

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q1 2022

#### 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 their 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 Jan. 1, 2022, to March 31, 2022 (Quarter 1).

#### Reconsideration Volume

The Part D QIC received 11,566 reconsideration requests during Q1 of 2022. This represents a rate of 0.22 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 42.05% of all appeals received and resulted in a rate of 0.09 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 5.04% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 52.91% of all appeals received and resulted in a rate of 0.12 expedited cases for each 1,000 beneficiaries enrolled.

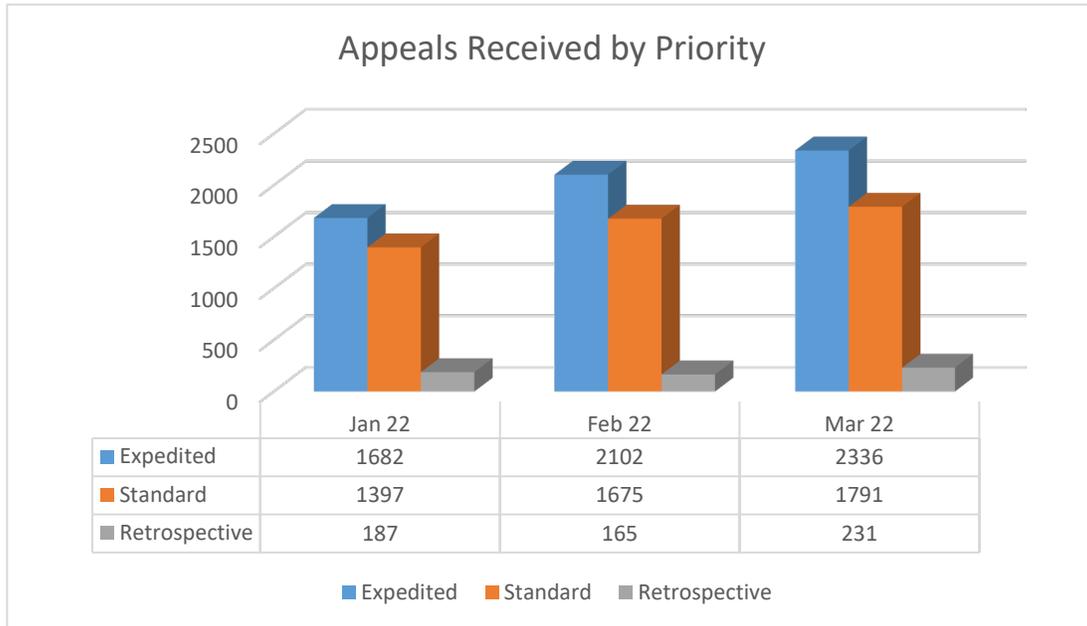
Substantive cases are cases that include upheld, reversed, or partially reversed decision only. Dismissals and withdrawals are not included in substantive cases count.

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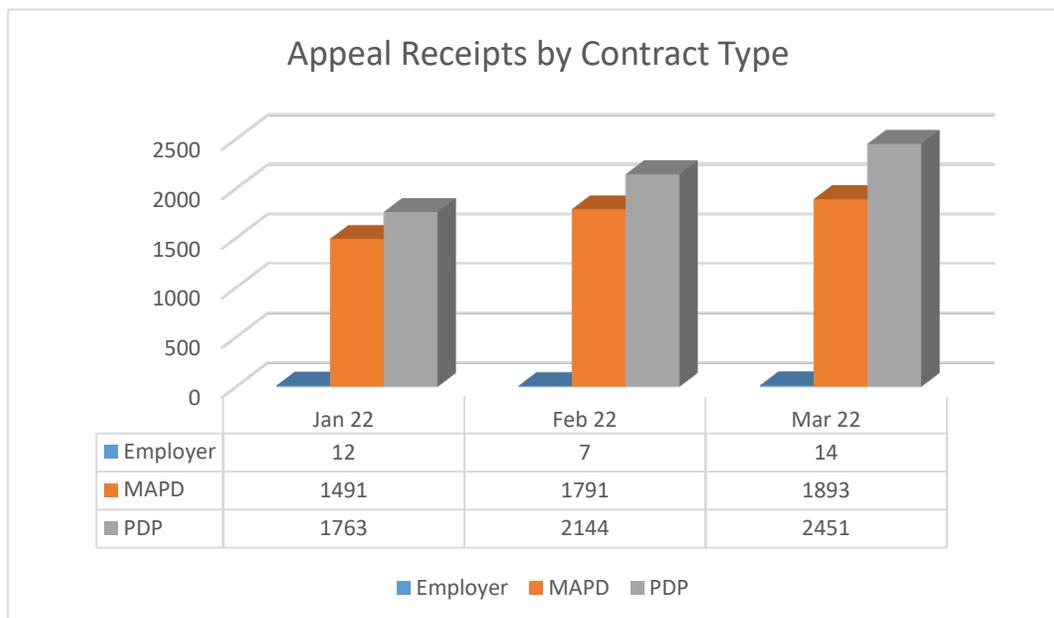
<sup>1</sup>Volume, divided by March enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

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



## Part D Appeal Volume by Contract Type



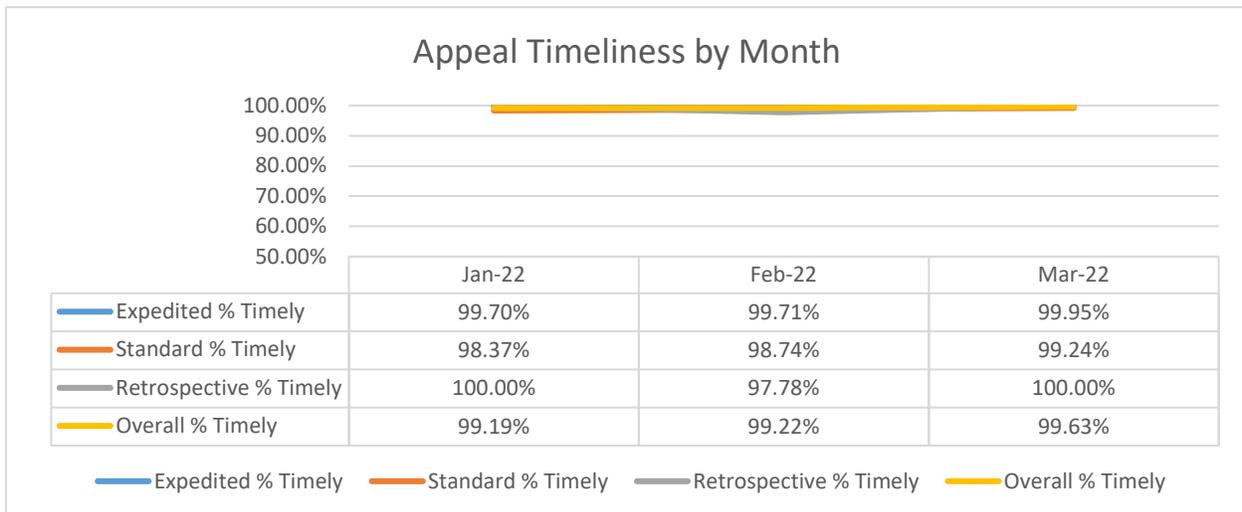
*Note: MAPD: Medicare Advantage Prescription Drug Plan; PDP: Prescription Drug Plan; Employer: Prescription Drug Plan*

## Timeliness of Part D Reconsiderations

### Overall Timeliness by Month

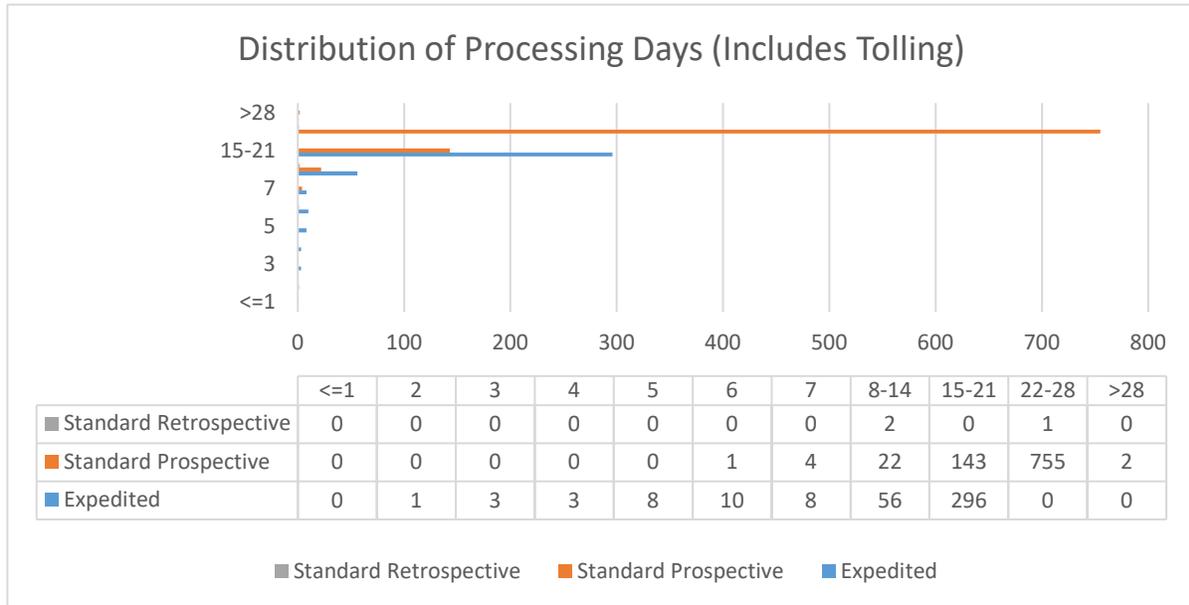
Month	Total Appeals Decided	Total Timely	% Timely
Jan. 2022	2,978	2,954	99.19%
Feb. 2022	3,854	3,824	99.22%
March 2022	4,372	4,356	99.63%

### Reconsideration Timeliness by Priority



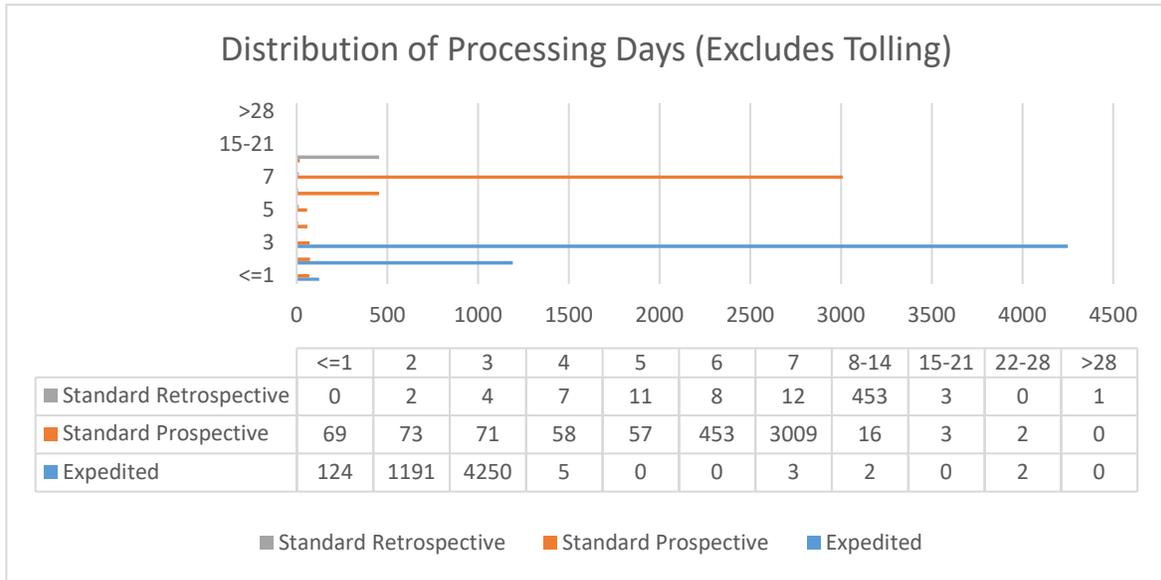
Adjudication time frames vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the Independent Review Entity may toll the case for up to 14 additional calendar days. Standard appeals are completed within seven 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.

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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	1,279	520	40.66%	46	8.85%	10.09%
Not covered under Part D	3,532	2,777	78.62%	104	3.75%	22.81%
Out of Network (OON): drug not avail in-network	8	8	100.00%	0	0.00%	0.00%
OON: Long-term care facility	1	1	100.00%	0		0.00%
OON: No access out of area travel	1	1	100.00%	0	0.00%	0.00%
OON: Not timely in-area access	2	0	0.00%	0	0.00%	0.00%
OON: Physician office access	4	4	100.00%	2	50.00%	0.44%
Plan cost utilization tool disputed	2,015	1,887	93.65%	242	12.82%	53.07%
Request for tiering exception	2,321	2,276	98.06%	11	0.48%	2.41%
Request for drug not on formulary	2,041	1,951	95.59%	51	2.61%	11.18%
<b>Grand Total</b>	<b>11,204</b>	<b>9,425</b>	<b>84.12%</b>	<b>456</b>	<b>4.84%</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	8	8	100.00%	0	0.00%	0.00%
Cost sharing	252	96	38.10%	9	9.38%	1.97%
Covered under A/B	303	299	98.68%	12	4.01%	2.63%
Drug is not FDA approved	108	108	100.00%	3	2.78%	0.66%
Not a Medically Accepted Indication	1,566	1,556	99.36%	64	4.11%	14.04%
Off-formulary	2,031	1,982	97.59%	55	2.77%	12.06%
Other	2,394	981	40.98%	47	4.79%	10.31%
Out of Network (OON)	16	14	87.50%	2	14.29%	0.44%
Prescription not required	26	26	100.00%	1	3.85%	0.22%
Tiering exception	2,400	2,370	98.75%	11	0.46%	2.41%
Utilization management	2,100	1,985	94.52%	252	12.70%	55.26%
<b>Grand Total</b>	<b>11,204</b>	<b>9,425</b>	<b>84.12%</b>	<b>456</b>	<b>4.84%</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	8.70%		0.00%	21	91.30%	23
MAPD	201	4.86%	8	0.19%	3,930	94.95%	4,139
PDP	238	4.52%	7	0.13%	5,018	95.34%	5,263
<b>Grand Total</b>	<b>441</b>	<b>4.68%</b>	<b>15</b>	<b>0.16%</b>	<b>8,969</b>	<b>95.16%</b>	<b>9,425</b>

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Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	271	4.94%	4	0.07%	5,210	94.99%	5,485
Standard	170	4.31%	11	0.28%	3,759	95.41%	3,940
Prospective	143	4.05%	6	0.17%	3,380	95.78%	3,529
Retrospective	27	6.57%	5	1.22%	379	92.21%	411
<b>Grand Total</b>	<b>441</b>	<b>4.68%</b>	<b>15</b>	<b>0.16%</b>	<b>8,969</b>	<b>95.16%</b>	<b>9,425</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>						
Catastrophic Coverage not met	2	0.02%	0	0	0.00%	0.00%
Copay/coinsurance applied	30	0.32%	4	0	13.33%	0.88%
Deductible not met	14	0.15%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	27	0.29%	3	2	18.52%	1.10%
Initial Coverage Limit reached	2	0.02%	2	0	100.00%	0.44%
<b>Coverage Rules</b>						
Other coverage rules	2	0.02%	0	0	0.00%	0.00%
Prior Authorization (PA) rules not met	1,407	14.93%	192	4	13.93%	42.98%
Quantity Limit rules not met	120	1.27%	23	0	19.17%	5.04%
Step Therapy rules not met	83	0.88%	12	0	14.46%	2.63%
<b>Exception</b>						
Dosage/form not covered	1	0.01%	0	0	0.00%	0.00%
Not on formulary	1,848	19.61%	49	1	2.71%	10.96%
PA exception criteria not met	67	0.71%	9	0	13.43%	1.97%

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Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
Quantity Limit exception criteria not met	22	0.23%	2	1	13.64%	0.66%
Step Therapy exception criteria not met	9	0.10%	1	0	11.11%	0.22%
Tiering exception criteria not met	2,111	22.40%	9	1	0.47%	2.19%
<b>Exclusion</b>						
Anorexia drug	3	0.03%	0	0	0.00%	0.00%
Benzodiazepines	1	0.01%	1	0	100.00%	0.22%
Cosmetic purposes or hair growth	12	0.13%	1	0	8.33%	0.22%
Covered under A or B	392	4.16%	14	0	3.57%	3.07%
DESI drugs	19	0.20%	0	0	0.00%	0.00%
Manufacturer tying arrangement	38	0.40%	0	0	0.00%	0.00%
Not FDA approved drug	178	1.89%	4	0	2.25%	0.88%
Not medically accepted indication	1,803	19.13%	64	2	3.66%	14.47%
Over-the-counter (OTC) drug	51	0.54%	0	0	0.00%	0.00%
Other exclusion	22	0.23%	2	1	13.64%	0.66%
Relief of cough and colds	16	0.17%	0	0	0.00%	0.00%
Sexual and erectile dysfunction (ED)	45	0.48%	0	0	0.00%	0.00%
Vitamins and minerals	43	0.46%	0	0	0.00%	0.00%
Weight loss or weight gain drug	79	0.84%	0	0	0.00%	0.00%
<b>OON</b>						
OON	3	0.03%	0	0	0.00%	0.00%
<b>No Exception</b>	975	10.34%	49	3	5.33%	11.40%
<b>Grand Total</b>	<b>9,425</b>	<b>100%</b>	<b>441</b>	<b>15</b>	<b>4.84%</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	0	0.00%	0	0.00%	8	100.00%	8
Cost Sharing/Benefit Limits	28	10.77%	5	1.92%	227	87.31%	260
Dosage/Form	0	0.00%	0	0.00%	2	100.00%	2
Exclusion - B vs D	6	1.44%	0	0.00%	412	98.56%	418
Not a Medically Accepted Indication	52	1.98%	1	0.04%	2,579	97.99%	2632
Off-Formulary Exception	54	3.02%	1	0.06%	1,732	96.92%	1787
OON Rules	0	0.00%	0	0.00%	7	100.00%	7
Prior Authorization Exception	80	46.51%	1	0.58%	91	52.91%	172
Prior Authorization Rules	174	18.09%	3	0.31%	785	81.60%	962
Quantity Limit Exception	14	45.16%	0	0.00%	17	54.84%	31
Quantity Limit Rules	14	11.48%	1	0.82%	107	87.70%	122
Statutory Exclusion	1	0.16%	0	0.00%	642	99.84%	643
Step-Therapy	7	12.28%	0	0.00%	50	87.72%	57
Step-Therapy Exception	2	20.00%	0	0.00%	8	80.00%	10
Tiering Exception (TE) Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	482	100.00%	482
TE Criteria Met	8	72.73%	0	0.00%	3	27.27%	11
TE Criteria Not Met	1	0.24%	1	0.24%	423	99.53%	425
TE for Non-Formulary Drug	0	0.00%	1	0.42%	237	99.58%	238
TE for Specialty Tier Drug	0	0.00%	1	0.60%	167	99.40%	168
TE for Tier 1 Drug	0	0.00%	0	0.00%	36	100.00%	36
TE No Lower Tier Alternatives	0	0.00%	0	0.00%	941	100.00%	941
Tier 4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	13	100.00%	13
<b>Grand Total</b>	<b>441</b>	<b>4.68%</b>	<b>15</b>	<b>0.16%</b>	<b>8969</b>	<b>95.16%</b>	<b>9425</b>

Rates of Disposition by Tolling Type

Tolling Type	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Appointment of Representation (AOR) Form	2	3.77%	0	0.00%	51	96.23%	53
Prescribing Physician Statement	50	9.31%	2	0.37%	485	90.32%	537
<b>Grand Total</b>	<b>52</b>	<b>8.81%</b>	<b>2</b>	<b>0.34%</b>	<b>536</b>	<b>90.85%</b>	<b>590</b>