

FACT SHEET

PART D RECONSIDERATION APPEALS DATA - 2019

Part D 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 during the 14th year of the Medicare prescription drug benefit program, January 1, 2019 – December 31, 2019.

Reconsideration Volume

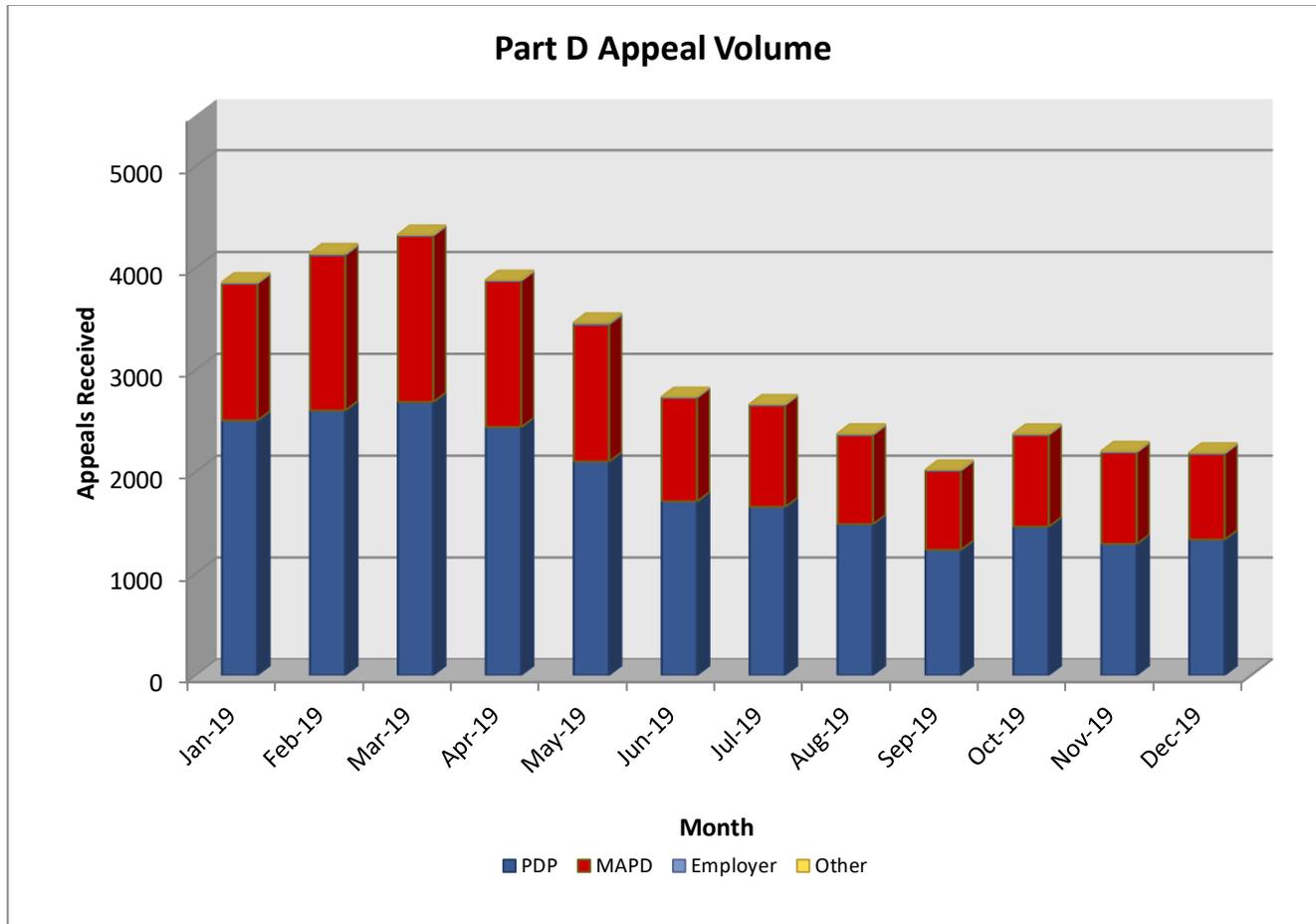
The Part D QIC received 36,227 reconsideration requests during calendar year 2019. This represents a rate of 0.79 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹ It also reflects a 21.1% increase in the aggregate number of appeals received in 2018.

Standard cases represented 58% of all appeals received and resulted in a rate of 0.46 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 42% of all appeals received and resulted in a rate of 0.33 expedited cases for each 1,000 beneficiaries enrolled.

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

Number of Appeals Received by the Part D QIC by Month²:



Part D Appeal Volume by Contract Type

Month	PDP	MAPD	Employer	Other	Total
Jan-19	2,502	1,345	7	5	3,859
Feb-19	2,601	1,525	14	6	4,146
Mar-19	2,684	1,631	8	4	4,327
Apr-19	2,438	1,435	5	5	3,883
May-19	2,100	1,344	16	4	3,464
Jun-19	1,708	1,018	7	1	2,734
Jul-19	1,654	998	7	2	2,661
Aug-19	1,485	875	8	6	2,374
Sep-19	1,232	777	8	1	2,018
Oct-19	1,461	900	7	5	2,373
Nov-19	1,291	898	7	5	2,201
Dec-19	1,333	842	8	4	2,187
Summary	22,489	13,588	102	48	36,227

² Chart cannot show Employer or Other volumes due to limited volumes

Types of Appeals and Rates of Reversal of Plan Denials³

Appeal Type	Cases	Substantive Cases ¹	% of Cases	Reversals	% Reversed	% of all Reversals
Cost Sharing	1,255	1,013	80.7%	130	12.8%	3.7%
Not covered under Part D	24,436	20,036	82.0%	1,840	9.2%	52.6%
Not a Med Accepted Indication	7,406	7,406	100.0%	7	0.0%	0.0%
Statutory Exclusion	2,710	2,710	100.0%	3	0.1%	0.0%
Other	14,320	9,920	69.3%	1,830	18.4%	52.3%
Out of Network	255	225	88.2%	99	44.0%	2.8%
Plan Cost Utilization Tool Disputed	2,562	2,422	94.5%	777	32.1%	22.2%
Request for Tiering Exception	4,834	4,679	96.8%	45	1.0%	1.3%
Request for Drug not on Formulary	2,885	2,738	94.9%	605	22.1%	17.3%
Summary	36,227	31,113	85.9%	3,496	11.2%	100.0%

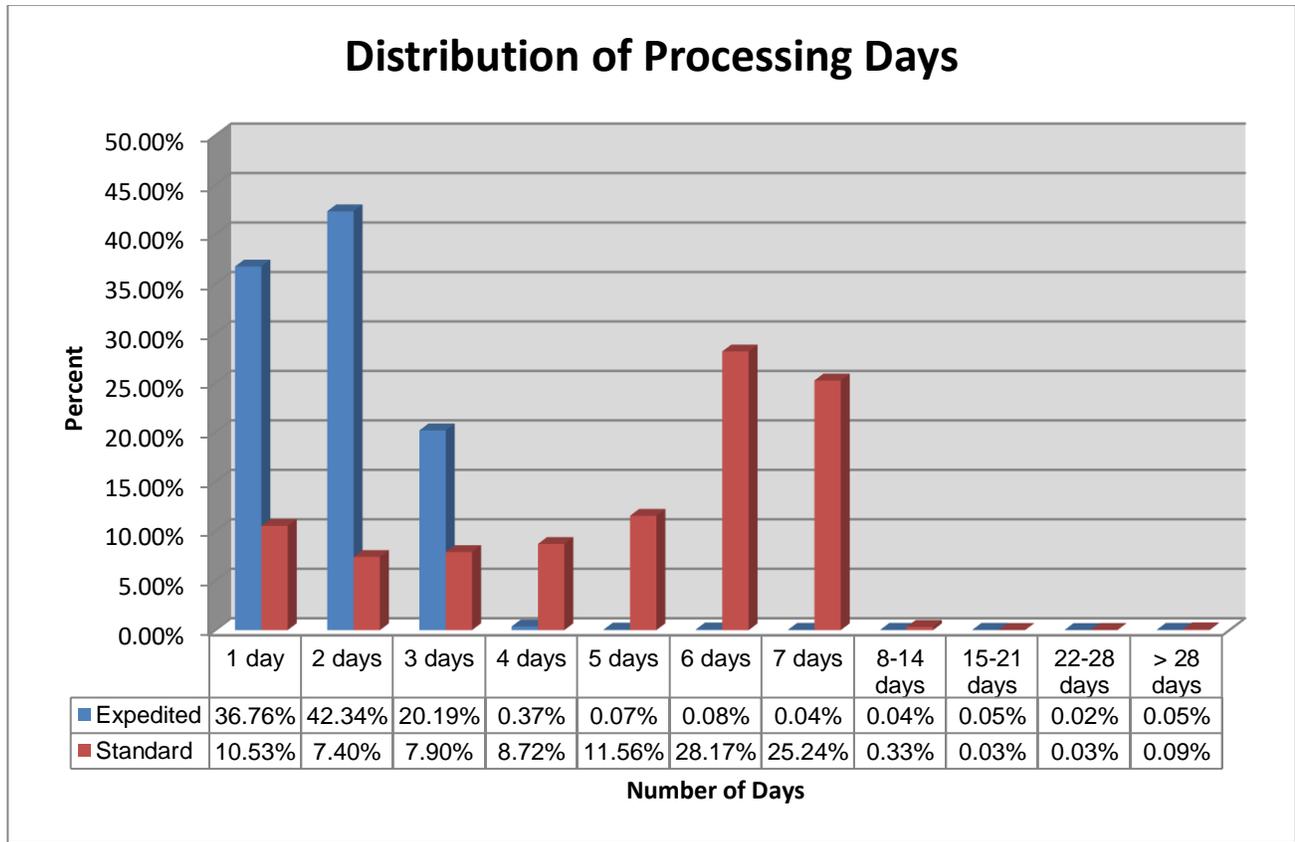
¹ Substantive Cases includes Upheld, Reversed, and Partially Reversed decisions, only. Dismissals, Withdrawals and Remand to Plan are not included in Substantive Cases count

Overall Reversal Rate

Excluding cases that were dismissed, withdrawn, or remanded (the Part D QIC did not have jurisdiction to make a substantive decision on the case) and cases involving non-Part D drugs, the Part D QIC reversed plan decisions in 14.94% of cases. Inclusion of the non-Part D drugs reduces the overall reversal rate to 11.2%.

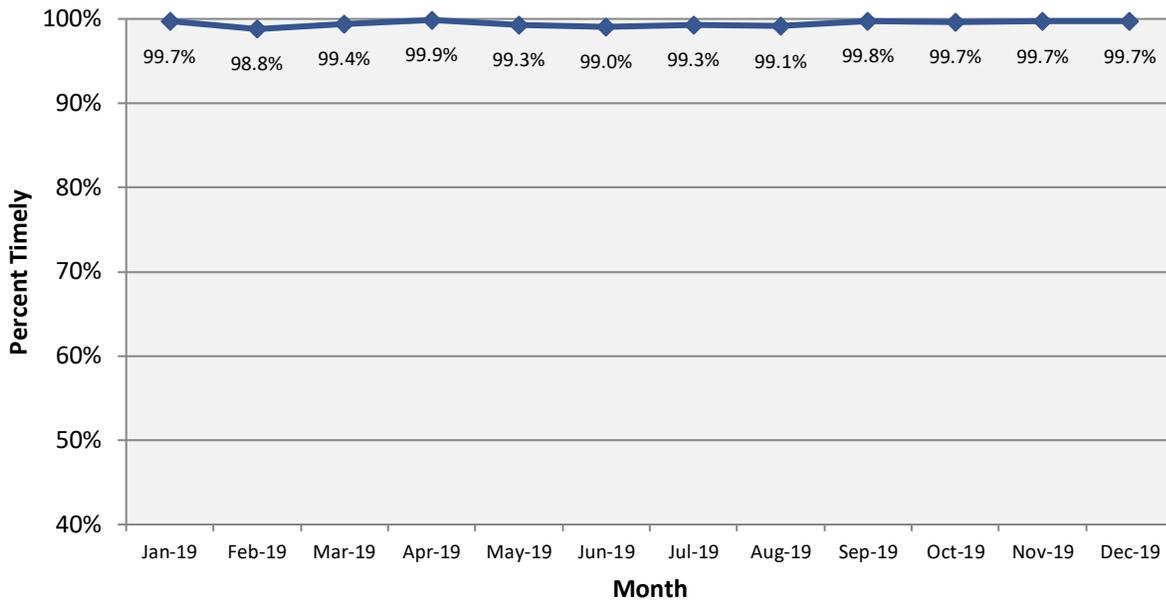
³ Calculation of the reversal rate by appeal type excludes cases that were dismissed, withdrawn or remanded.

Timeliness of Reconsideration Cases, Calendar Year 2019



Note: Tolling is removed from the calculation of processing days.

**Processing of Part D Reconsiderations During 2019
Percent Processed In Time, by Month Appeal Received**



Month Received	Cases	Timely	Pct. Timely
Jan-19	3,859	3,847	99.69%
Feb-19	4,146	4,096	98.79%
Mar-19	4,327	4,302	99.42%
Apr-19	3,883	3,878	99.87%
May-19	3,464	3,441	99.34%
Jun-19	2,734	2,708	99.05%
Jul-19	2,661	2,642	99.29%
Aug-19	2,374	2,353	99.12%
Sep-19	2,018	2,013	99.75%
Oct-19	2,373	2,365	99.66%
Nov-19	2,201	2,194	99.68%
Dec-19	2,187	2,181	99.73%
Summary	36,227	36,020	99.43%

Variable time standards apply to the completion of appeals of different appeal priorities. Expedited appeals are to be completed in 72 hours, unless a tolling is warranted to complete information required of the decision. An extension can be granted for up to 14 additional days. Standard appeals (prospective) are to be completed in 7 days; again, a tolling of up to 14 days may be taken if warranted. Standard appeals (retrospective) are to be completed in 14 days.