

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q2 2024

#### 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, 2024, through June 30, 2024 (Quarter 2).

#### Reconsideration Volume

The Part D QIC received 13,764 reconsideration requests during Q2 of 2024. This represents a rate of 0.24 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 53.58% of all appeals received and resulted in a rate of 0.13 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 5.78% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 40.63% of all appeals received and resulted in a rate of 0.10 expedited cases for each 1,000 beneficiaries enrolled.

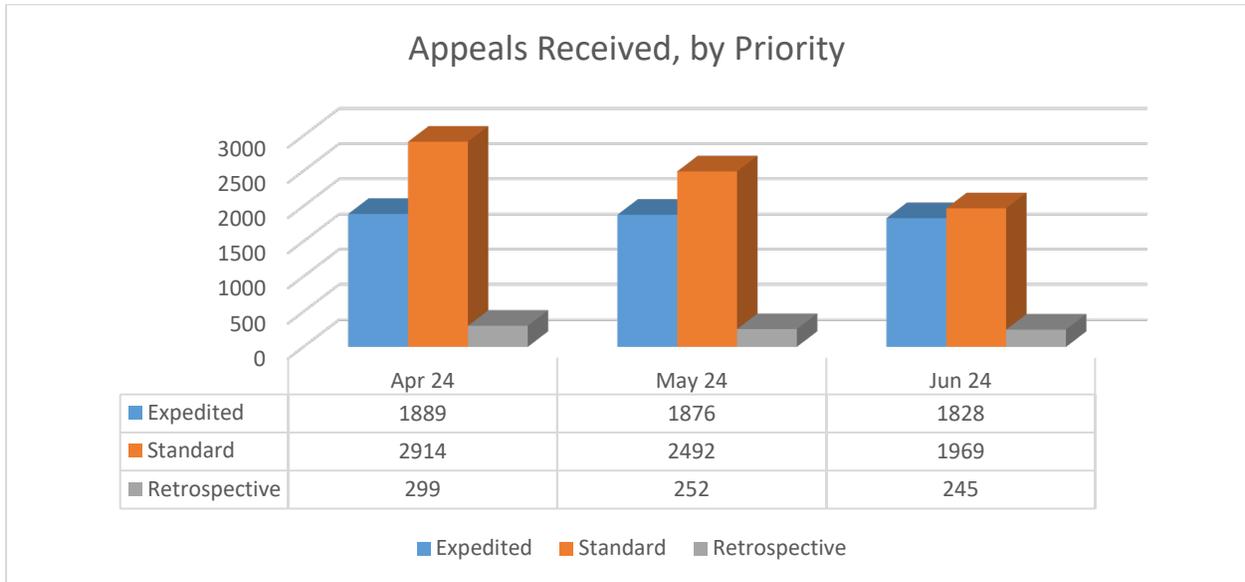
Substantive cases are cases that include upheld, reversed or partially reversed decisions only. Dismissals and withdrawals are not included in the substantive cases count.

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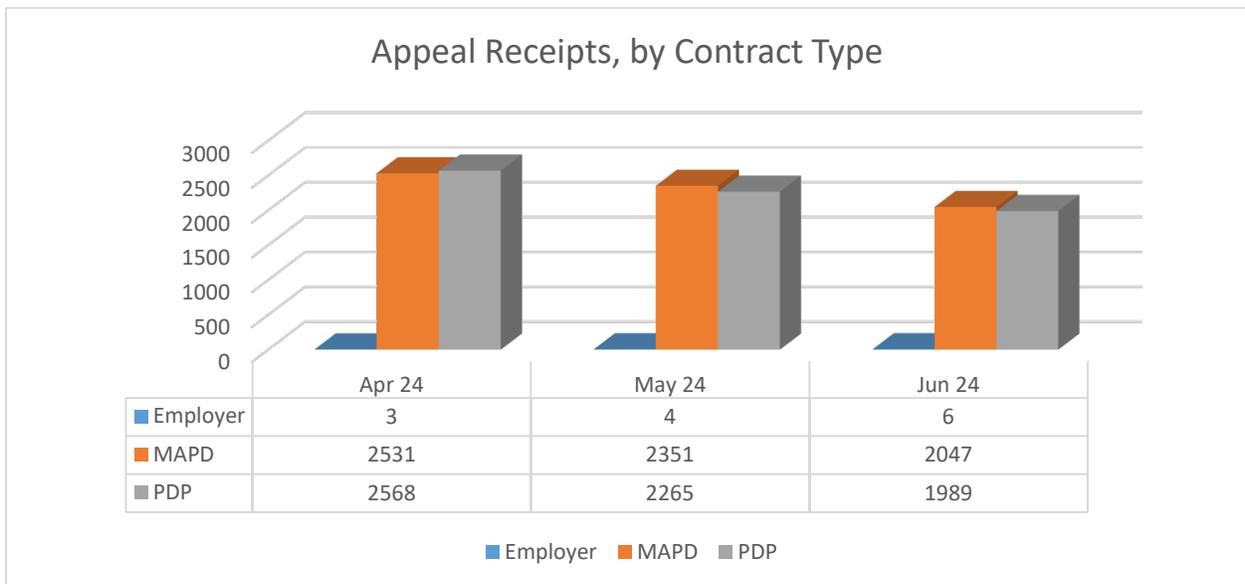
<sup>1</sup> Volume, divided by June enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

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



## Part D Appeal Volume, by Contract Type



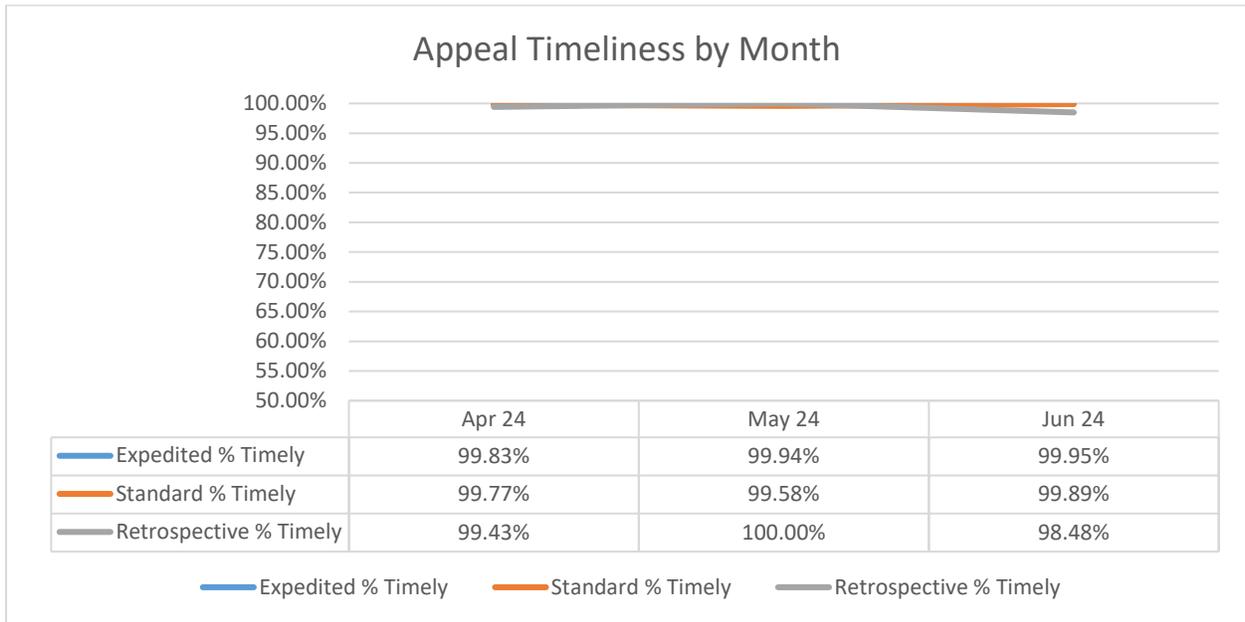
Note: MAPD: Medicare Advantage Prescription Drug Plan (MAPD); PDP: Prescription Drug Plan; Employer: Prescription Drug Plan

## Timeliness of Part D Reconsiderations

### Overall Timeliness, by Month

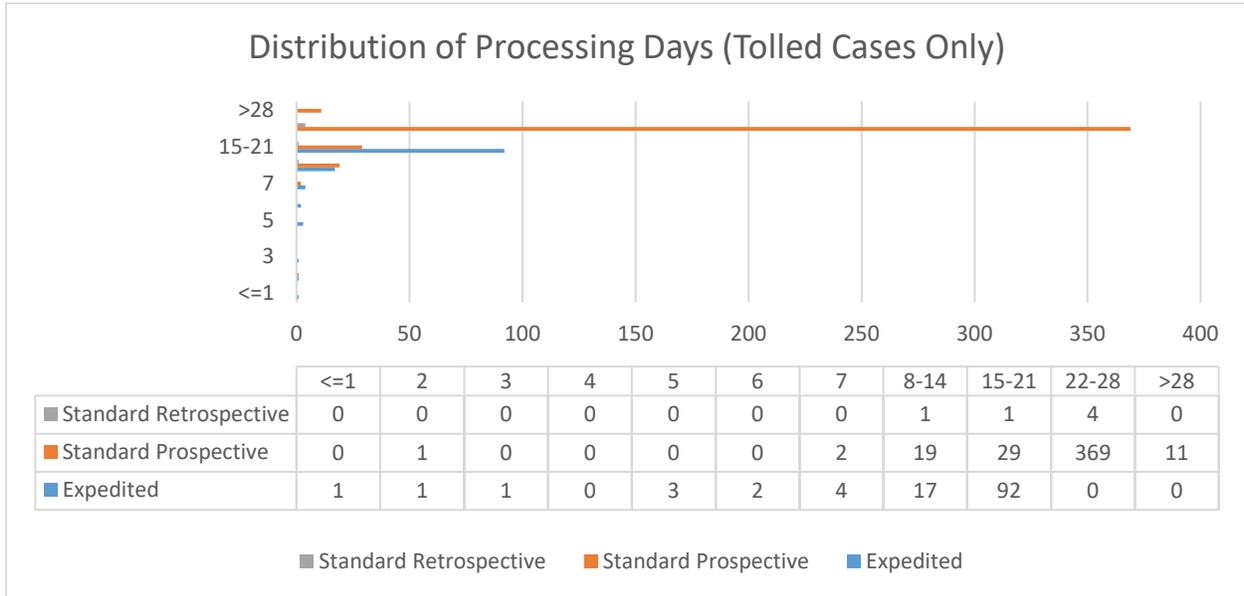
Month	Total Appeals Decided	Total Timely	% Timely
April	5192	5180	99.77%
May	4744	4732	99.75%
June	4033	4027	99.85%

### Reconsideration Timeliness, by Priority

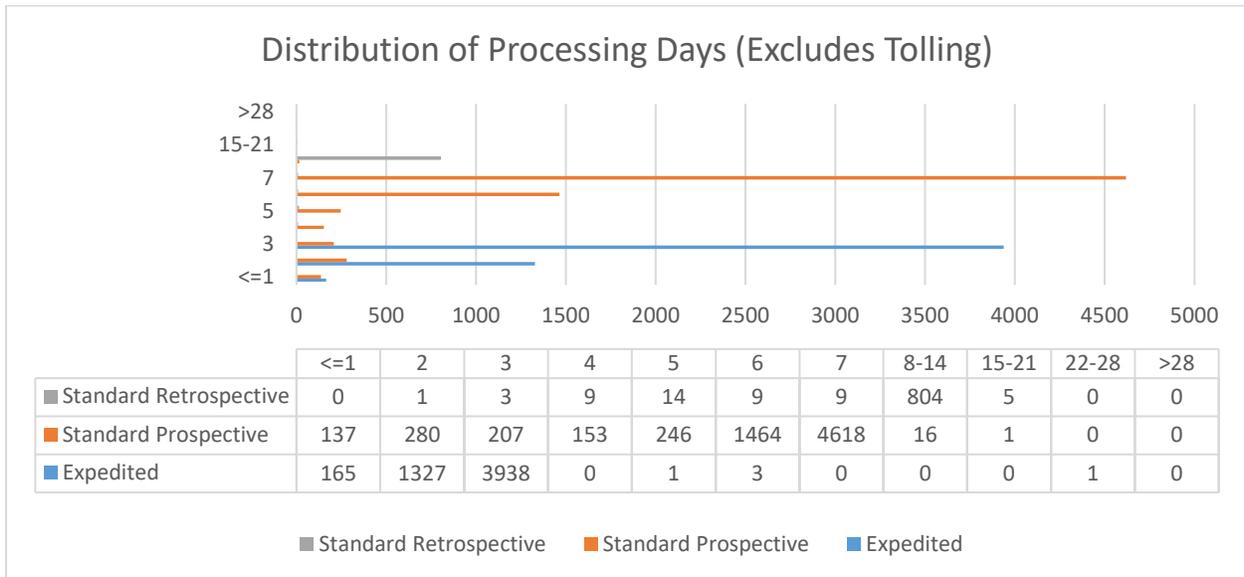


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to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



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	1077	272	25.26%	20	7.35%	3.50%
Not covered under Part D	5643	4533	80.33%	154	3.40%	26.97%
Out of Network (OON): Drug not avail in-network	10	8	80.00%	0	0.00%	0.00%
OON: not timely in-area access	3	2	66.67%	0	0.00%	0.00%
OON: physician office access	1	1	100.00%	0	0.00%	0.00%
Plan cost utilization tool disputed	3348	3231	96.51%	338	10.46%	59.19%
Request for tiering exception	1055	1001	94.88%	8	0.80%	1.40%
Request for drug not on formulary	2832	2730	96.40%	51	1.87%	8.93%
<b>Grand Total</b>	<b>13969</b>	<b>11778</b>	<b>84.32%</b>	<b>571</b>	<b>4.85%</b>	<b>100.00%</b>

\*Includes both partially favorable and fully favorable decisions

Plan Denial	Total Cases	Substantive Cases	% of Cases	Reversals*	% Reversed	% of all Reversals
At-Risk Determination	11	11	100.00%	0	0.00%	0.00%
Cost-Sharing	129	114	88.37%	10	8.77%	1.75%
Covered under A/B	322	319	99.07%	6	1.88%	1.05%
Drug is not FDA approved	131	129	98.47%	1	0.78%	0.18%
Not a Medically Accepted Indication	1942	1897	97.68%	54	2.85%	9.46%
Off-Formulary	2576	2502	97.13%	45	1.80%	7.88%
Other	4334	2464	56.85%	103	4.18%	18.04%
Out of Network	22	21	95.45%	0	0.00%	0.00%
Prescription Not Required	4	4	100.00%	0	0.00%	0.00%
Purchased Outside of the US	29	27	93.10%	0	0.00%	0.00%
Tiering Exception	1038	1002	96.53%	7	0.70%	1.23%
Utilization Management	3431	3288	95.83%	345	10.49%	60.42%
<b>Grand Total</b>	<b>13969</b>	<b>11778</b>	<b>84.32%</b>	<b>571</b>	<b>4.85%</b>	<b>100.00%</b>

\*Includes both partially favorable and fully favorable decisions

PART D DRUG FACT SHEET

Plan Type and Appeal Dispositions

Contract Type	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Employer	0	0.00%	0	0.00%	9	100.00%	9
MAPD	291	5.00%	5	0.09%	5527	94.92%	5823
PDP	265	4.46%	10	0.17%	5671	95.38%	5946
<b>Grand Total</b>	<b>556</b>	<b>4.72%</b>	<b>15</b>	<b>0.13%</b>	<b>11207</b>	<b>95.15%</b>	<b>11778</b>

Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	287	5.65%	8	0.16%	4784	94.19%	5079
Standard	269	4.02%	7	0.10%	6423	95.88%	6699
Prospective	207	3.45%	4	0.07%	5789	96.48%	6000
Retrospective	62	8.87%	3	0.43%	634	90.70%	699
<b>Grand Total</b>	<b>556</b>	<b>4.72%</b>	<b>15</b>	<b>0.13%</b>	<b>11207</b>	<b>95.15%</b>	<b>11778</b>

PART D DRUG FACT SHEET

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	115	0.98%	7	0	6.09%	1.23%
Deductible Not Met	12	0.10%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	139	1.18%	20	1	15.11%	3.68%
Initial Coverage Limit Reached	2	0.02%	0	0	0.00%	0.00%
<b>Coverage Rules</b>						
No Exception	1	0.01%	0	0	0.00%	0.00%
Other-Coverage Rules	9	0.08%	4	0	44.44%	0.70%
Prior Authorization rules not met	2325	19.74%	306	4	13.33%	54.29%
Quantity Limit rules not met	179	1.52%	3	0	1.68%	0.53%
Step Therapy rules not met	202	1.72%	18	0	8.91%	3.15%
<b>Exception</b>						
Dosage/Form not covered	1	0.01%	0	0	0.00%	0.00%
Not on formulary	2525	21.44%	48	2	1.98%	8.76%
PA Exception criteria not met	54	0.46%	8	0	14.81%	1.40%
Quantity Limit exception criteria not met	25	0.21%	0	0	0.00%	0.00%
Step Therapy exception criteria not met	3	0.03%	0	0	0.00%	0.00%
Tiering exception criteria not met	951	8.07%	3	2	0.53%	0.88%
<b>Exclusion</b>						
Anorexia drug	1	0.01%	0	0	0.00%	0.00%
Cosmetic Purposes or hair grow	14	0.12%	0	0	0.00%	0.00%
Covered under A or B	378	3.21%	7	0	1.85%	1.23%
DESI Drugs	14	0.12%	0	0	0.00%	0.00%
Fertility Drug	1	0.01%	0	0	0.00%	0.00%
Manufacturer Tying Arrangement	23	0.20%	0	0	0.00%	0.00%
Not FDA Approved Drug	225	1.91%	1	0	0.44%	0.18%
Not Medically Accepted Indication	2700	22.92%	71	2	2.70%	12.78%
OTC Drug	81	0.69%	0	0	0.00%	0.00%
Other-Exclusion	41	0.35%	1	0	2.44%	0.18%
Relief of Cough and Colds	19	0.16%	0	0	0.00%	0.00%
Sexual and Erectile Dysfunction	63	0.53%	0	0	0.00%	0.00%
Smoking Cessation Drugs - OTC	1	0.01%	0	0	0.00%	0.00%
Vitamins and Minerals	50	0.42%	0	0	0.00%	0.00%
Weight loss or Weight Gain drug	887	7.53%	6	0	0.68%	1.05%
<b>OON</b>						
OON	18	0.15%	0	0	0.00%	0.00%
<b>No Exception</b>	719	6.10%	53	4	7.93%	9.98%
<b>Grand Total</b>	<b>11778</b>	<b>100%</b>	<b>556</b>	<b>15</b>	<b>4.85%</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	%	
Appellant Dismissal-IRE Agrees with Plan		0.00%		0.00%	4	100.00%	4
Contract Ambiguity		0.00%		0.00%	7	100.00%	7
Cost Sharing / Benefit Limits	57	17.38%	3	0.91%	268	81.71%	328
Dosage/Form		0.00%		0.00%	1	100.00%	1
Exclusion - B vs D	4	1.18%		0.00%	335	98.82%	339
Not a Medically Accepted Indication	41	0.94%	2	0.05%	4334	99.02%	4377
Off-Formulary Exception	57	2.75%	1	0.05%	2018	97.21%	2076
OON Rules		0.00%		0.00%	18	100.00%	18
Prior Authorization Exception	35	26.52%	1	0.76%	96	72.73%	132
Prior Authorization Rules	346	20.91%	1	0.06%	1308	79.03%	1655
Quantity Limit Exception	1	1.96%		0.00%	50	98.04%	51
Quantity Limit Rules	3	1.74%	2	1.16%	167	97.09%	172
Statutory Exclusion	1	0.07%		0.00%	1536	99.93%	1537
Step-Therapy	8	10.13%		0.00%	71	89.87%	79
Step-Therapy Exception		0.00%		0.00%	2	100.00%	2
Tiering Exception (TE) Brand Drug, Lower Tier Generic	1	1.49%		0.00%	66	98.51%	67
TE Criteria Met	2	22.22%		0.00%	7	77.78%	9
TE Criteria Not Met		0.00%	2	0.53%	373	99.47%	375
TE for Non-Formulary Drug		0.00%		0.00%	30	100.00%	30
TE for Specialty Tier Drug		0.00%	2	2.50%	78	97.50%	80
TE for Tier 1 Drug		0.00%		0.00%	8	100.00%	8
TE No Lower Tier Alternatives		0.00%	1	0.23%	426	99.77%	427
Tier 4 Brand Drug, Lower Tier Generic		0.00%		0.00%	4	100.00%	4
<b>Grand Total</b>	<b>556</b>	<b>4.72%</b>	<b>15</b>	<b>0.13%</b>	<b>11207</b>	<b>95.15%</b>	<b>11778</b>

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%	23	100.00%	23
Prescribing Physician Statement	16	6.23%	1	0.39%	240	93.39%	257
<b>Grand Total</b>	<b>16</b>	<b>5.71%</b>	<b>1</b>	<b>0.36%</b>	<b>263</b>	<b>93.93%</b>	<b>280</b>