	100.00%	745
Tier 4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	7	100.00%	7
Grand Total	472	6.11%	14	0.18%	7245	93.71%	7731

Rates of Disposition, by Tolling Type

Tolling Type	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Appointment of Representation (AOR) Form	1	7.14%	0	0.00%	13	92.86%	14
Prescribing Physician Statement	17	9.19%	1	0.54%	167	90.27%	185
Grand Total	18	9.05%	1	0.50%	180	90.45%	199