

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q4 2022

#### 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 or "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 Oct. 1, 2022, through Dec. 31, 2022 (Quarter 4).

#### Reconsideration Volume

The Part D QIC received 7,422 reconsideration requests during Q4 of 2022. This represents a rate of 0.14 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 45.07% of all appeals received and resulted in a rate of 0.06 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 5.51% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 49.42% of all appeals received and resulted in a rate of 0.07 expedited cases for each 1,000 beneficiaries enrolled.

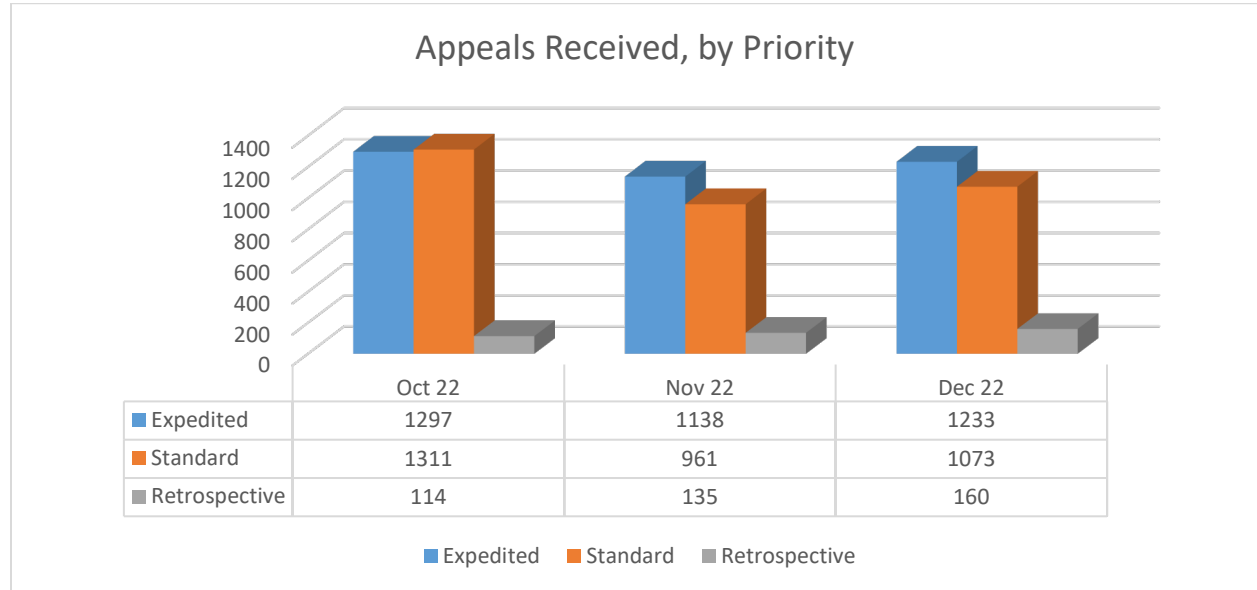
Substantive cases are cases that include an upheld, reversed or partially reversed decision only. Dismissals and withdrawals are not included in substantive cases count.

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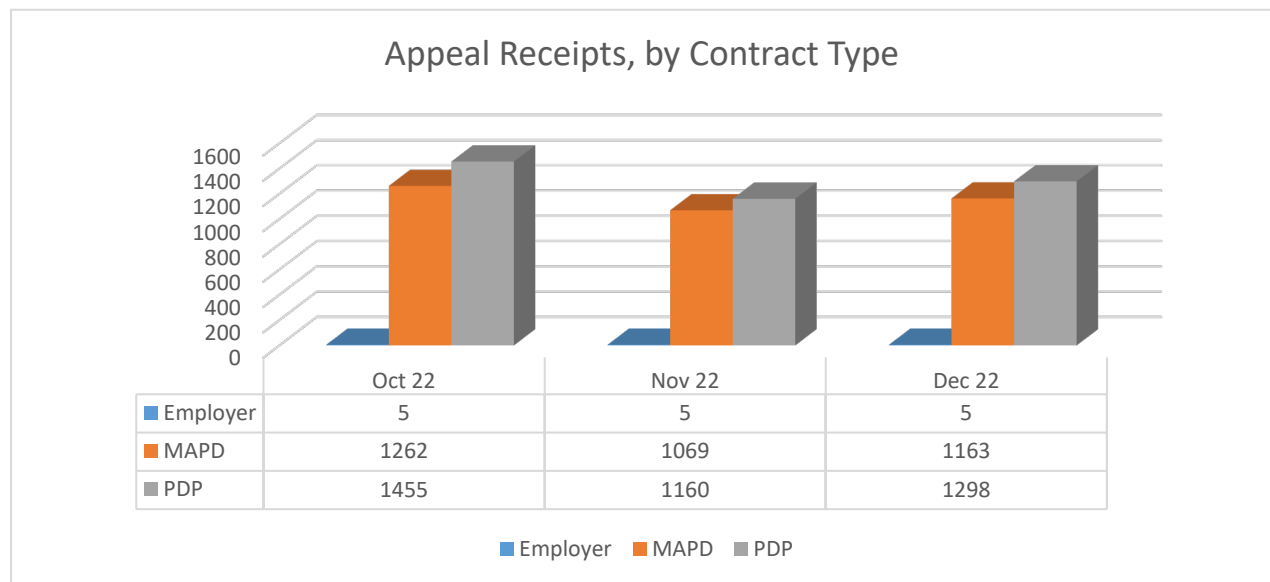
<sup>1</sup> Volume, divided by December enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

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



Part D Appeal Volume, by Contract Type



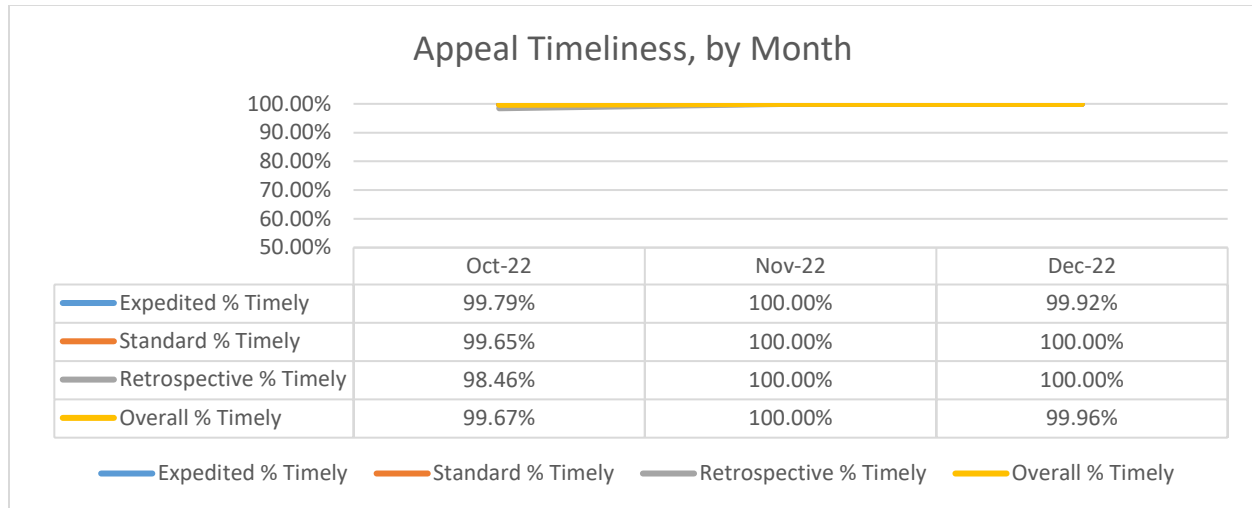
*Note: MAPD: Medicare Advantage Prescription Drug Plan; PDP: Prescription Drug Plan; Employer: Prescription Drug Plan*

## Timeliness of Part D Reconsiderations

## Overall Timeliness, by Month

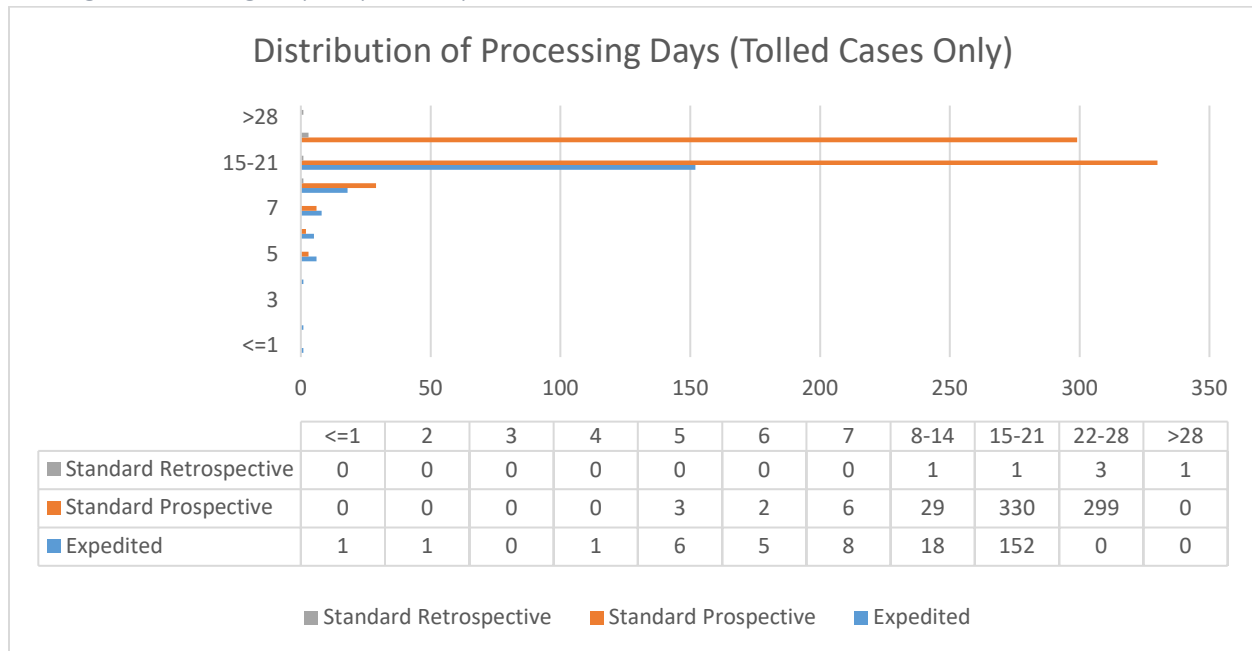
Month	Total Appeals Decided	Total Timely	% Timely
October	2709	2700	99.67%
November	2532	2532	100.00%
December	2389	2388	99.96%

## Reconsideration Timeliness, by Priority

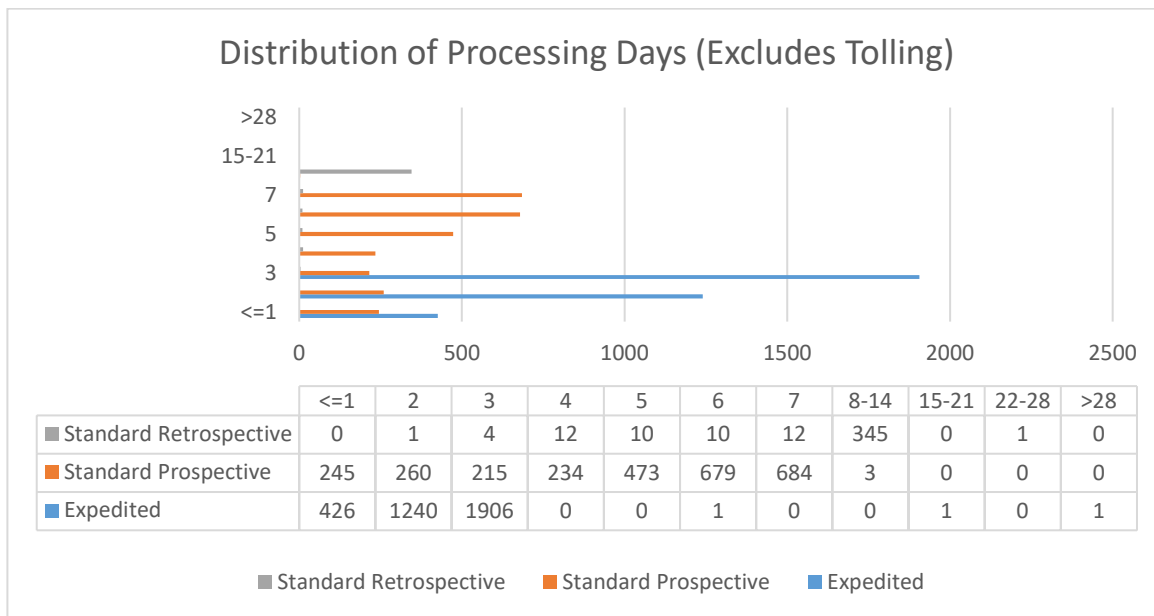


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours, unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to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

## 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	480	154	32.08%	14	9.09%	3.80%
Not covered under Part D	2820	2113	74.93%	92	4.35%	25.00%
Out of network (OON): Drug not available in-network	10	10	100.00%	0	0.00%	0.00%
OON: Long-term care facility	1	1	100.00%	0	0.00%	0.00%
OON: No access to out-of-area travel	4	4	100.00%	0	0.00%	0.00%
OON: Not timely in-area access	3	3	100.00%	1	33.33%	0.27%
Plan cost utilization tool disputed	1795	1721	95.88%	218	12.67%	59.24%
Request for tiering exception	853	828	97.07%	4	0.48%	1.09%
Request for drug not on formulary	1664	1583	95.13%	39	2.46%	10.60%
<b>Grand Total</b>	<b>7630</b>	<b>6417</b>	<b>84.10%</b>	<b>368</b>	<b>5.73%</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	6	6	100.00%	0	0.00%	0.00%
Cost-sharing	59	52	88.14%	1	1.92%	0.27%
Covered under A or B	203	202	99.51%	8	3.96%	2.17%
Drug is not FDA-approved	67	66	98.51%	2	3.03%	0.54%
Not a medically accepted indication	1259	1252	99.44%	46	3.67%	12.50%
Off-formulary	1439	1406	97.71%	40	2.84%	10.87%
Other	2024	965	47.68%	48	4.97%	13.04%
OON	29	27	93.10%	0	0.00%	0.00%
Prescription not required	6	6	100.00%	0	0.00%	0.00%
Purchased outside of the U.S.	2	2	100.00%	0	0.00%	0.00%
Tiering exception	827	807	97.58%	3	0.37%	0.82%
Utilization management	1709	1626	95.14%	220	13.53%	59.78%
<b>Grand Total</b>	<b>7630</b>	<b>6417</b>	<b>84.10%</b>	<b>368</b>	<b>5.73%</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	1	6.25%	0	0.00%	15	93.75%	16
MAPD	159	5.39%	10	0.34%	2779	94.27%	2948
PDP	191	5.53%	7	0.20%	3255	94.27%	3453
Grand Total	351	5.47%	17	0.26%	6049	94.27%	6417

## Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	219	6.01%	12	0.33%	3415	93.66%	3646
Standard	132	4.76%	5	0.18%	2634	95.06%	2771
Prospective	107	4.38%	4	0.16%	2331	95.45%	2442
Retrospective	25	7.60%	1	0.30%	303	92.10%	329
Grand Total	351	5.47%	17	0.26%	6049	94.27%	6417

## 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>						
Catastrophic coverage not met	1	0.02%	0	0	0.00%	0.00%
Copay/coinsurance applied	37	0.58%	1	0	2.70%	0.27%
Deductible not met	5	0.08%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	26	0.41%	5	0	19.23%	1.36%
<b>Coverage Rules</b>						
Other: Coverage rules	4	0.06%	0	0	0.00%	0.00%
Prior authorization (PA) rules not met	1057	16.47%	179	3	17.22%	49.46%
Quantity limit rules not met	74	1.15%	6	2	10.81%	2.17%
Step therapy rules not met	42	0.65%	3	0	7.14%	0.82%
<b>Exception</b>						
Dosage/form not covered	7	0.11%	1	0	14.29%	0.27%
Not on formulary	1220	19.01%	30	2	2.62%	8.70%
Other: Exception	5	0.08%	0	0	0.00%	0.00%
PA exception criteria not met	57	0.89%	7	0	12.28%	1.90%
Quantity limit exception criteria	9	0.14%	1	2	33.33%	0.82%
Step therapy exception criteria	3	0.05%	1	0	33.33%	0.27%

## PART D DRUG FACT SHEET

Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
Tiering exception criteria not met	712	11.10%	2	2	0.56%	1.09%
<b>Exclusion</b>						
Anorexia drug	3	0.05%	0	0	0.00%	0.00%
Cosmetic purposes or hair grow	23	0.36%	1	0	4.35%	0.27%
Covered under A or B	267	4.16%	12	1	4.87%	3.53%
Drug efficacy study implementation drugs	11	0.17%	0	0	0.00%	0.00%
Manufacturer tying arrangement	35	0.55%	1	0	2.86%	0.27%
Drug is not FDA-approved	99	1.54%	2	0	2.02%	0.54%
Not medically accepted indication	1605	25.01%	58	1	3.68%	16.03%
Over-the-counter drug	38	0.59%	0	0	0.00%	0.00%
Other: Exclusion	32	0.50%	0	1	3.13%	0.27%
Relief of cough and colds	12	0.19%	0	0	0.00%	0.00%
Sexual and erectile dysfunction	45	0.70%	0	0	0.00%	0.00%
Supply not directly associated	3	0.05%	1	0	33.33%	0.27%
Vitamins and minerals	29	0.45%	0	0	0.00%	0.00%
Weight-loss or weight-gain drug	67	1.04%	0	0	0.00%	0.00%
<b>OON</b>						
OON	9	0.14%	0	0	0.00%	0.00%
<b>No Exception</b>	880	13.71%	40	3	4.89%	11.68%
<b>Grand Total</b>	<b>6417</b>	<b>100%</b>	<b>351</b>	<b>17</b>	<b>5.73%</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	0.00%	0	0.00%	7	100.00%	7
Brand/generic differential	2	100.00%	0	0.00%	0	0.00%	2
Contract ambiguity	0	0.00%	0	0.00%	12	100.00%	12
Cost-sharing / benefit limits	22	13.25%	0	0.00%	144	86.75%	166
Dosage/form	0	0.00%	0	0.00%	5	100.00%	5
Exclusion: B vs D	4	1.41%	1	0.35%	279	98.24%	284
Not a medically accepted indication	40	1.86%	1	0.05%	2104	98.09%	2145
Off-formulary exception	39	2.97%	2	0.15%	1271	96.88%	1312
OON rules	0	0.00%	0	0.00%	16	100.00%	16
PA exception	67	60.36%	0	0.00%	44	39.64%	111
PA rules	158	18.37%	2	0.23%	700	81.40%	860
Quantity limit exception	6	26.09%	2	8.70%	15	65.22%	23
Quantity limit rules	5	4.85%	5	4.85%	93	90.29%	103
Statutory exclusion	1	0.20%	0	0.00%	506	99.80%	507
Step-therapy	4	8.89%	0	0.00%	41	91.11%	45
Step-therapy exception	1	50.00%	0	0.00%	1	50.00%	2
Tiering exception (TE) brand drug, lower tier generic	0	0.00%	0	0.00%	182	100.00%	182
TE criteria met	2	50.00%	0	0.00%	2	50.00%	4
TE criteria not met	0	0.00%	0	0.00%	116	100.00%	116
TE for non-formulary drug	0	0.00%	2	3.92%	49	96.08%	51
TE for specialty tier drug	0	0.00%	1	1.56%	63	98.44%	64
TE for tier 1 drug	0	0.00%	0	0.00%	2	100.00%	2
TE no lower tier alternatives	0	0.00%	1	0.25%	396	99.75%	397
Tier 4 brand drug, lower tier generic	0	0.00%	0	0.00%	1	100.00%	1
Grand Total	351	5.47%	17	0.26%	6049	94.27%	6417

## Rates of Disposition, by Tolling Type

Tolling Type	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Appointment of representation form	1	3.33%	0	0.00%	29	96.67%	30
Prescribing physician statement	24	9.34%	2	0.78%	231	89.88%	257
Grand Total	25	8.71%	2	0.70%	260	90.59%	287