

# Fact Sheet

## Part D Drug Reconsideration Appeals Data Q4 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. 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 October 1, 2020 – December 31, 2020 (Quarter 4).

### Reconsideration Volume

The Part D QIC received 5,717 reconsideration requests during Q4 of 2020. This represents a rate of 0.48 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 53.8% of all appeals received and resulted in a rate of 0.26 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 6.9% of all appeals received and resulted in a rate of 0.03 retrospective cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 39.3% of all appeals received and resulted in a rate of 0.19 expedited cases for each 1,000 beneficiaries enrolled.

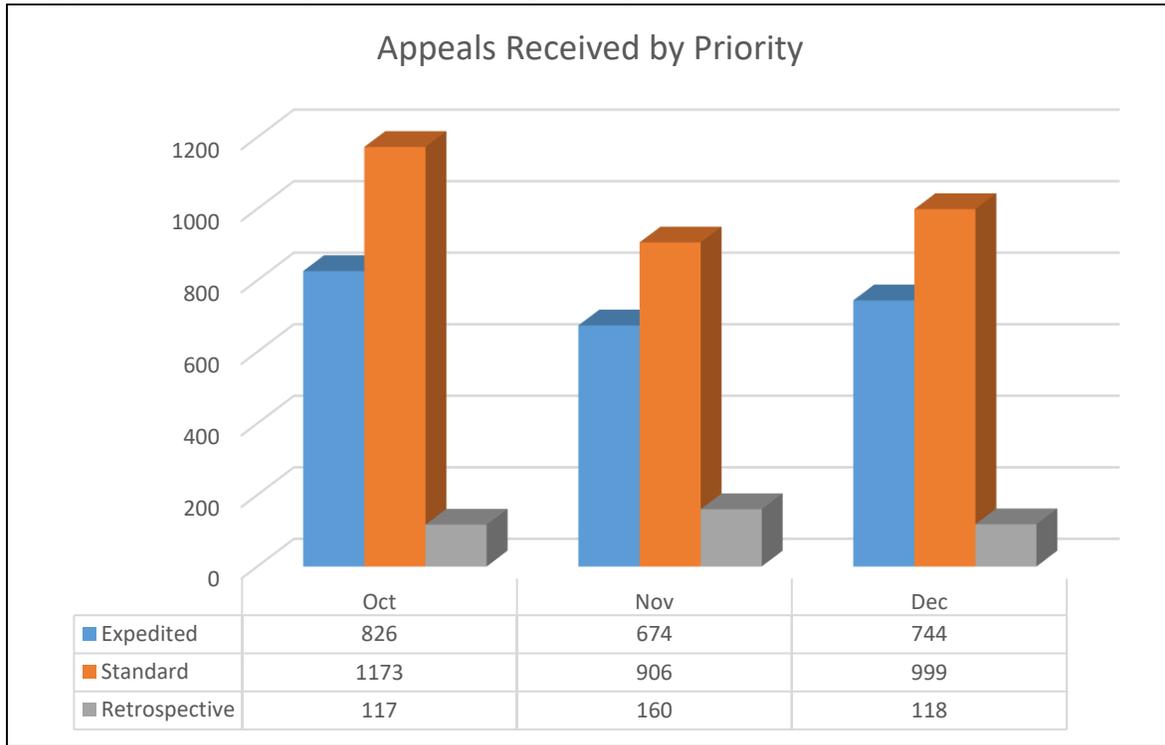
Substantive cases are cases that include upheld, reversed, or partially reversed decision only. Dismissals and withdrawals are not included in substantive cases count.

---

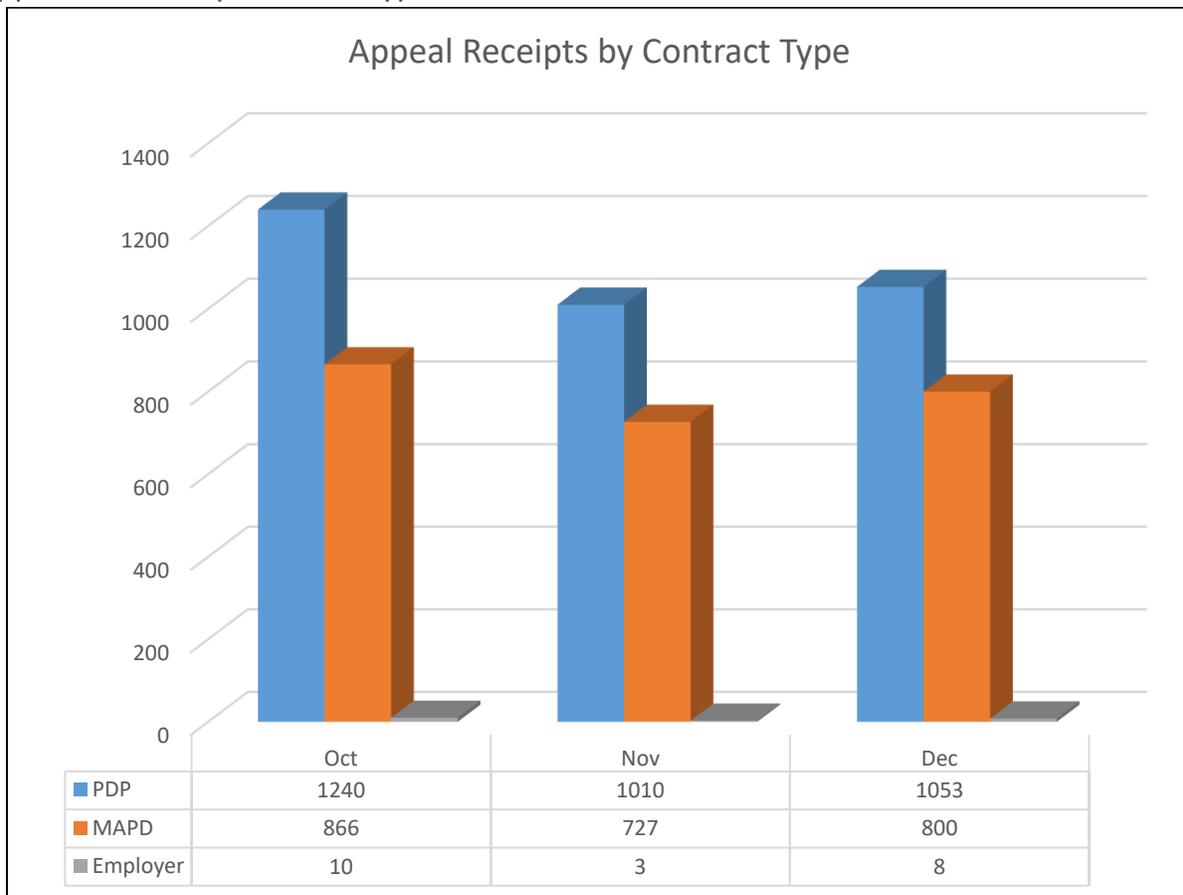
<sup>1</sup> Volume, divided by mid-year enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

# Reconsideration Volume

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



Part D Appeal Volume by Contract Type

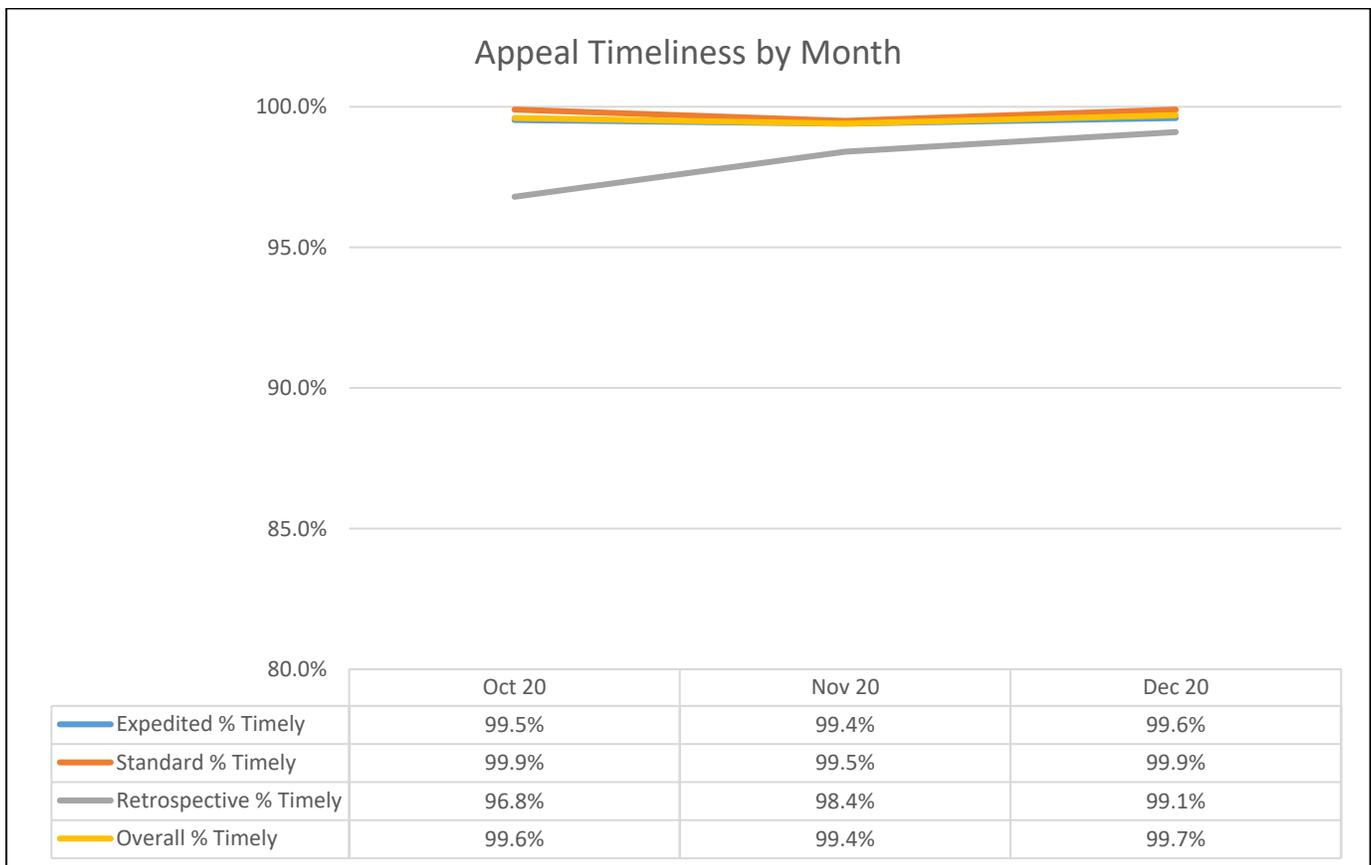


# Timeliness of Part D Reconsiderations

## Overall Timeliness by Month

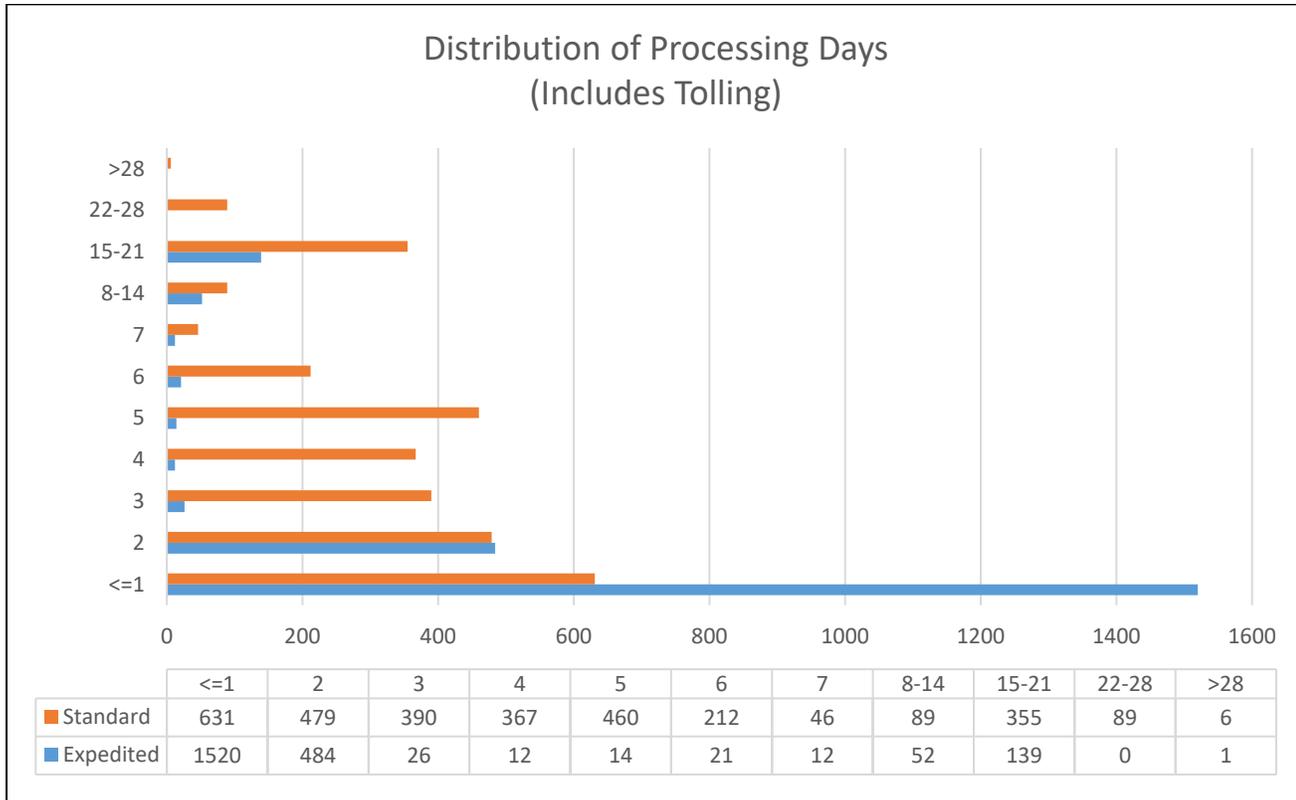
Month	Total Appeals Decided	Total Timely	% Timely
October 2020	2,032	2,024	99.6%
November 2020	1,861	1,849	99.4%
December 2020	1,908	1,903	99.7%

## Reconsideration Timeliness by Priority

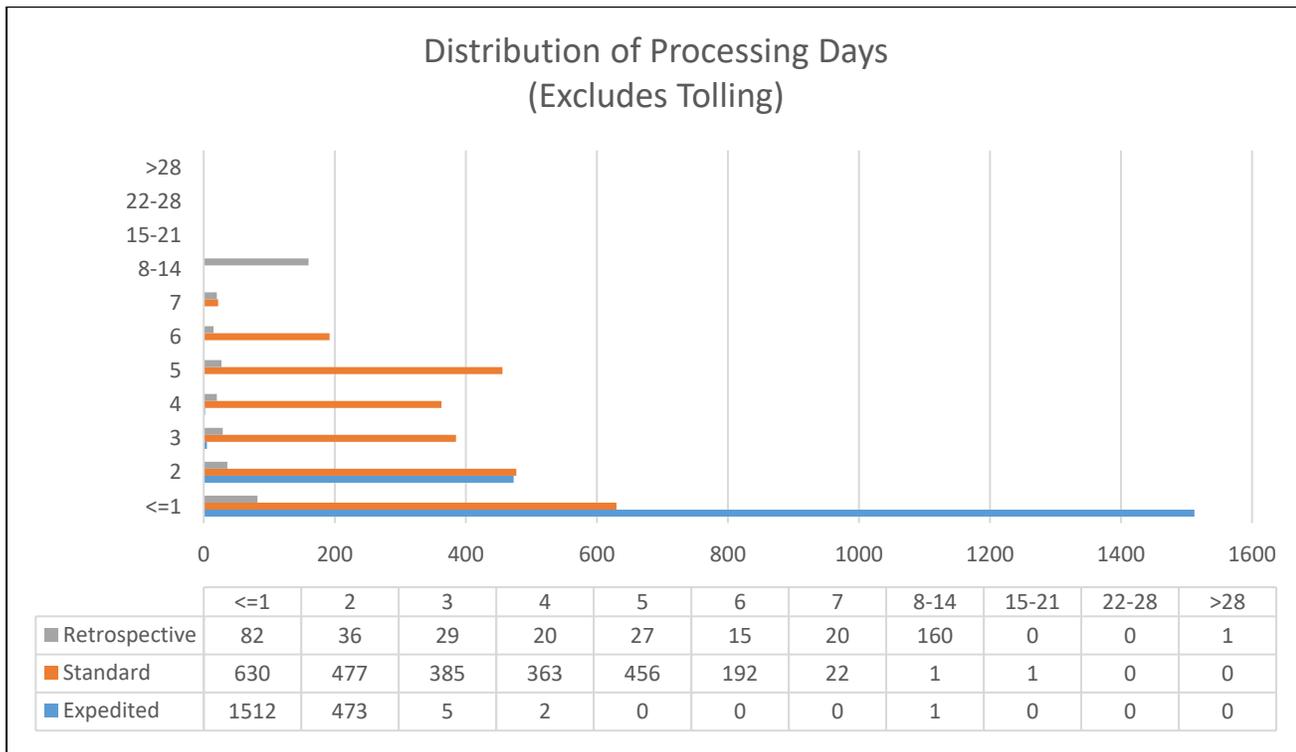


Variable time standards apply to the completion of appeals of different appeal priorities. Expedited appeals are to be completed in 72 hours unless tolling is warranted for an exception request or receipt of a valid Appointment of Representative form. The IRE may toll up to 14 additional days if warranted. 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	182	116	63.7%	34	29.3%	6.8%
Covered under A/B	335	292	87.2%	30	10.3%	6.0%
Drug is Not FDA Approved	117	117	100.0%	1	0.9%	0.2%
Excluded drug/use	240	235	97.9%	1	0.4%	0.2%
No Coverage Determination	142	0	0.0%	0	0.0%	0.0%
No Redetermination	174	1	0.6%	0	0.0%	0.0%
Not a Medically Accepted Indication	1818	1558	85.7%	114	7.3%	22.7%
Off-formulary exception rules not met	756	726	96.0%	74	10.2%	14.7%
Out of Network rules not met	164	129	78.7%	63	48.8%	12.5%
Potential Untimely	108	0	0.0%	0	0.0%	0.0%
Tiering exception rules not met	873	830	95.1%	8	1.0%	1.6%
Utilization Management rules not met	892	657	73.7%	177	26.9%	35.3%
Grand Total	5801	4661	80.3%	502	11%	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	269	9.6%	27	1.0%	2509	89.5%	2805
MAPD	193	10.5%	10	0.5%	1632	88.9%	1835
Employer	3	14.3%	0	0.0%	18	85.7%	21
Grand Total	465	10.0%	37	0.8%	4159	89.2%	4661

### Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	212	10.3%	6	0.3%	1841	89.4%	2059
Standard	183	7.9%	5	0.2%	2130	91.9%	2318
Retrospective	70	24.2%	26	9.0%	188	66.8%	284
Summary	465	10.0%	37	0.8%	4159	89.2%	4661

## 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 Denials</b>						
Catastrophic Coverage not met	1	0.0%	0	0	0.0%	0.0%
Copay/Coinsurance Applied	84	1.8%	18	3	25.0%	4.2%
Deductible Not Met	14	0.3%	3	1	28.6%	0.8%
Drugs purchased prior to coverage criteria being approved	5	0.1%	1	1	40.0%	0.4%
Initial Coverage Limit Reached	1	0.0%	1	0	100.0%	0.2%
<b>Coverage Rule Denials</b>						
Other	1	0.0%	0	0	0.0%	0.0%
Prior Authorization rules not met	537	11.5%	143	1	26.8%	28.7%
Quantity Limit rules not met	66	1.4%	21	0	31.8%	4.2%
Step Therapy rules not met	24	0.5%	2	0	8.3%	0.4%
<b>Exception Denials</b>						
Other	0	0.0%	0	0	0.0%	0.0%
Not on formulary	5	0.1%	0	0	0.0%	0.0%
Prior Authorization exception criteria not met	748	16.0%	73	1	9.9%	14.7%
Quantity Limit exception criteria not met	67	1.4%	29	0	43.3%	5.8%
Step Therapy exception criteria not met	26	0.6%	8	1	34.6%	1.8%
Tiering exception criteria not met	11	0.2%	1	0	9.1%	0.2%
<b>Exclusion Denials</b>						
Anorexia Drug	0	0.0%	0	0	0.0%	0.0%
Cosmetic Purposes or hair growth	6	0.1%	0	0	0.0%	0.0%
Covered under A or B	309	6.6%	36	4	12.9%	8.0%
DESI Drugs	5	0.1%	0	0	0.0%	0.0%
Fertility Drug	3	0.1%	0	0	0.0%	0.0%
Manufacturer tying Arrangement	8	0.2%	0	0	0.0%	0.0%
Not FDA Approved Drug	189	4.1%	1	2	1.6%	0.6%
Not Medically Accepted Indication	1446	31.0%	76	1	5.3%	15.3%
OTC Drug	40	0.9%	0	0	0.0%	0.0%
Other	5	0.1%	1	0	20.0%	0.2%
Relief of Cough and Colds	7	0.2%	0	0	0.0%	0.0%
Sexual and Erectile Dysfunction Drug	43	0.9%	1	0	2.3%	0.2%
Supply not directly associated with injection of insulin	2	0.0%	0	0	0.0%	0.0%
Vitamins and Minerals	37	0.8%	0	0	0.0%	0.0%
Weight loss or Weight Gain drug	22	0.5%	0	0	0.0%	0.0%
<b>Out of Network Denials</b>	124	2.7%	44	21	52.4%	12.9%
<b>Grand Total</b>	<b>4661</b>	<b>100.0%</b>	<b>465</b>	<b>37</b>	<b>10.8%</b>	<b>100.0%</b>

## Rates of Substantive Reason by Substantive Decision

Reason	Substantive Decision						Total
	Favorable (Reversal)		Partially Favorable (Partially Reverse)		Unfavorable (Uphold)		
	Number	%	Number	%	Number	%	
Cost Sharing / Benefit Limits	23	22.1%	5	4.8%	76	73.1%	104
Exclusion - B vs D	1	0.4%	0	0.0%	258	99.6%	259
Not a Med Accepted Indication	1	0.1%	0	0.0%	1484	99.9%	1485
Off-Formulary Exception	81	11.2%	1	0.1%	644	88.7%	726
OON Rules	47	36.7%	21	16.4%	60	46.9%	128
Prior Authorization Exception	96	40.5%	1	0.4%	140	59.1%	237
Prior Authorization Rules	172	42.7%	5	1.2%	226	56.1%	403
Quantity Limit Exception	24	38.7%	0	0.0%	38	61.3%	62
Quantity Limit Rules	11	40.7%	2	7.4%	14	51.9%	27
Statutory Exclusion	0	0.0%	1	0.3%	390	99.7%	391
Step-Therapy	2	10.5%	0	0.0%	17	89.5%	19
Step-Therapy Exception	1	9.1%	0	0.0%	10	90.9%	11
TE Brand Drg, Lwr Tier Gnrc	1	0.4%	0	0.0%	238	99.6%	239
TE Criteria Met	5	100.0%	0	0.0%	0	0.0%	5
TE Criteria Not Met	0	0.0%	1	1.8%	54	98.2%	55
TE for Non-Formulary Drug	0	0.0%	0	0.0%	69	100.0%	69
TE for Specialty Tier Drug	0	0.0%	0	0.0%	69	100.0%	69
TE for Tier 1 Drug	0	0.0%	0	0.0%	3	100.0%	3
TE No Lwr Tier Alts	0	0.0%	0	0.0%	365	100.0%	365
Tier4 Brand Drg, Lwr Tier Gnrc	0	0.0%	0	0.0%	4	100.0%	4
<b>Grand Total</b>	<b>465</b>	<b>10.0%</b>	<b>37</b>	<b>0.8%</b>	<b>4159</b>	<b>89.2%</b>	<b>4661</b>

## 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	4	7.8%	0	0.0%	47	92.2%	51
Request Prescriber Statement	101	13.7%	1	0.1%	633	86.1%	735
<b>Grand Total</b>	<b>105</b>	<b>13.4%</b>	<b>1</b>	<b>0.1%</b>	<b>680</b>	<b>86.5%</b>	<b>786</b>