

Fact Sheet

Part D Drug Reconsideration Appeals Data – Q2 2023

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 (IRE), which is also called the Part D Qualified Independent Contractor (Part D QIC). An enrollee who is dissatisfied with the IRE'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 April 1, 2023 through June 30, 2023 (Quarter 2).

Reconsideration Volume

The Part D QIC received 10,721 reconsideration requests during Quarter 2 of 2023. This represents a rate of 0.20 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹

Standard cases represented 48.45% of all appeals received and resulted in a rate of 0.10 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 6.27% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

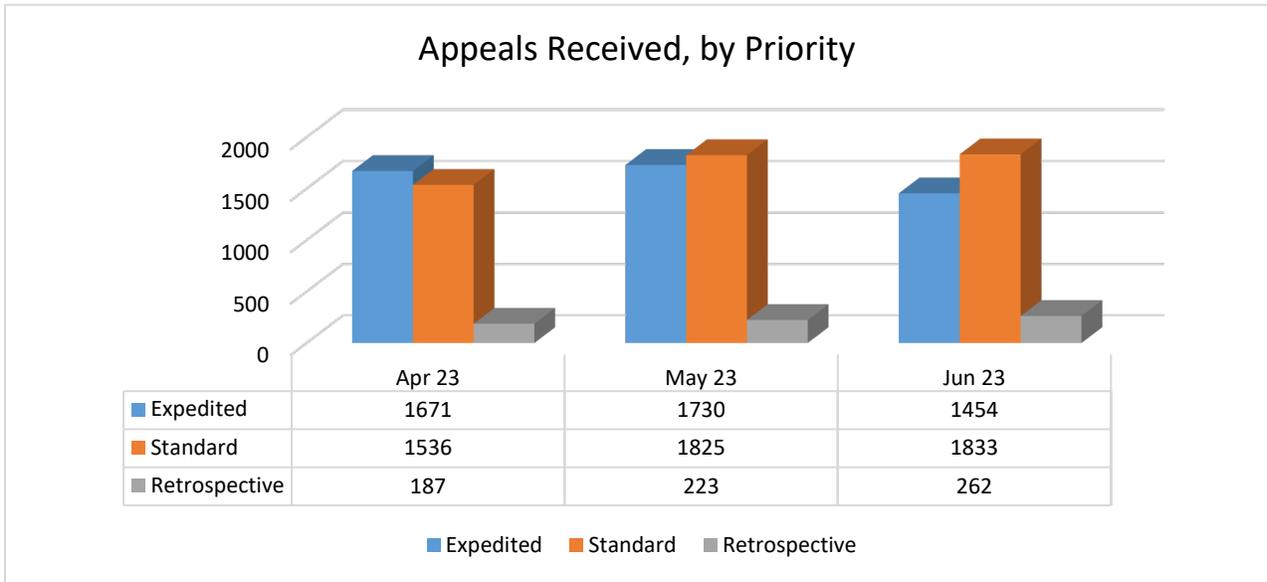
Expedited cases represented 45.28% of all appeals received and resulted in a rate of 0.09 expedited cases for each 1,000 beneficiaries enrolled.

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

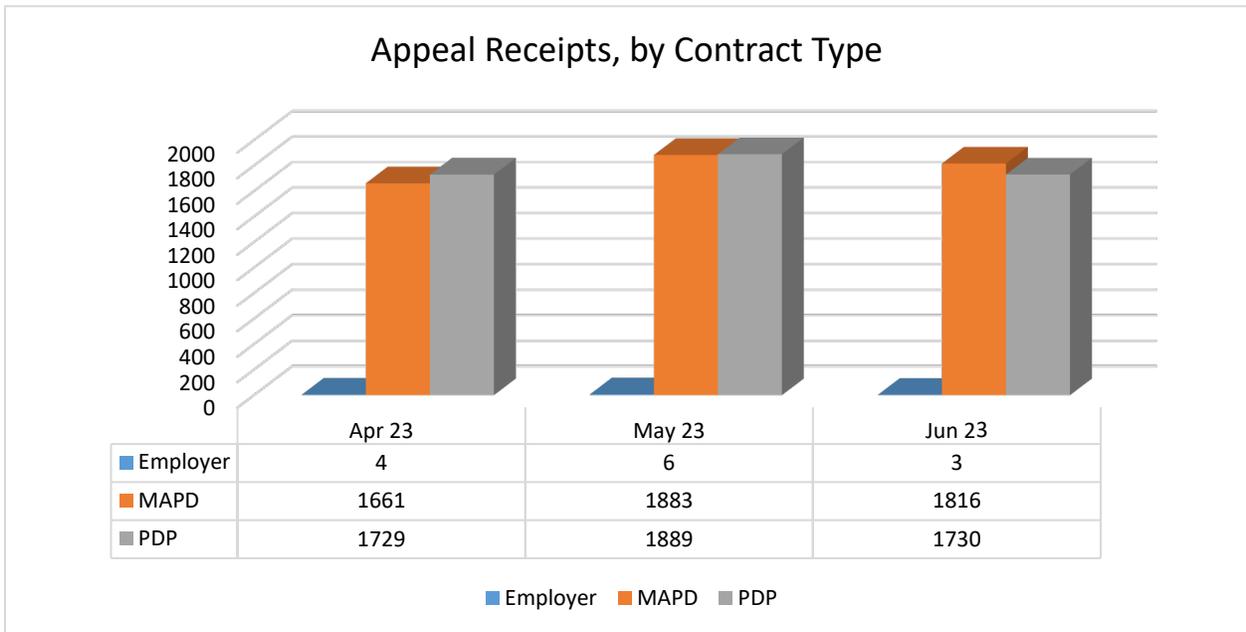
¹ Volume, divided by June enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

Reconsideration Volume

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



Part D Appeal Volume, by Contract Type



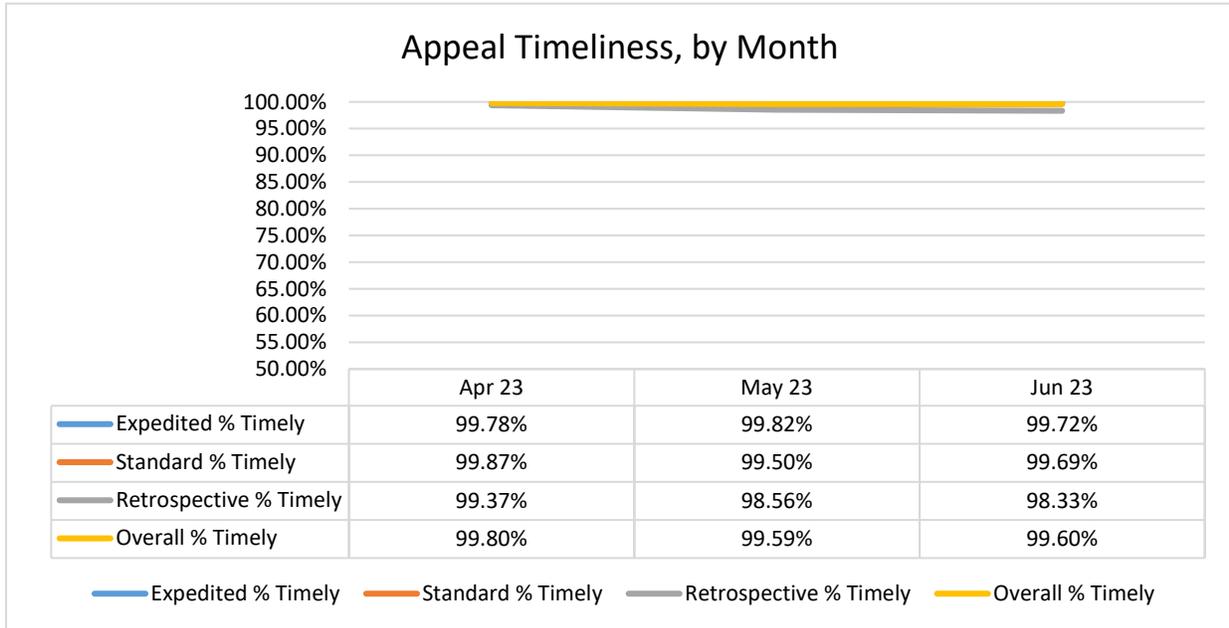
Note: MAPD: Medicare Advantage Prescription Drug Plan; PDP: Prescription Drug Plan; Employer: Prescription Drug Plan

Timeliness of Part D Reconsiderations

Overall Timeliness, by Month

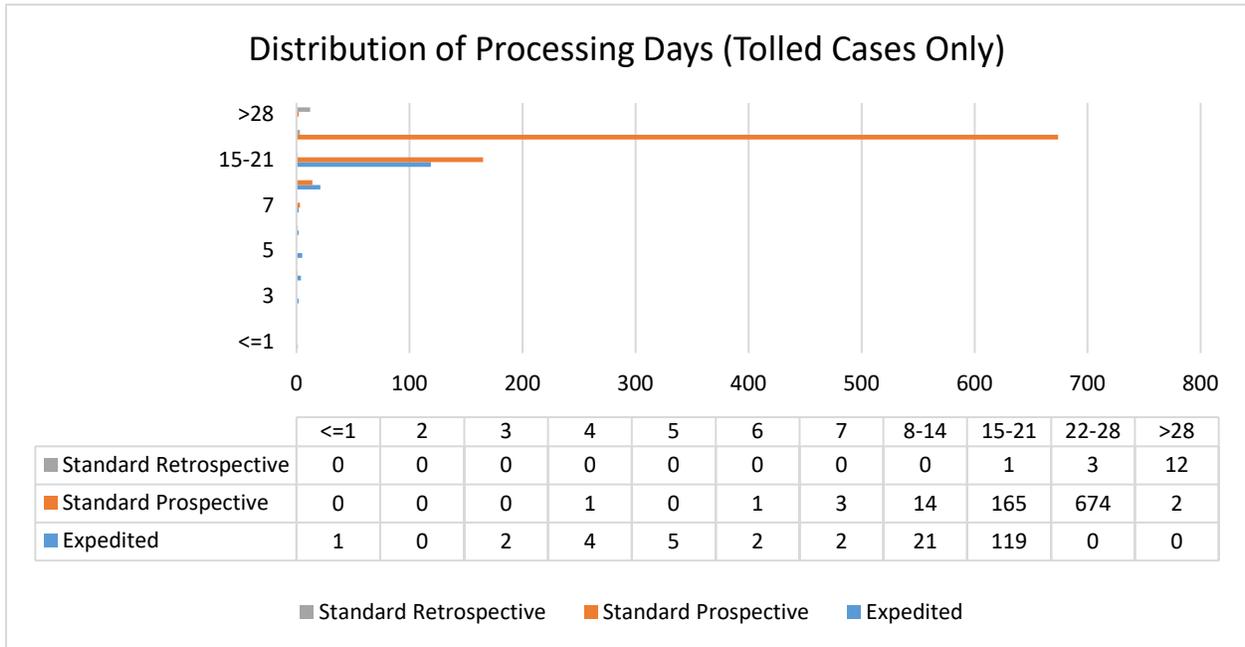
Month	Total Appeals Decided	Total Timely	% Timely
April	3582	3575	99.80%
May	3680	3665	99.59%
June	3282	3269	99.60%

Reconsideration Timeliness, by Priority

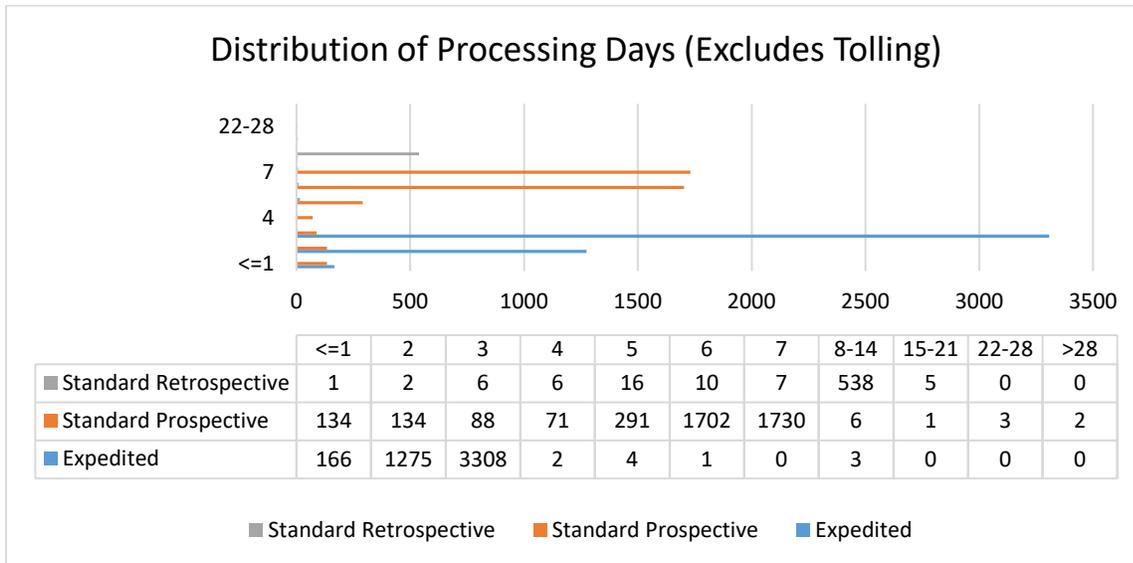


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to 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.

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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	937	437	46.64%	24	5.49%	4.65%
Not covered under Part D	3680	2923	79.43%	133	4.55%	25.78%
Out of Network (OON): Drug not available in-network	2	2	100.00%	0	0.00%	0.00%
OON: No access OOA travel	4	3	75.00%	0	0.00%	0.00%
Plan cost utilization tool disputed	2356	2256	95.76%	276	12.23%	53.49%
Request for tiering exception	1340	1312	97.91%	7	0.53%	1.36%
Request for drug not on formulary	2225	2149	96.58%	76	3.54%	14.73%
Grand Total	10544	9082	86.13%	516	5.68%	100.00%

*Includes both partially favorable and fully favorable decisions

Plan Denial	Total Cases	Substantive Cases	% of Cases	Reversals*	% Reversed	% of all Reversals
At-Risk Determination	10	10	100.00%	1	10.00%	0.19%
Cost-Sharing	126	101	80.16%	5	4.95%	0.97%
Covered under A/B	243	241	99.18%	12	4.98%	2.33%
Drug is not FDA approved	97	95	97.94%	1	1.05%	0.19%
Not a Medically Accepted Indication	1590	1571	98.81%	66	4.20%	12.79%
Off-Formulary	2123	2065	97.27%	72	3.49%	13.95%
Other	2651	1417	53.45%	73	5.15%	14.15%
Out of Network	10	10	100.00%	0	0.00%	0.00%
Prescription Not Required	2	2	100.00%	0	0.00%	0.00%
Purchased Outside of the US	2	2	100.00%	0	0.00%	0.00%
Tiering Exception	1341	1323	98.66%	7	0.53%	1.36%
Utilization Management	2349	2245	95.57%	279	12.43%	54.07%
Grand Total	10544	9082	86.13%	516	5.68%	100.00%

*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	0	0.00%	0	0.00%	13	100.00%	13
MAPD	249	5.68%	14	0.32%	4117	94.00%	4380
PDP	246	5.25%	7	0.15%	4436	94.60%	4689
Grand Total	495	5.45%	21	0.23%	8566	94.32%	9082

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Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	290	6.10%	13	0.27%	4451	93.63%	4754
Standard	205	4.74%	8	0.18%	4115	95.08%	4328
Prospective	160	4.21%	5	0.13%	3637	95.66%	3802
Retrospective	45	8.56%	3	0.57%	478	90.87%	526
Grand Total	495	5.45%	21	0.23%	8566	94.32%	9082

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						
Copay/Coinsurance Applied	45	0.50%	4	1	11.11%	0.97%
Deductible Not Met	13	0.14%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	26	0.29%	2	0	7.69%	0.39%
Coverage Rules						
Other-Coverage Rules	2	0.02%	1	0	50.00%	0.19%
Prior Authorization rules not met	1412	15.55%	226	6	16.43%	44.96%
Quantity Limit rules not met	85	0.94%	5	5	11.76%	1.94%
Step Therapy rules not met	73	0.80%	11	0	15.07%	2.13%
Exception						
Not on formulary	1783	19.63%	66	0	3.70%	12.79%
Other-Exception	2	0.02%	0	0	0.00%	0.00%
PA Exception criteria not met	96	1.06%	12	0	12.50%	2.33%
Quantity Limit exception criteria	22	0.24%	2	0	9.09%	0.39%
Step Therapy exception criteria	12	0.13%	3	0	25.00%	0.58%
Tiering exception criteria not met	1219	13.42%	5	0	0.41%	0.97%
Exclusion						
Anorexia drug	1	0.01%	0	0	0.00%	0.00%
Cosmetic Purposes or hair grow	26	0.29%	4	0	15.38%	0.78%
Covered under A or B	318	3.50%	12	1	4.09%	2.52%
DESI Drugs	9	0.10%	0	0	0.00%	0.00%
Manufacturer tying Arrangement	33	0.36%	0	0	0.00%	0.00%
Not FDA Approved Drug	142	1.56%	0	0	0.00%	0.00%
Not Medically Accepted Indication	2193	24.15%	80	2	3.74%	15.89%
OTC Drug	34	0.37%	0	0	0.00%	0.00%
Other-Exclusion	38	0.42%	1	0	2.63%	0.19%
Relief of Cough and Colds	12	0.13%	0	0	0.00%	0.00%

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Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
Sexual and Erectile Dysfunction	57	0.63%	1	0	1.75%	0.19%
Supply not directly associated	1	0.01%	0	0	0.00%	0.00%
Vitamins and Minerals	35	0.39%	0	0	0.00%	0.00%
Weight loss or Weight Gain drug	257	2.83%	0	0	0.00%	0.00%
OON						
OON	5	0.06%	0	0	0.00%	0.00%
No Exception	1131	12.45%	60	6	5.84%	12.79%
Grand Total	9082	100%	495	21	5.68%	100.00%

Rates of Substantive Reason by Substantive Decision

Reason	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Appellant Dismissal-IRE Agrees with Plan	0	0.00%	0	0.00%	1	100.00%	1
Contract Ambiguity	0	0.00%	0	0.00%	9	100.00%	9
Cost Sharing / Benefit Limits	41	12.73%	3	0.93%	278	86.34%	322
Dosage/Form	0	0.00%	0	0.00%	5	100.00%	5
Exclusion - B vs D	5	1.63%	1	0.33%	300	98.04%	306
Not a Medically Accepted Indication	57	1.87%	0	0.00%	2984	98.13%	3041
Off-Formulary Exception	73	4.08%	1	0.06%	1715	95.86%	1789
OON Rules	0	0.00%	0	0.00%	13	100.00%	13
Prior Authorization Exception	69	50.36%	0	0.00%	68	49.64%	137
Prior Authorization Rules	220	19.56%	3	0.27%	902	80.18%	1125
Quantity Limit Exception	8	21.05%	3	7.89%	27	71.05%	38
Quantity Limit Rules	2	1.98%	6	5.94%	93	92.08%	101
Statutory Exclusion	1	0.13%	0	0.00%	788	99.87%	789
Step-Therapy	13	19.40%	0	0.00%	54	80.60%	67
Step-Therapy Exception	2	33.33%	0	0.00%	4	66.67%	6
Tiering Exception (TE) Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	67	100.00%	67
TE Criteria Met	4	57.14%	0	0.00%	3	42.86%	7
TE Criteria Not Met	0	0.00%	0	0.00%	424	100.00%	424
TE for Non-Formulary Drug	0	0.00%	0	0.00%	22	100.00%	22
TE for Specialty Tier Drug	0	0.00%	1	0.93%	107	99.07%	108
TE for Tier 1 Drug	0	0.00%	0	0.00%	10	100.00%	10
TE No Lower Tier Alternatives	0	0.00%	3	0.44%	682	99.56%	685
Tier 4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	10	100.00%	10
Grand Total	495	5.45%	21	0.23%	8566	94.32%	9082

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Rates of Disposition by Tolling Type

Tolling Type	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Appointment of Representation (AOR) Form	0	0.00%	0	0.00%	32	100.00%	32
Prescribing Physician Statement	16	7.14%	0	0.00%	208	92.86%	224
Grand Total	16	6.25%	0	0.00%	240	93.75%	256