

Fact Sheet

Part D Drug Reconsideration Appeals Data Q3 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 of a "coverage determination" by the plan about providing, covering or paying for a Part D drug. 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, if additional amount in controversy limits are met

The following data summarizes and highlights some of the key data on reconsiderations for the Medicare prescription drug benefit program, from July 1, 2020 – September 30, 2020 (Quarter 3).

Reconsideration Volume

The Part D QIC received 6,184 reconsideration requests during Q3 of 2020. This represents a rate of 0.52 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹

Standard cases represented 52.3% of all appeals received and resulted in a rate of 0.27 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 5.9% of all appeals received and resulted in a rate of 0.03 retrospective cases for each 1,000 beneficiaries enrolled.

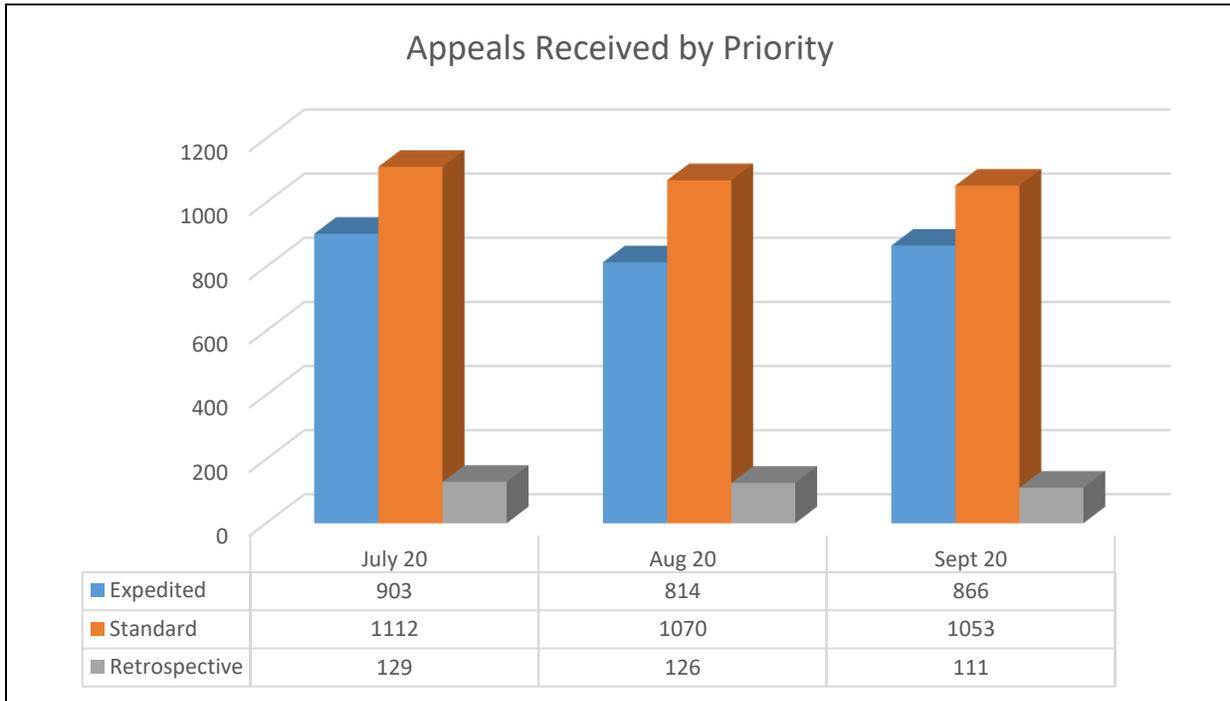
Expedited cases represented 41.8% of all appeals received and resulted in a rate of 0.22 expedited cases for each 1,000 beneficiaries enrolled.

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

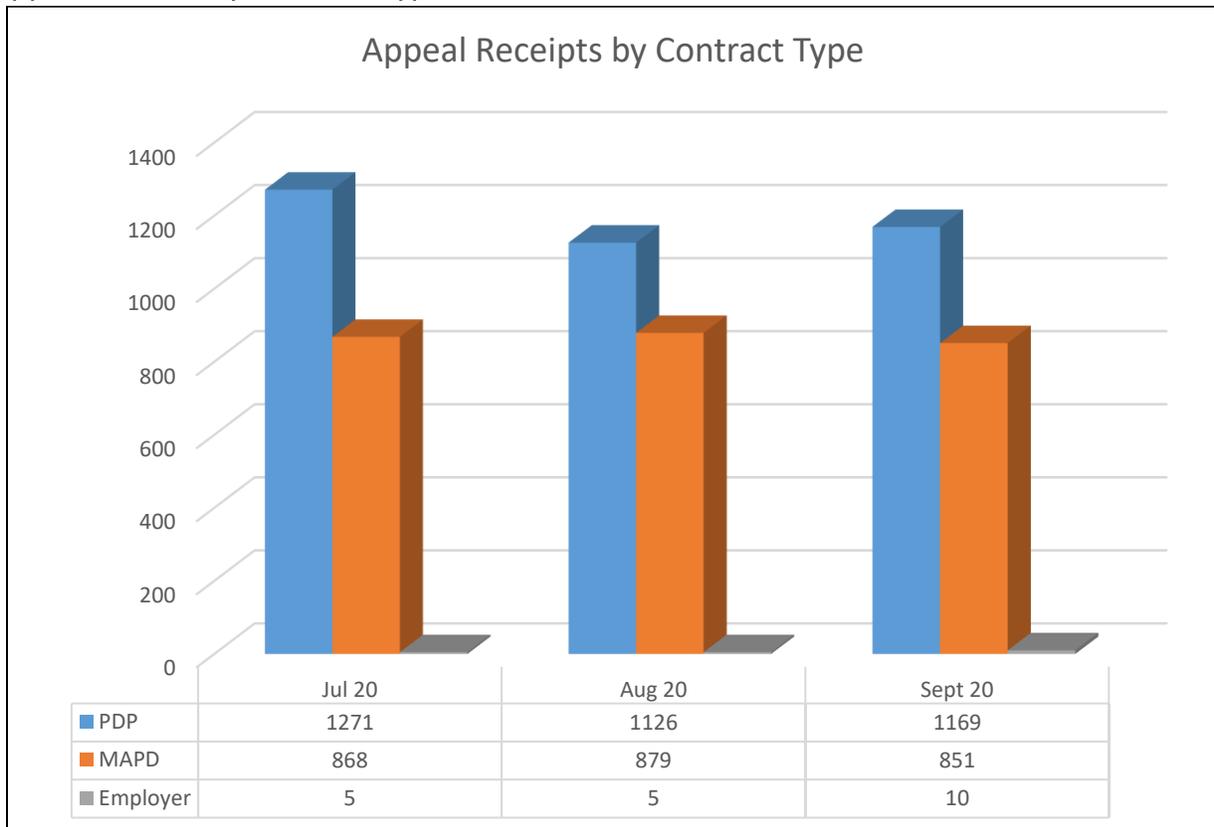
¹ Volume, divided by mid-year enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

Reconsideration Volume

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



Part D Appeal Volume by Contract Type

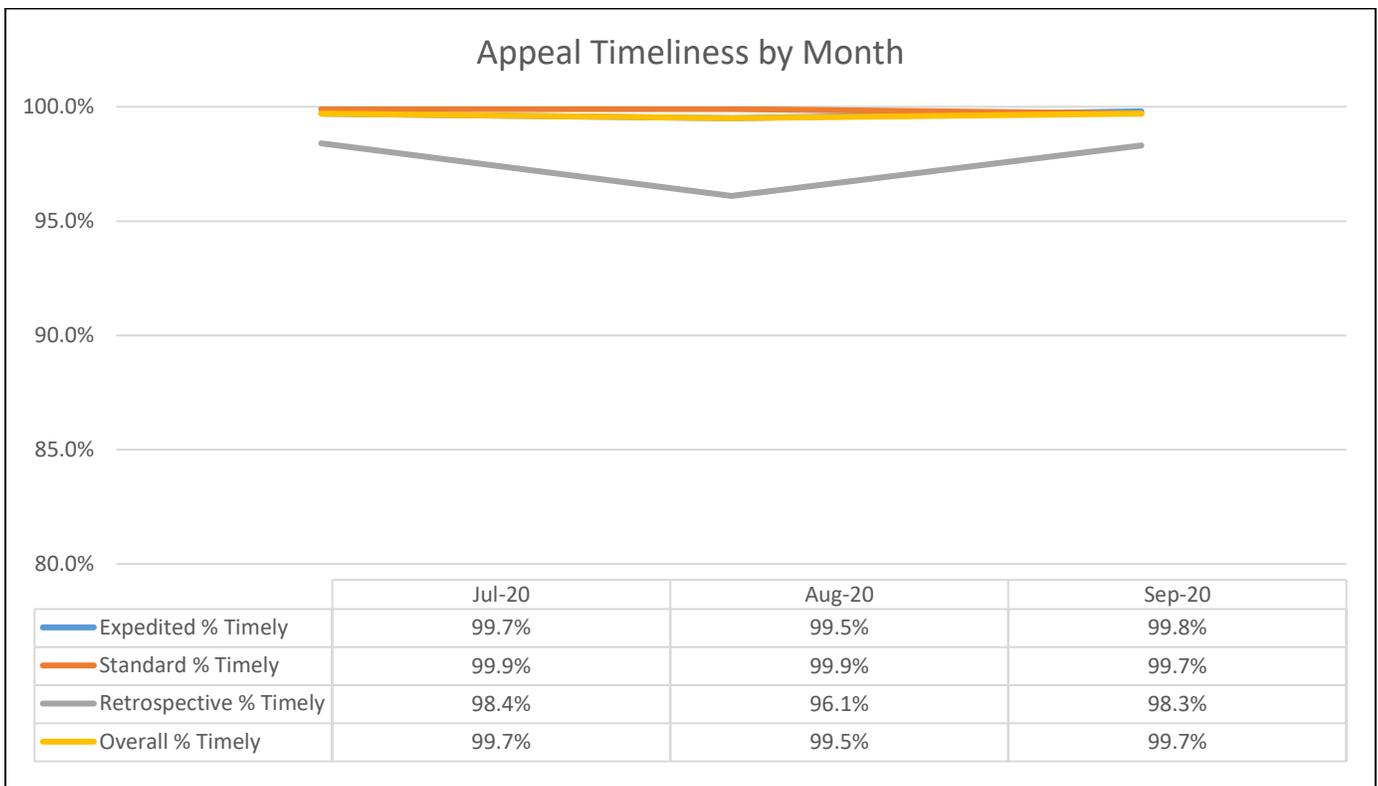


Timeliness of Part D Reconsiderations

Overall Timeliness by Month

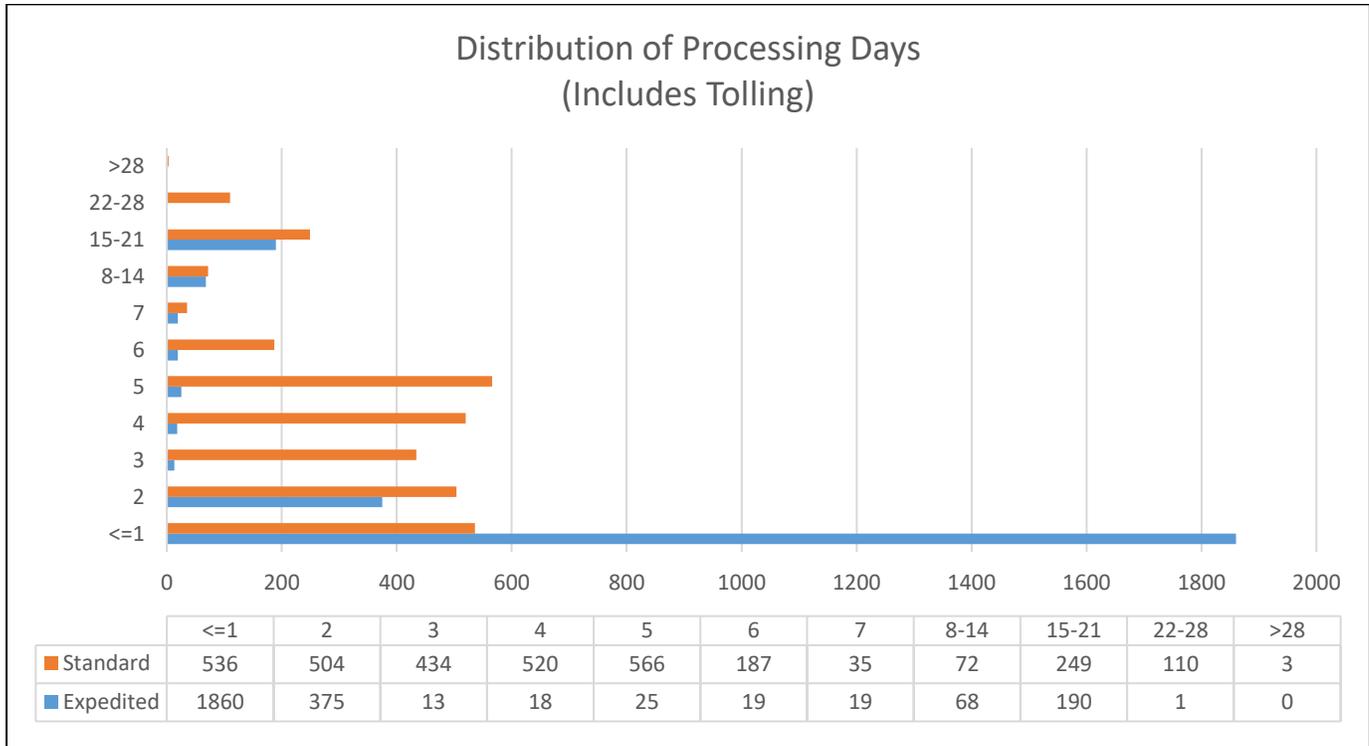
Month	Total Appeals Decided	Total Timely	% Timely
July-20	2131	2125	99.7%
August-20	1907	1897	99.5%
September-20	2158	2151	99.7%

Reconsideration Timeliness by Priority

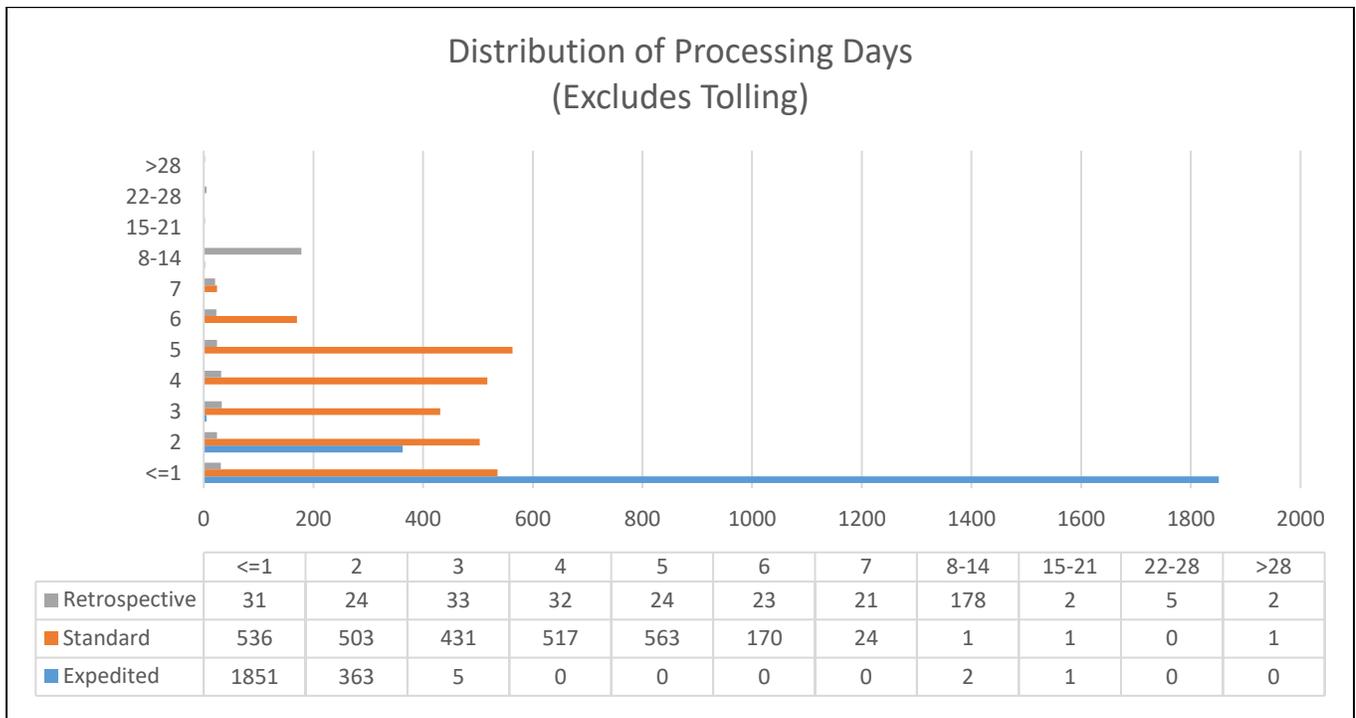


Variable time standards apply to the completion of appeals of different appeal priorities. Expedited appeals are to be completed in 72 hours unless tolling is warranted for an exception request or receipt of a valid Appointment of Representative form. The IRE may toll up to 14 additional days if warranted.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

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. Please note, retrospective appeals do not appear on this chart as they do not toll.



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	160	99	61.9%	23	23.2%	4.5%
Covered under A/B	354	306	86.4%	26	8.5%	5.1%
Drug is Not FDA Approved	134	134	100.0%	1	0.7%	0.2%
Excluded drug/use	295	288	97.6%	4	1.4%	0.8%
No Coverage Determination	112	0	0.0%	0	0.0%	0.0%
No Redetermination	118	2	1.7%	0	0.0%	0.0%
Not a Medically Accepted Indication	1952	1786	91.7%	139	7.8%	27.2%
Off-formulary exception rules not met	777	741	95.4%	63	8.5%	12.3%
Out of Network rules not met	143	106	74.1%	60	56.6%	11.7%
Potential Untimely	111	0	0.0%	0	0.0%	0.0%
Tiering exception rules not met	1178	1155	98.0%	2	0.2%	0.4%
Utilization Management rules not met	862	666	77.3%	193	29.0%	37.8%
Grand Total	6196	5283	85.3%	511	3%	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	260	8.3%	23	0.7%	2852	91.0%	3135
MAPD	212	10.0%	14	0.7%	1904	89.4%	2130
Employer	2	11.1%	0	0.0%	16	88.9%	18
Grand Total	474	9.0%	37	0.7%	4772	90.3%	5283

Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	237	10.1%	6	0.3%	2108	89.7%	2351
Standard	174	6.5%	11	0.4%	2487	93.1%	2672
Retrospective	63	14.2%	20	7.7%	177	68.1%	260
Summary	474	9.0%	37	0.7%	4772	90.3%	5283

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	0	0.0%	0	0	0.0%	0.0%
Copay/Coinsurance Applied	73	1.4%	18	3	28.8%	4.1%
Deductible Not Met	10	0.2%	0	0	0.0%	0.0%
Drugs purchased prior to coverage criteria being approved	1	0.0%	0	0	0.0%	0.0%
Initial Coverage Limit Reached	3	0.1%	0	0	0.0%	0.0%
Coverage Rule Denials						
Other	2	0.0%	2	0	100.0%	0.4%
Prior Authorization rules not met	542	10.3%	166	4	31.4%	33.3%
Quantity Limit rules not met	49	0.9%	14	0	28.6%	2.7%
Step Therapy rules not met	19	0.4%	2	0	10.5%	0.4%
Exception Denials						
Other	5	0.1%	0	0	0.0%	0.0%
Not on formulary	1	0.0%	0	0	0.0%	0.0%
Prior Authorization exception criteria not met	772	14.6%	66	1	8.7%	13.1%
Quantity Limit exception criteria not met	39	0.7%	20	1	53.8%	4.1%
Step Therapy exception criteria not met	29	0.5%	10	0	34.5%	2.0%
Tiering exception criteria not met	10	0.2%	3	0	30.0%	0.6%
Exclusion Denials						
Anorexia Drug	6	0.1%	0	0	0.0%	0.0%
Cosmetic Purposes or hair growth	7	0.1%	0	0	0.0%	0.0%
Covered under A or B	333	6.3%	34	1	10.5%	6.8%
DESI Drugs	10	0.2%	0	0	0.0%	0.0%
Fertility Drug	0	0.0%	0	0	0.0%	0.0%
Manufacturer tying Arrangement	10	0.2%	0	1	10.0%	0.2%
Not FDA Approved Drug	188	3.6%	3	0	1.6%	0.6%
Not Medically Accepted Indication	1703	32.2%	91	5	5.6%	18.8%
OTC Drug	60	1.1%	0	0	0.0%	0.0%
Other	18	0.3%	0	0	0.0%	0.0%
Relief of Cough and Colds	14	0.3%	0	0	0.0%	0.0%
Sexual and Erectile Dysfunction Drug	65	1.2%	0	0	0.0%	0.0%
Supply not directly associated with injection of insulin	3	0.1%	1	0	33.3%	0.2%
Vitamins and Minerals	37	0.7%	0	0	0.0%	0.0%
Weight loss or Weight Gain drug	23	0.4%	0	0	0.0%	0.0%
Out of Network Denials	113	2.1%	42	19	54.0%	11.9%
Grand Total	5283	100.0%	474	37	9.7%	100.0%

Rates of Substantive Reason by Substantive Decision

Reason	Substantive Decision						Total
	Favorable (Reversal)		Partially Favorable (Partially Reverse)		Unfavorable (Uphold)		
	Number	%	Number	%	Number	%	
Brand/Generic Differential	0	0.0%	0	0.0%	1	100.0%	1
Cost Sharing / Benefit Limits	20	23.3%	3	3.5%	63	73.3%	86
Exclusion - B vs D	0	0.0%	1	0.4%	273	99.6%	274
Not a Med Accepted Indication	1	0.1%	1	0.1%	1721	99.9%	1723
Off-Formulary Exception	74	9.8%	1	0.1%	683	90.1%	758
OON Rules	44	41.1%	18	16.8%	45	42.1%	107
Prior Authorization Exception	131	47.0%	3	1.1%	145	52.0%	279
Prior Authorization Rules	172	45.4%	7	1.8%	200	52.8%	379
Quantity Limit Exception	20	37.0%	2	3.7%	32	59.3%	54
Quantity Limit Rules	6	37.5%	0	0.0%	10	62.5%	16
Statutory Exclusion	0	0.0%	0	0.0%	461	100.0%	461
Step-Therapy	1	11.1%	0	0.0%	8	88.9%	9
Step-Therapy Exception	4	23.5%	0	0.0%	13	76.5%	17
TE Brand Drg, Lwr Tier Gnrc	0	0.0%	0	0.0%	324	100.0%	324
TE Criteria Met	1	50.0%	0	0.0%	1	50.0%	2
TE Criteria Not Met	0	0.0%	0	0.0%	73	100.0%	73
TE for Non-Formulary Drug	0	0.0%	0	0.0%	118	100.0%	118
TE for Specialty Tier Drug	0	0.0%	0	0.0%	83	100.0%	83
TE for Tier 1 Drug	0	0.0%	0	0.0%	3	100.0%	3
TE No Lwr Tier Alts	0	0.0%	1	0.2%	512	99.8%	513
Tier4 Brand Drg, Lwr Tier Gnrc	0	0.0%	0	0.0%	3	100.0%	3
Grand Total	474	9.0%	37	0.7%	4772	90.3%	5283

Rates of Disposition by Tolling Type

Tolling Type	Substantive Decision						All
	Favorable (Reversal)		Partially Favorable (Partially Reverse)		Unfavorable (Uphold)		
	Number	%	Number	%	Number	%	
Request for AOR	3	5.3%	1	1.8%	53	93.0%	57
Request Prescriber Statement	91	12.4%	3	0.4%	640	87.2%	734
Grand Total	94	11.9%	4	0.5%	693	87.6%	791