

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q1 and Q2 2020

#### 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 January 1, 2020 - June 30, 2020 (Quarters 1 and 2).

#### Reconsideration Volume

The Part D QIC received 16,662 reconsideration requests during Q1 and Q2 of 2020. This represents a rate of 0.70 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 57.8% of all appeals received and resulted in a rate of 0.4 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 42.2% of all appeals received and resulted in a rate of 0.3 expedited cases for each 1,000 beneficiaries enrolled.

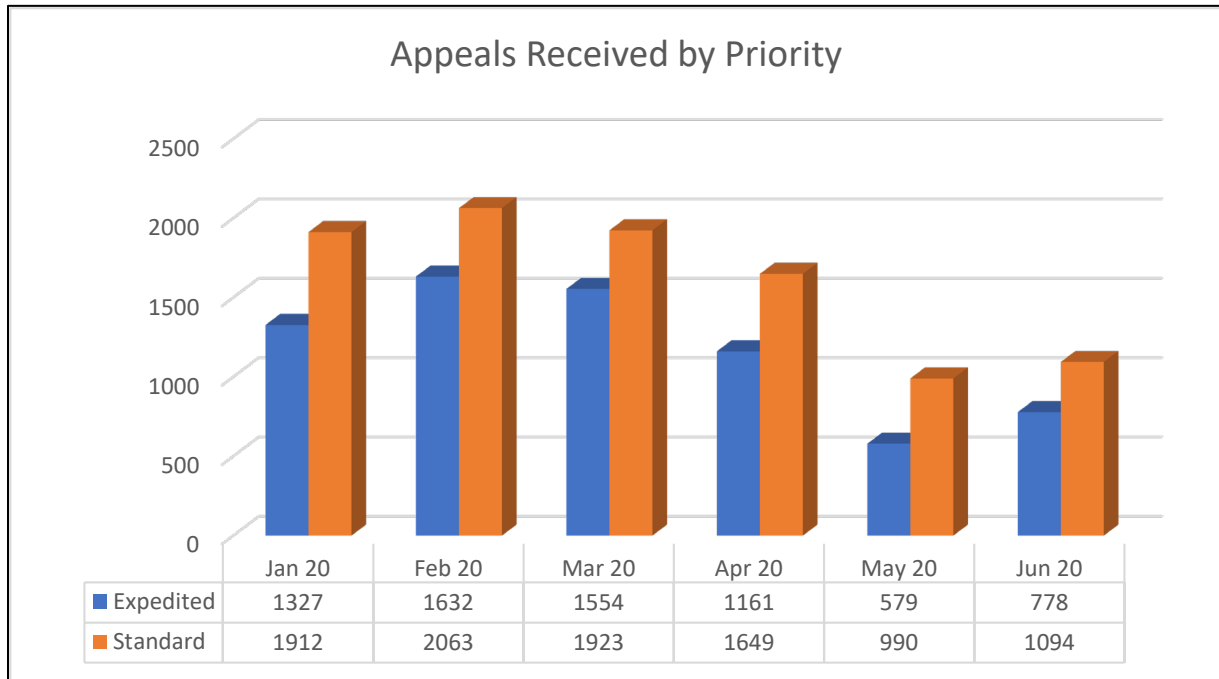
Substantive cases are cases that include upheld, reversed, or partially reversed decision only. Dismissals and withdrawals are not included in substantive cases count.

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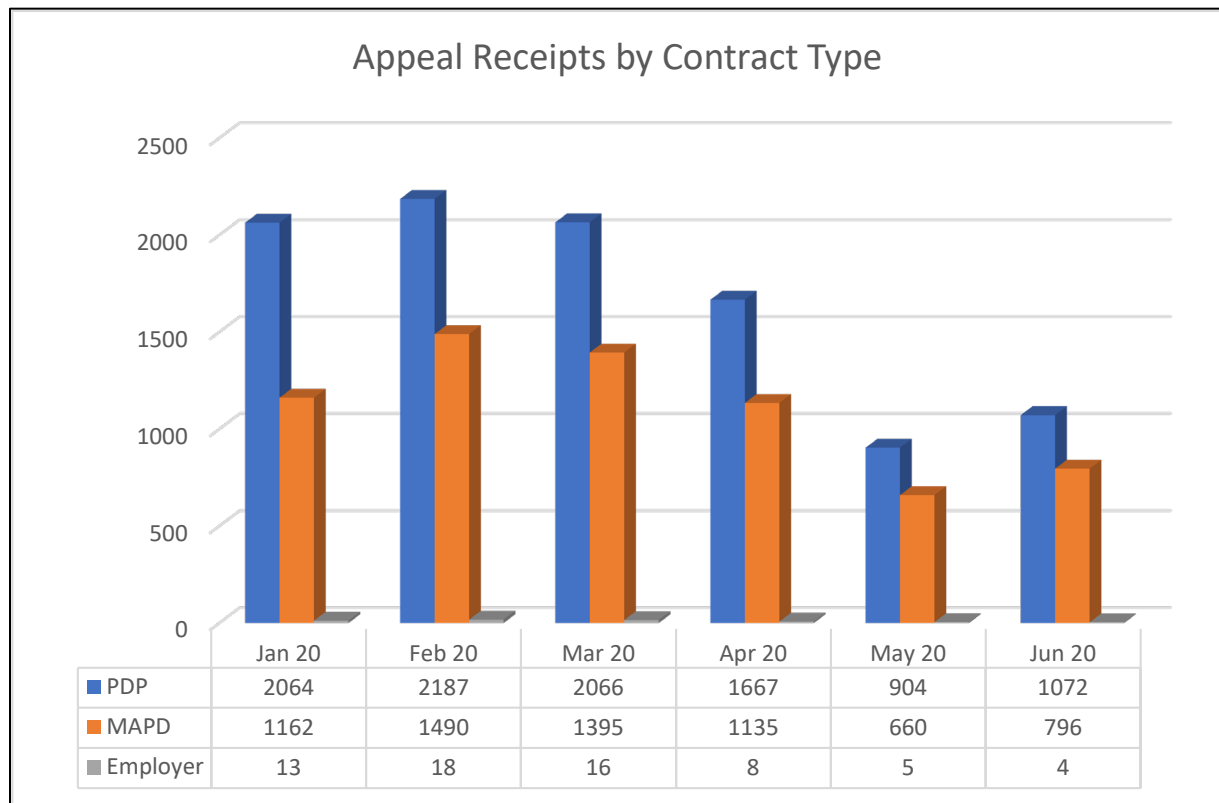
<sup>1</sup> Volume, divided by mid-year enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

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



### Part D Appeal Volume by Contract Type

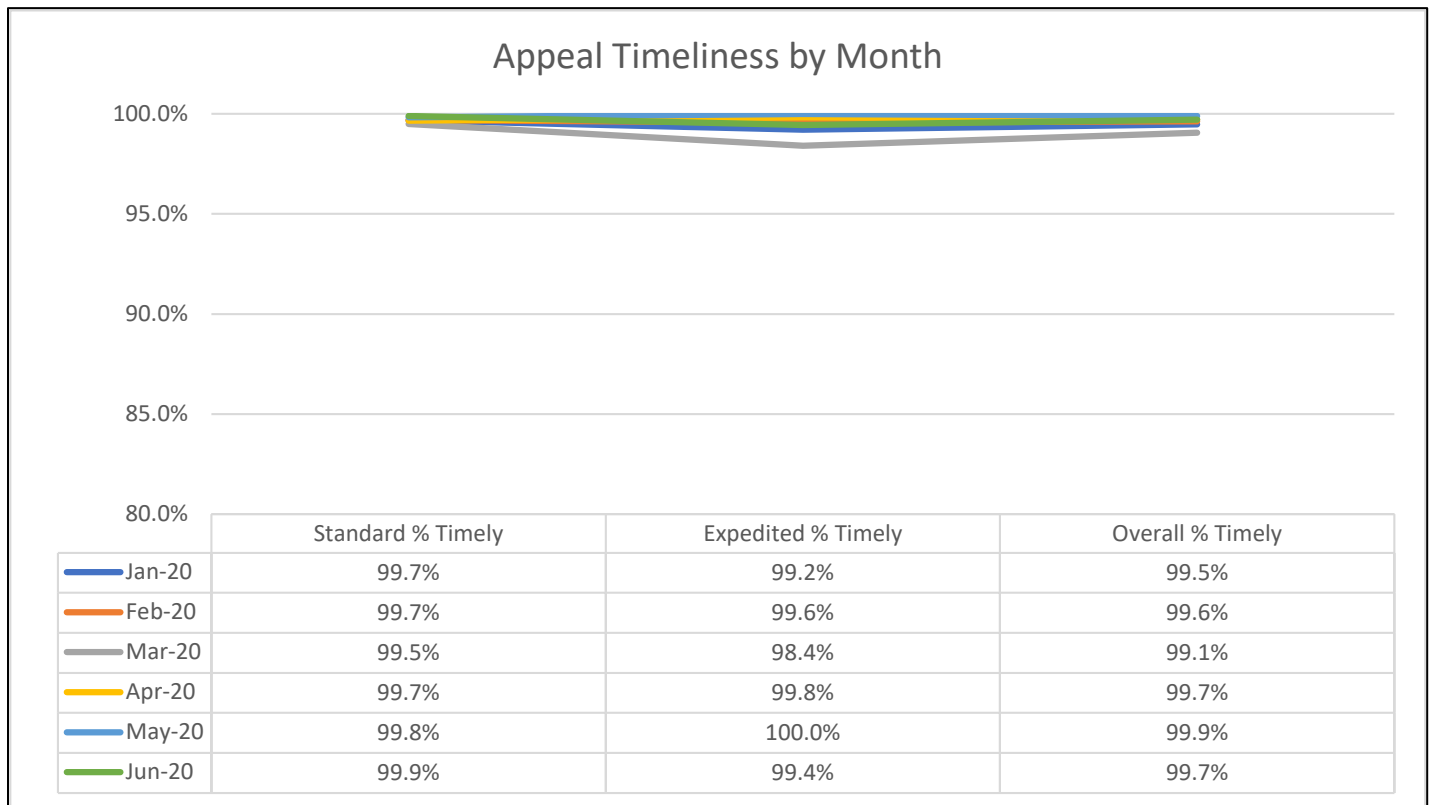


## Timeliness of Part D Reconsiderations

### Overall Timeliness by Month

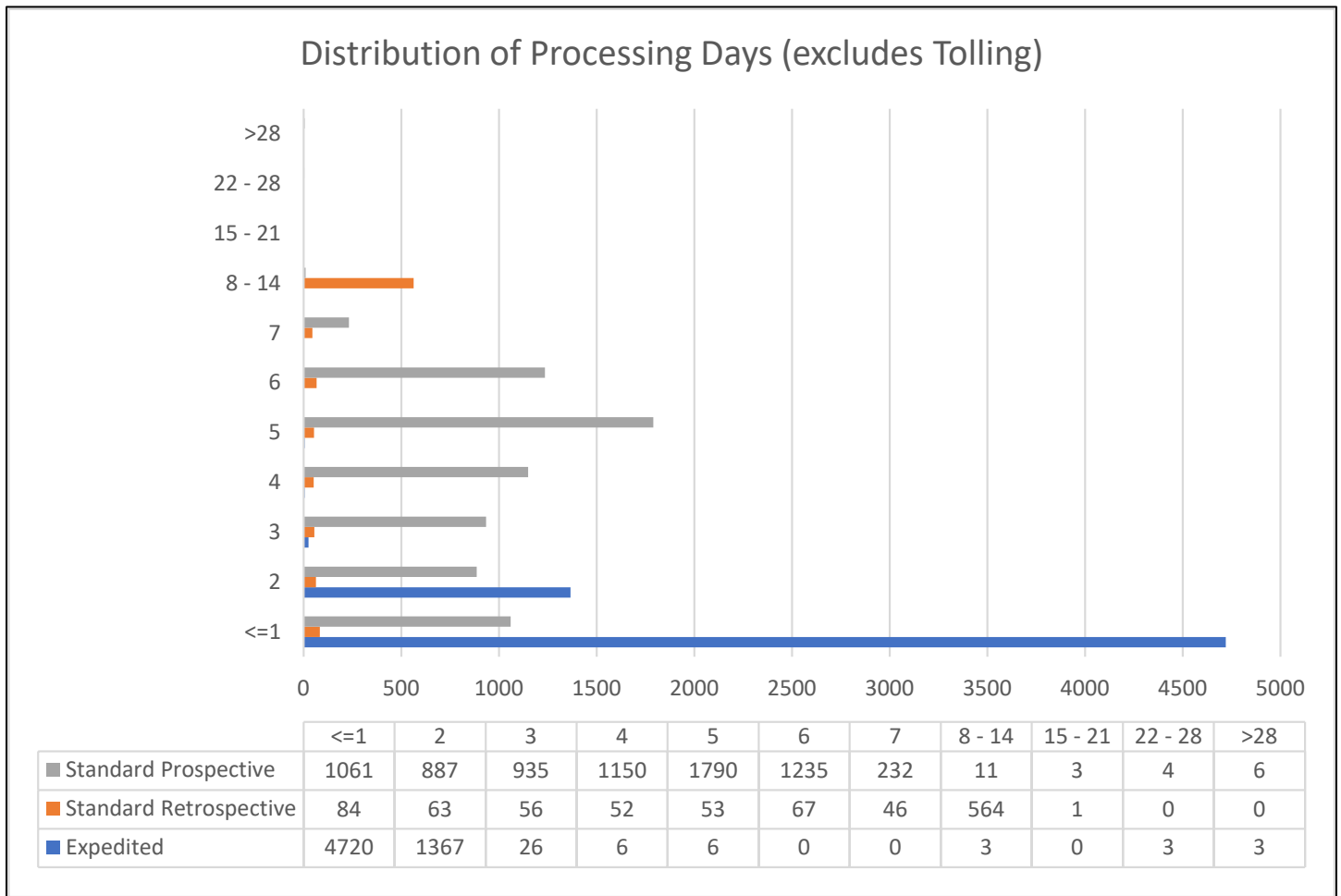
Month	Total Appeals Decided	Total Timely	% Timely
January-20	2808	2793	99.5%
February-20	3549	3536	99.6%
March-20	3788	3752	99.1%
April-20	2925	2917	99.7%
May-20	1795	1793	99.9%
June-20	1743	1738	99.7%

### Reconsideration Timeliness by Priority



Variable time standards apply to the completion of appeals of different appeal priorities. Expedited appeals are to be completed in 72 hours unless tolling is warranted for an exception request or receipt of a valid Appointment of Representative form. The IRE may toll up to 14 additional days if warranted. Standard appeals are to be completed in 7 days; again, a tolling of up to 14 days may be taken if warranted.

## Average Processing Days by Priority



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 Dispute	395	245	62.0%	41	16.7%	3.0%
Covered under A/B	933	806	86.4%	82	10.2%	6.0%
Drug is Not FDA Approved	355	353	99.4%	1	0.3%	0.1%
Excluded drug/use	692	676	97.7%	7	1.0%	0.5%
No Coverage Determination	423	0	0.0%	0	0.0%	0.0%
No Redetermination	414	1	0.2%	0	0.0%	0.0%
Not a Medically Accepted Indication	4670	4156	89.0%	389	9.4%	28.4%
Off-formulary exception rules not met	2153	1992	92.5%	206	10.3%	15.0%
Out of Network rules not met	444	337	75.9%	148	43.9%	10.8%
Potential Untimely	141	0	0.0%	0	0.0%	0.0%
Tiering exception rules not met	3849	3745	97.3%	37	1.0%	2.7%
Utilization Management rules not met	2146	1592	74.2%	460	12.4%	33.6%
Grand Total	16615	13903	83.7%	1371	10%	100%

\*Includes both partially favorable and fully favorable decisions.

### Plan Type and Appeal Dispositions

Contract Type	Substantive Disposition						All
	Favorable (Reversal)		Partially Favorable (Partially Reverse)		Unfavorable (Uphold)		
	Number	%	Number	%	Number	%	
PDP	833	10.4%	59	0.7%	7586	89.5%	8478
MAPD	444	8.3%	28	0.5%	4898	91.2%	5370
Employer	6	10.9%	1	1.8%	48	87.3%	55
Grand Total	1283	9.2%	88	0.6%	12532	90.1%	13903

### Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	646	10.4%	23	0.4%	5554	89.3%	6223
Standard	637	8.3%	65	0.9%	6978	90.9%	7680
Prospective	482	7.0%	20	0.3%	6432	92.8%	6934
Retrospective	155	20.8%	45	6.0%	546	73.2%	746
Summary	1283	9.2%	88	0.6%	12532	90.1%	13903

## 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 Denials						
Catastrophic Coverage not met	2	0.0%	1	0	50.0%	0.1%
Copay/Coinsurance Applied	150	1.1%	14	4	12.0%	1.3%
Deductible Not Met	41	0.3%	2	0	4.9%	0.1%
Drugs purchased prior to coverage criteria being approved	14	0.1%	6	0	42.9%	0.4%
Initial Coverage Limit Reached	5	0.0%	0	0	0.0%	0.0%
Coverage Rule Denials						
Other	18	0.1%	6	0	33.3%	0.4%
Prior Authorization rules not met	1089	7.8%	352	7	33.0%	26.2%
Quantity Limit rules not met	143	1.0%	38	2	28.0%	2.9%
Step Therapy rules not met	56	0.4%	10	1	19.6%	0.8%
Exception Denials						
Other	3	0.0%	0	0	0.0%	0
Not on formulary	1990	14.3%	210	5	10.8%	15.7%
Prior Authorization exception criteria not met	212	1.5%	74	3	36.3%	5.6%
Quantity Limit exception criteria not met	64	0.5%	17	1	28.1%	1.3%
Step Therapy exception criteria not met	42	0.3%	8	0	19.0%	0.6%
Tiering exception criteria not met	3713	26.7%	24	6	0.8%	2.2%
Exclusion Denials						
Anorexia Drug	7	0.1%	0	0	0.0%	0.0%
Cosmetic Purposes or hair growth	4	0.0%	0	0	0.0%	0.0%
Covered under A or B	888	6.4%	110	4	12.8%	8.3%
DESI Drugs	19	0.1%	1	0	5.3%	0.1%
Fertility Drug	2	0.0%	0	0	0.0%	0.0%
Manufacturer tying Arrangement	23	0.2%	2	0	8.7%	0.1%
Not FDA Approved Drug	433	3.1%	4	3	1.6%	0.5%
Not Medically Accepted Indication	4065	29.2%	279	12	7.2%	21.2%
OTC Drug	162	1.2%	1	3	2.5%	0.3%
Other	55	0.4%	2	0	3.6%	0.1%
Relief of Cough and Colds	48	0.3%	0	0	0.0%	0.0%
Sexual and Erectile Dysfunction Drug	145	1.0%	1	0	0.7%	0.1%
Supply not directly associated with injection of insulin	16	0.1%	0	0	0.0%	0.0%
Vitamins and Minerals	119	0.9%	1	0	0.8%	0.1%
Weight loss or Weight Gain drug	31	0.2%	0	0	0.0%	0.0%
Out of Network Denials	344	2.5%	120	37	45.6%	11.5%
Grand Total	13903	100.0%	1283	88	9.9%	100.0%

## Rates of Substantive Reason by Substantive Decision

Substantive Decision							
Reason	Favorable (Reversal)		Partially Favorable (Partially Reverse)		Unfavorable (Uphold)		Total
	Number	%	Number	%	Number	%	
Cost Sharing / Benefit Limits	28	12.8%	5	2.3%	185	84.9%	218
Exclusion - B vs D	5	0.7%	0	0.0%	732	99.3%	737
Not a Med Accepted Indication	8	0.2%	1	0.0%	3846	99.8%	3855
Off-Formulary Exception	240	11.9%	8	0.4%	1770	87.7%	2018
OON Rules	121	35.9%	36	10.7%	180	53.4%	337
Prior Authorization Exception	289	35.3%	1	0.1%	528	64.5%	818
Prior Authorization Rules	478	56.4%	21	2.5%	348	41.1%	847
Quantity Limit Exception	39	25.7%	0	0.0%	113	74.3%	152
Quantity Limit Rules	30	43.5%	4	5.8%	35	50.7%	69
Statutory Exclusion	0	0.0%	3	0.3%	1076	99.7%	1079
Step-Therapy	12	32.4%	1	2.7%	24	64.9%	37
Step-Therapy Exception	7	13.2%	0	0.0%	46	86.8%	53
TE Brand Drg, Lwr Tier Gnrc	0	0.0%	0	0.0%	728	100.0%	728
TE Criteria Met	26	96.3%	0	0.0%	1	3.7%	27
TE Criteria Not Met	0	0.0%	2	0.7%	286	99.3%	288
TE for Non-Formulary Drug	0	0.0%	0	0.0%	472	100.0%	472
TE for Specialty Tier Drug	0	0.0%	2	0.7%	291	99.3%	293
TE for Tier 1 Drug	0	0.0%	0	0.0%	34	100.0%	34
TE No Lwr Tier Alts	0	0.0%	4	0.2%	1830	99.8%	1834
Tier4 Brand Drg, Lwr Tier Gnrc	0	0.0%	0	0.0%	7	100.0%	7
Grand Total	1283	9.2%	88	0.6%	12532	90.1%	13903

## Rates of Disposition by Tolling Type

Substantive Decision							
Tolling Type	Favorable (Reversal)		Partially Favorable (Partially Reverse)		Unfavorable (Uphold)		All
	Number	%	Number	%	Number	%	
Request for AOR	8	10.1%	1	1.3%	70	88.6%	79
Request Prescriber Statement	257	13.1%	12	0.6%	1689	86.3%	1958
Grand Total	265	13.0%	13	0.6%	1759	86.4%	2037