

## 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.

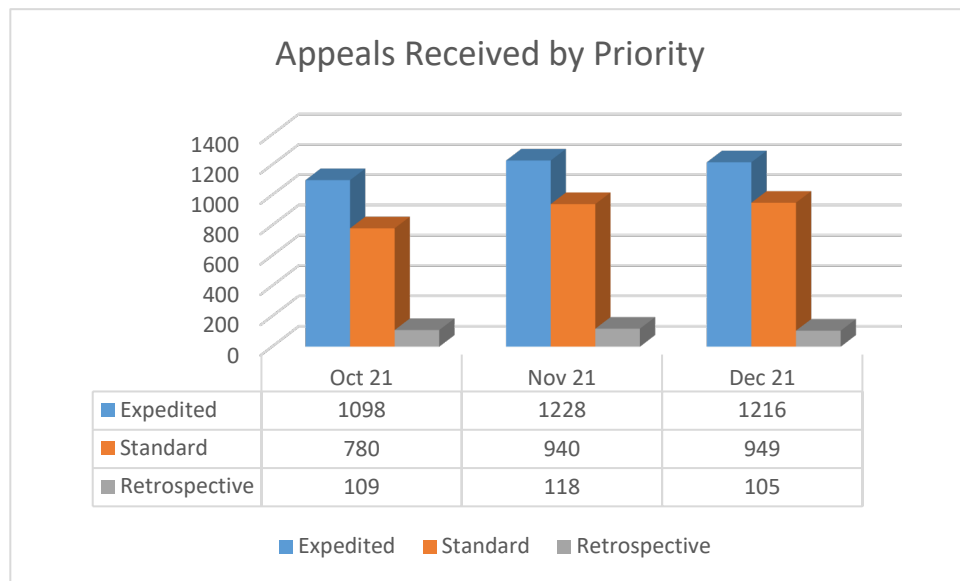
Substantive cases are cases that include upheld, reversed or partially reversed decision only. Dismissals and withdrawals are not included in substantive cases count.

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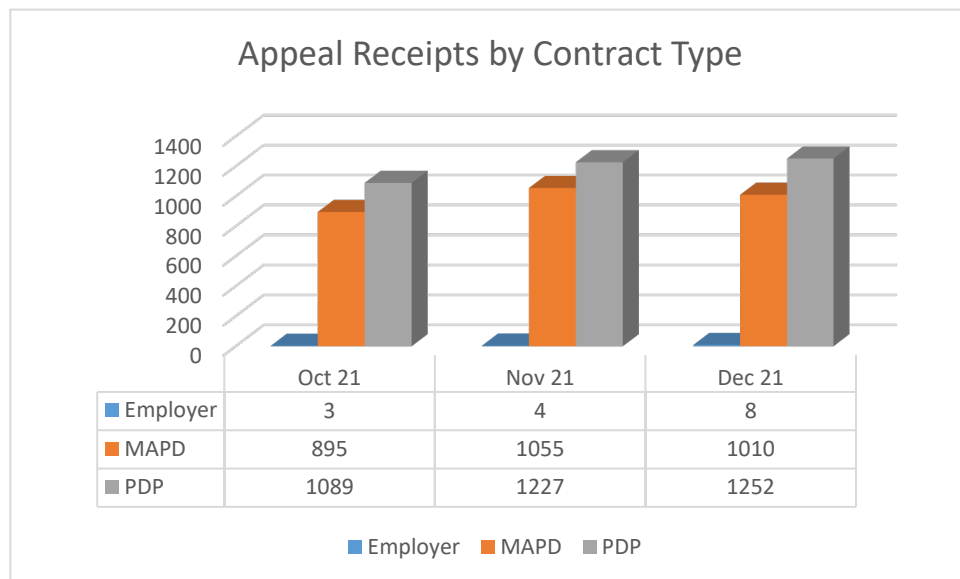
<sup>1</sup> Volume, divided by December enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

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



## Part D Appeal Volume by Contract Type



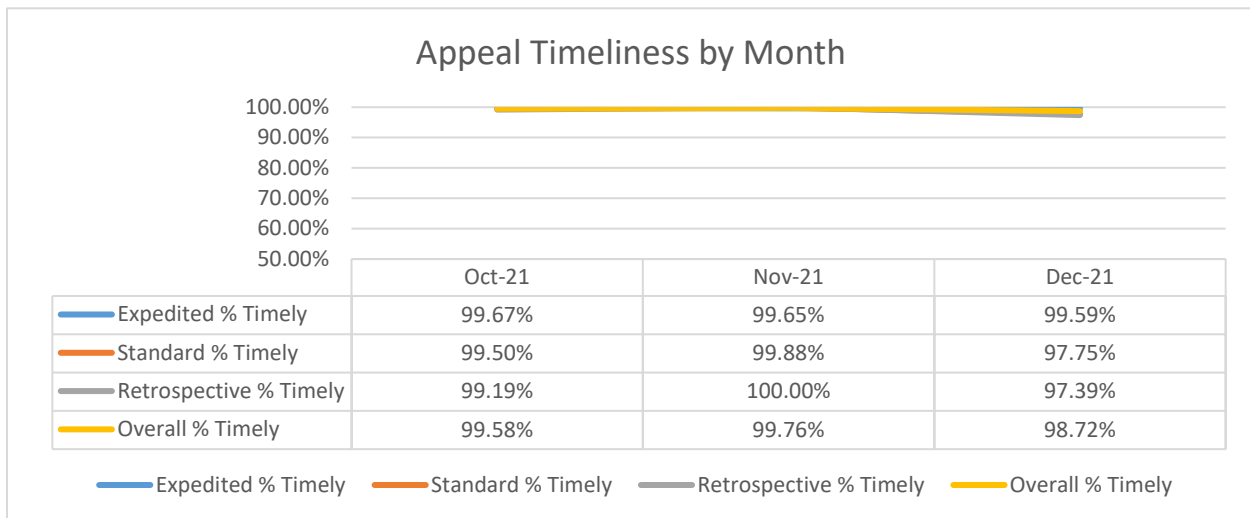
*Note: MAPD: Medicare Advantage Prescription Drug Plan; PD: Prescription Drug Plan; Employer: Prescription Drug Plan*

## Timeliness of Part D Reconsiderations

### Overall Timeliness by Month

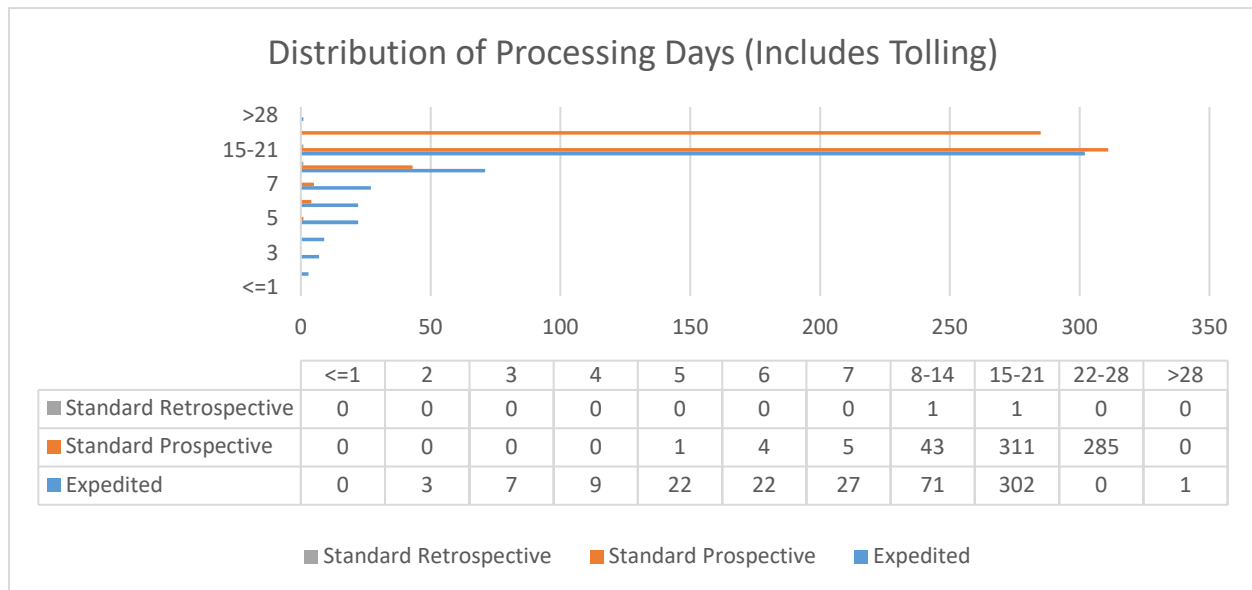
| Month  | Total Appeals Decided | Total Timely | % Timely |
|--------|-----------------------|--------------|----------|
| Oct 21 | 2134                  | 2125         | 99.58%   |
| Nov 21 | 2125                  | 2120         | 99.76%   |
| Dec 21 | 2260                  | 2231         | 98.72%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

### Reconsideration Timeliness by Priority

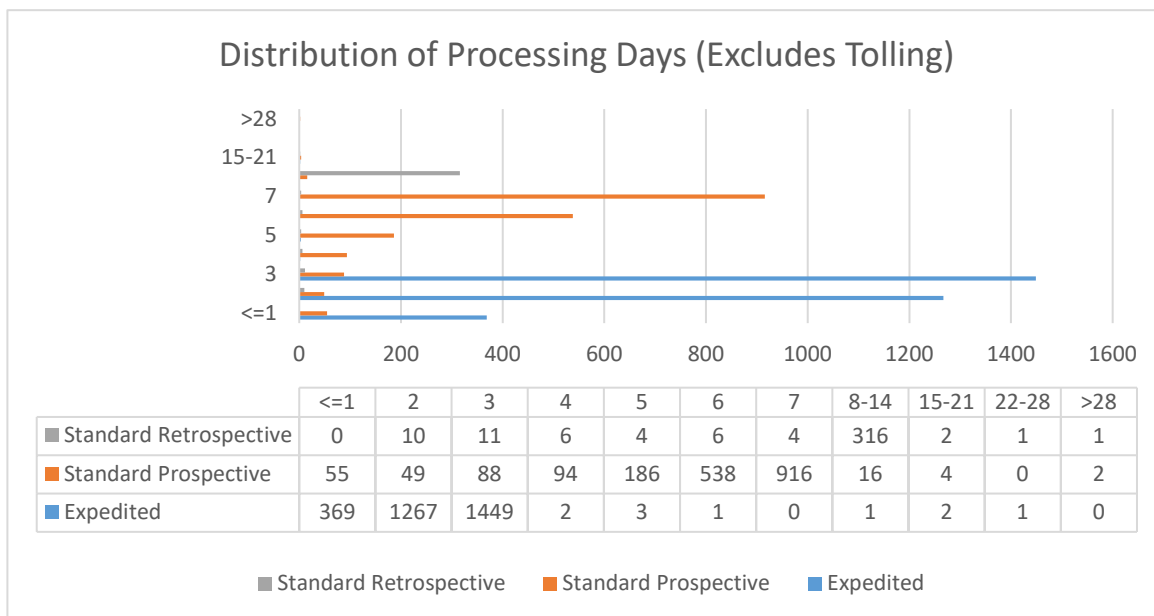


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the Independent Review Entity may toll 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):<br>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

# PART D DRUG FACT SHEET

| 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  |
| Grand Total   | 302                     | 5.46%  | 7                   | 0.13% | 5219        | 94.41% | 5528  |

## 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   |
| Grand Total   | 302                     | 5.46% | 7                   | 0.13% | 5219        | 94.41% | 5528  |

## 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> |



# PART D DRUG FACT SHEET

## 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    |
| Grand Total                          | 302                  | 5.46%   | 7                   | 0.13% | 5219        | 94.41%  | 5528  |

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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   |
| Grand Total                     | 61                   | 10.03% | 0                   | 0.00% | 547         | 89.97%  | 608   |