

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q4 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 (also called the Part D Qualified Independent Contractor [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 Oct. 1, 2021, to Dec. 31, 2021 (Quarter 4).

#### Reconsideration Volume

The Part D QIC received 6,543 reconsideration requests during the fourth quarter of 2021. This represents a rate of 0.13 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 40.79% of all appeals received and resulted in a rate of 0.05 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 5.07% of all appeals received and resulted in a rate of 0.006 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 54.13% of all appeals received and resulted in a rate of 0.07 expedited cases for each 1,000 beneficiaries enrolled.

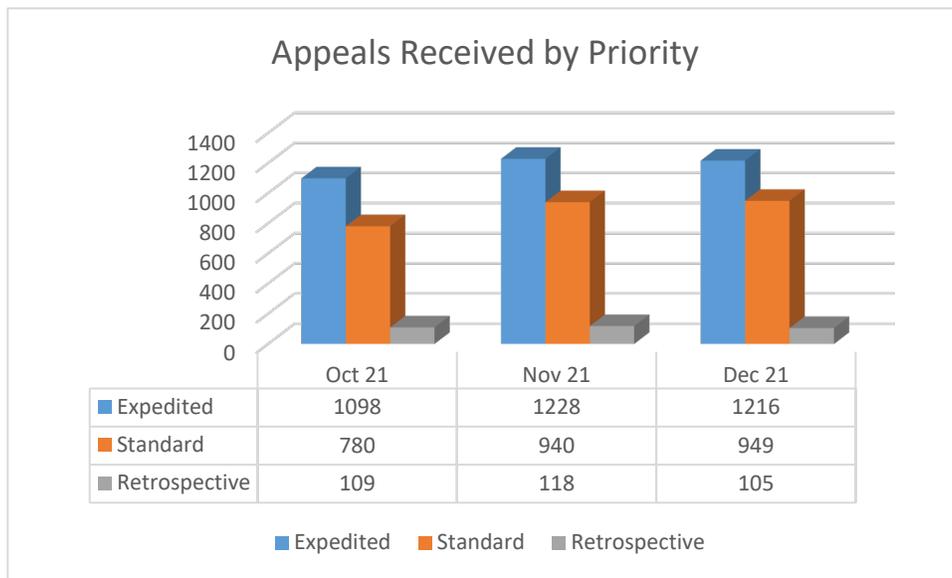
Substantive cases are cases that include upheld, reversed or partially reversed decision only. Dismissals and withdrawals are not included in substantive cases count.

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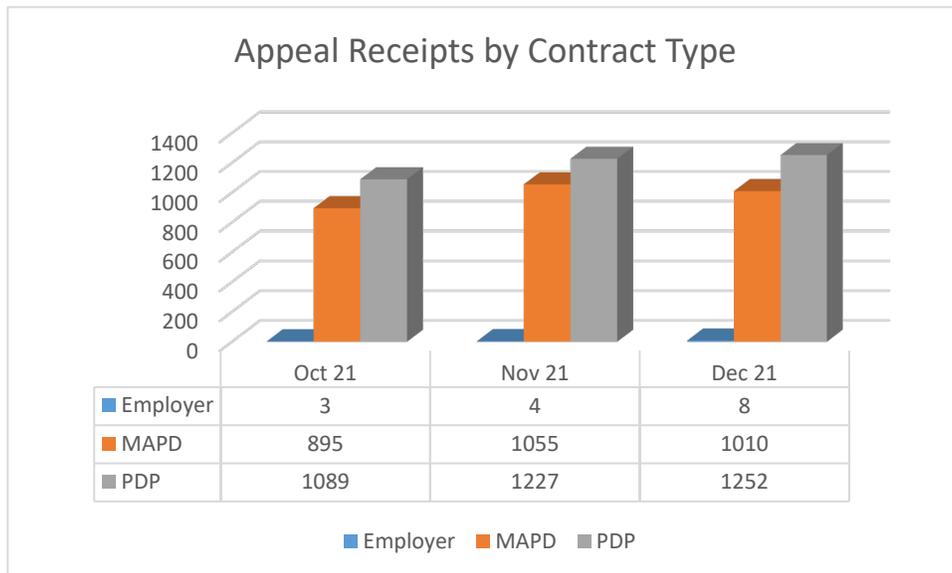
<sup>1</sup> Volume, divided by December enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

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



## Part D Appeal Volume by Contract Type



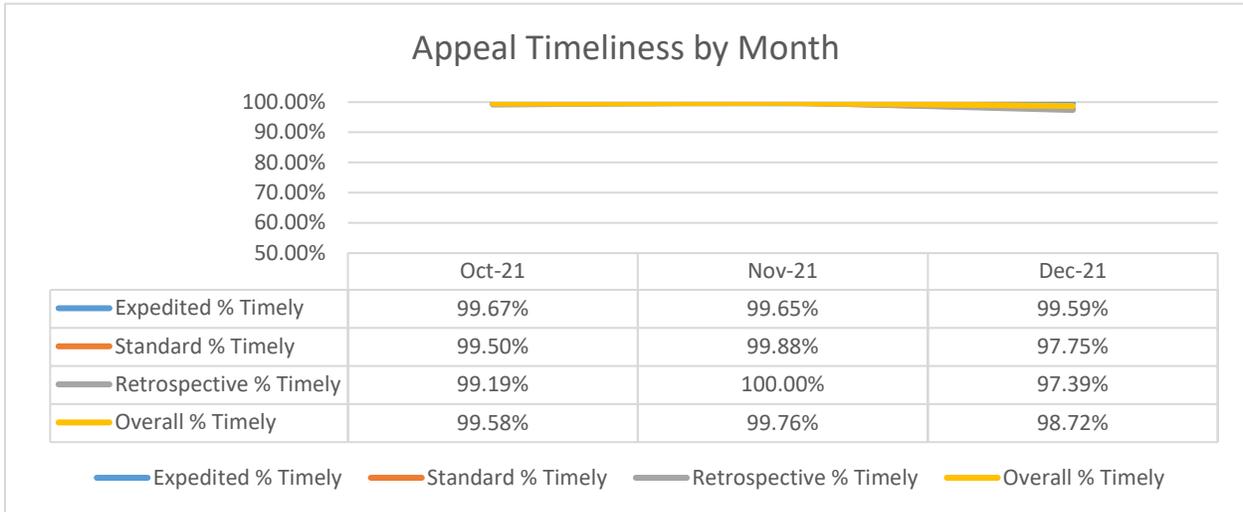
Note: MAPD: Medicare Advantage Prescription Drug Plan; PD: Prescription Drug Plan; Employer: Prescription Drug Plan

## Timeliness of Part D Reconsiderations

### Overall Timeliness by Month

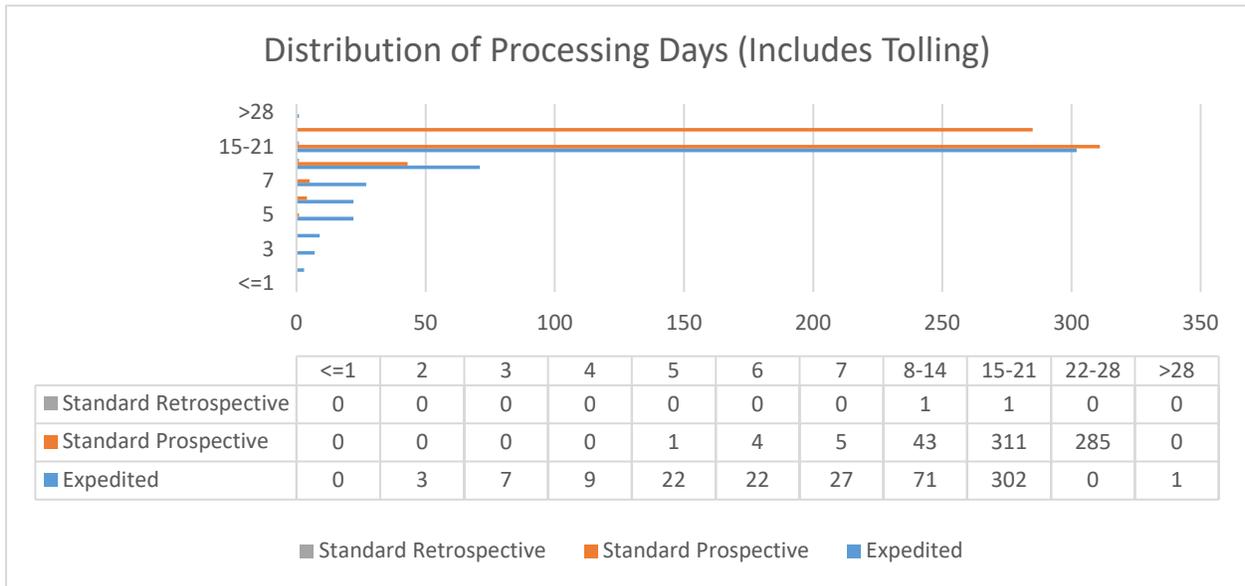
Month	Total Appeals Decided	Total Timely	% Timely
Oct 21	2134	2125	99.58%
Nov 21	2125	2120	99.76%
Dec 21	2260	2231	98.72%

### Reconsideration Timeliness by Priority

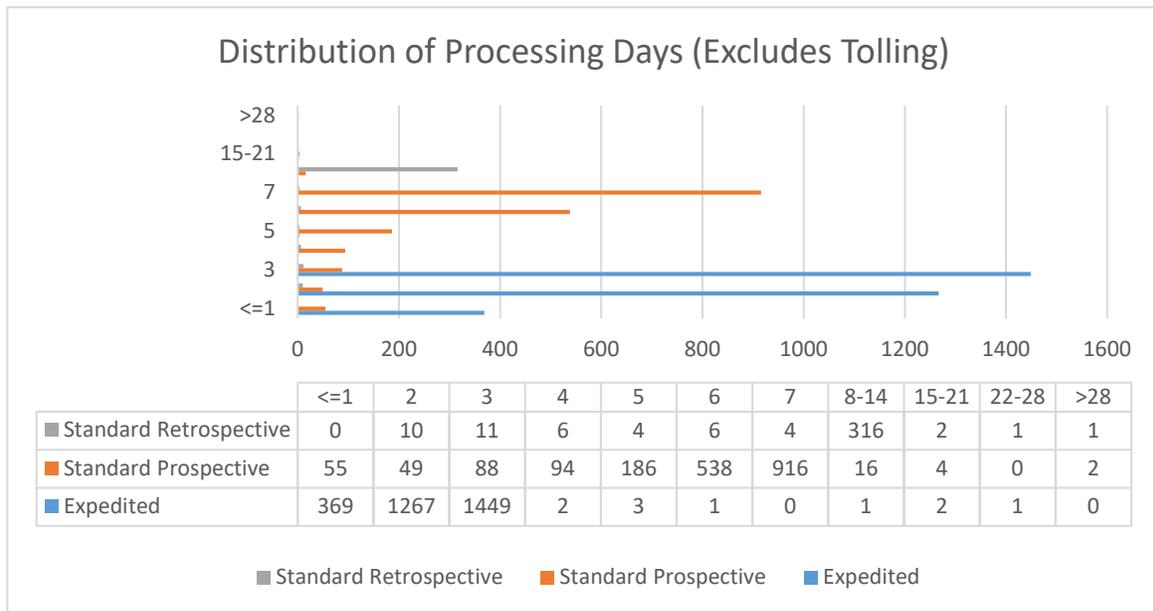


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the Independent Review Entity may toll 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	514	184	35.80%	16	8.70%	5.18%
Not covered under Part D	2636	2123	80.54%	83	3.91%	26.86%
Out of Network (OON): drug not avail in-network	8	6	75.00%	0	0.00%	0.00%
OON: Long Term Care facility	1	0	0.00%	0		0.00%
OON: no access Out of Area travel	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	9	9	100.00%	0	0.00%	0.00%
Plan cost utiliz tool disputed	1314	1231	93.68%	163	13.24%	52.75%
Request for tiering exception	887	876	98.76%	4	0.46%	1.29%
Request for drug not on formulary	1146	1095	95.55%	43	3.93%	13.92%
<b>Grand Total</b>	<b>6519</b>	<b>5528</b>	<b>84.80%</b>	<b>309</b>	<b>5.59%</b>	<b>100.00%</b>

\*Includes both partially favorable and fully favorable decisions

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Plan Denial	Total Cases	Substantive Cases	% of Cases	Reversals*	% Reversed	% of all Reversals
At-Risk Determination	2	2	100.00%	1	50.00%	0.32%
Cost-Sharing	152	72	47.37%	10	13.89%	3.24%
Covered under A/B	245	238	97.14%	7	2.94%	2.27%
Drug is not FDA approved	76	75	98.68%	1	1.33%	0.32%
Not a Medically Accepted Indication	1265	1248	98.66%	50	4.01%	16.18%
Off-Formulary	1148	1111	96.78%	42	3.78%	13.59%
Other	1415	665	47.00%	36	5.41%	11.65%
Out of Network	17	15	88.24%	0	0.00%	0.00%
Prescription Not Required	10	9	90.00%	0	0.00%	0.00%
Purchased Outside of the US	1	1	100.00%	0	0.00%	0.00%
Tiering Exception	911	896	98.35%	5	0.56%	1.62%
Utilization Management	1277	1196	93.66%	157	13.13%	50.81%
<b>Grand Total</b>	<b>6519</b>	<b>5528</b>	<b>84.80%</b>	<b>309</b>	<b>5.59%</b>	<b>100.00%</b>

\*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	2	14.29%	0	0.00%	12	85.71%	14
MAPD	130	5.24%	5	0.20%	2347	94.56%	2482
PDP	170	5.61%	2	0.07%	2860	94.33%	3032
<b>Grand Total</b>	<b>302</b>	<b>5.46%</b>	<b>7</b>	<b>0.13%</b>	<b>5219</b>	<b>94.41%</b>	<b>5528</b>

## Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	201	6.19%	2	0.06%	3043	93.75%	3246
Standard	101	4.43%	5	0.22%	2176	95.35%	2282
Prospective	76	3.79%	1	0.05%	1928	96.16%	2005
Retrospective	25	9.03%	4	1.44%	248	89.53%	277
<b>Grand Total</b>	<b>302</b>	<b>5.46%</b>	<b>7</b>	<b>0.13%</b>	<b>5219</b>	<b>94.41%</b>	<b>5528</b>

## 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/Coinsurance Applied	44	0.80%	4	0	9.09%	1.29%
Deductible Not Met	9	0.16%	1	0	11.11%	0.32%
Drugs purchased prior to coverage criteria	21	0.38%	5	0	23.81%	1.62%
Initial Coverage Limit Reached	1	0.02%	0	0	0.00%	0.00%
<b>Coverage Rules</b>						
Prior Authorization rules not	971	17.57%	139	1	14.42%	45.31%
Quantity Limit rules not met	77	1.39%	5	0	6.49%	1.62%
Step Therapy rules not met	20	0.36%	2	0	10.00%	0.65%
<b>Exception</b>						
Not on formulary	1015	18.36%	41	0	4.04%	13.27%
PA Exception criteria not met	33	0.60%	2	0	6.06%	0.65%
Quantity Limit exception criteria	16	0.29%	1	0	6.25%	0.32%
Step Therapy exception criteria	11	0.20%	1	0	9.09%	0.32%
Tiering exception criteria not	843	15.25%	5	0	0.59%	1.62%

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Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	Overturns
<b>Exclusion</b>						
Anorexia drug	4	0.07%	0	0	0.00%	0.00%
Cosmetic Purposes or hair grow	6	0.11%	0	0	0.00%	0.00%
Covered under A or B	290	5.25%	9	0	3.10%	2.91%
DESI Drugs	15	0.27%	0	0	0.00%	0.00%
Manufacturer tying Arrangement	17	0.31%	0	0	0.00%	0.00%
Not FDA Approved	145	2.62%	0	0	0.00%	0.00%
Not Medically Accepted Indication	1327	24.01%	51	2	3.99%	17.15%
OTC Drug	43	0.78%	0	0	0.00%	0.00%
Other-Exclusion	28	0.51%	3	0	10.71%	0.97%
Relief of Cough and Colds	7	0.13%	0	0	0.00%	0.00%
Sexual and Erectile Dysfunction	34	0.62%	0	0	0.00%	0.00%
Supply not directly associated	2	0.04%	0	0	0.00%	0.00%
Vitamins and Minerals	41	0.74%	0	0	0.00%	0.00%
Weight loss or Weight Gain drug	60	1.09%	0	0	0.00%	0.00%
<b>OON</b>						
No Exception	1	0.02%	1	0	100.00%	0.32%
OON	23	0.42%	1	0	4.35%	0.32%
<b>No Exception</b>	424	7.67%	31	4	8.25%	11.33%
<b>Grand Total</b>	<b>5528</b>	<b>100%</b>	<b>302</b>	<b>7</b>	<b>5.59%</b>	<b>100.00%</b>

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Rates of Substantive Reason by Substantive Decision

Reason	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Contract Ambiguity	1	20.00%	0	0.00%	4	80.00%	5
Cost Sharing / Benefit Limits	18	13.53%	4	3.01%	111	83.46%	133
Dosage/Form	0	0.00%	0	0.00%	1	100.00%	1
Exclusion - B vs D	4	1.23%	0	0.00%	322	98.77%	326
Not a Med Accepted Indication	39	2.07%	0	0.00%	1848	97.93%	1887
Off-Formulary Exception	48	5.05%	0	0.00%	903	94.95%	951
OON Rules	3	7.14%	0	0.00%	39	92.86%	42
Prior Authorization Exception	50	52.63%	0	0.00%	45	47.37%	95
Prior Authorization Rules	123	19.84%	0	0.00%	497	80.16%	620
Quantity Limit Exception	5	35.71%	0	0.00%	9	64.29%	14
Quantity Limit Rules	2	2.74%	2	2.74%	69	94.52%	73
Statutory Exclusion	1	0.22%	0	0.00%	459	99.78%	460
Step-Therapy	3	12.50%	0	0.00%	21	87.50%	24
Step-Therapy Exception	1	25.00%	0	0.00%	3	75.00%	4
TE Brand Drug, Lower Tier Generic	1	0.37%	0	0.00%	267	99.63%	268
TE Criteria Met	3	100.00%	0	0.00%	0	0.00%	3
TE Criteria Not Met	0	0.00%	1	0.47%	210	99.53%	211
TE for Non-Formulary Drug	0	0.00%	0	0.00%	77	100.00%	77
TE for Specialty Tier Drug	0	0.00%	0	0.00%	53	100.00%	53
TE for Tier 1 Drug	0	0.00%	0	0.00%	6	100.00%	6
TE No Lower Tier Alts	0	0.00%	0	0.00%	258	100.00%	258
Tier4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	17	100.00%	17
<b>Grand Total</b>	<b>302</b>	<b>5.46%</b>	<b>7</b>	<b>0.13%</b>	<b>5219</b>	<b>94.41%</b>	<b>5528</b>

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Rates of Disposition by Tolling Type

Tolling Type	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
AOR Form	0	0.00%	0	0.00%	48	100.00%	48
Prescribing Physician Statement	61	10.89%	0	0.00%	499	89.11%	560
<b>Grand Total</b>	<b>61</b>	<b>10.03%</b>	<b>0</b>	<b>0.00%</b>	<b>547</b>	<b>89.97%</b>	<b>608</b>