Fact Sheet
Part C Appeals Data - 2016

Part C Appeals Process

An appeal is the process by which an individual enrolled in a Medicare Health Plan (enrollee) may challenge a plan's denial of a service or payment for a service. Appeals begin with a request by an enrollee (or his or her representative) for reconsideration of a denial by the plan. If on reconsideration, the plan continues to uphold its original denial, in whole or in part, the plan must forward the reconsideration to the Part C Independent Review Entity (also called the Part C Qualified Independent Contractor or "Part C QIC"). An enrollee who is dissatisfied with the Independent Review Entity's decision may appeal to an Administrative Law Judge, if his/her 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 Part C reconsiderations from January 1, 2016 – December 31, 2016.

Reconsideration Volume

The Part C QIC received 57,246 reconsideration requests during calendar year 2016. This represents a rate of 3.11 reconsiderations for each 1,000 Medicare beneficiaries enrolled[1]. It also reflects a 23.4% increase in the aggregate number of appeals received in 2015. The dollar value of the 2016 appeals is estimated at $170.5M.

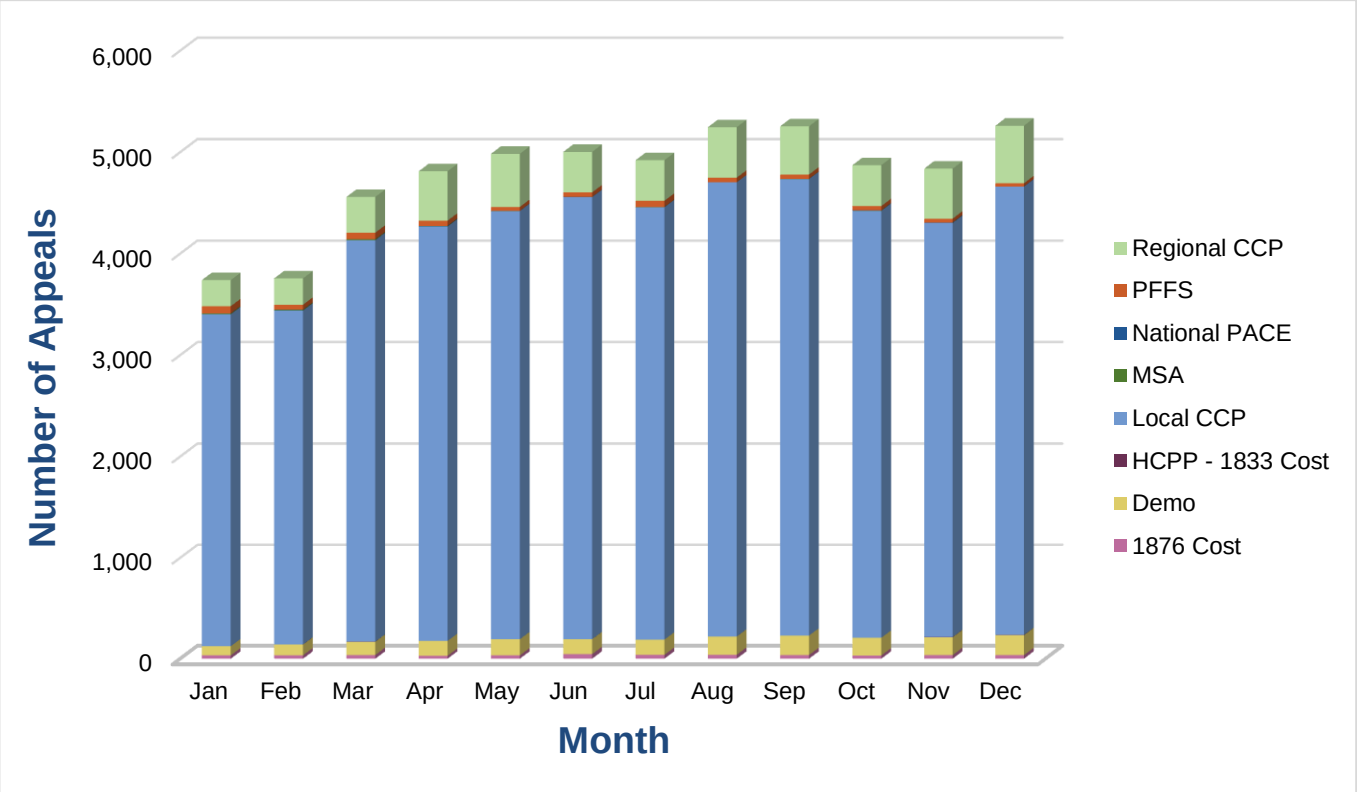
Standard pre-service cases represented 22.9% of all appeals received and resulted in a rate of 0.71 reconsiderations for each 1,000 beneficiaries enrolled.

Standard retrospective cases represented 60.4% of all appeals received and resulted in a rate of 1.88 reconsiderations for each 1,000 beneficiaries enrolled.

Expedited cases represented 16.7% of all appeals received and resulted in a rate of 0.52 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 C QIC by Month and Contract Type



Month	1876 Cost	Demo	HCPP - 1833 Cost	Local CCP	MSA	National PACE	PFFS	Regional CCP	Grand Total
Jan	33	90	0	3,280	7	1	71	257	**3,739**
Feb	34	106	1	3,299	7	1	49	259	**3,756**
Mar	37	131	1	3,965	8	0	65	352	**4,559**
Apr	29	147	0	4,091	4	3	51	487	**4,812**
May	33	160	0	4,227	1	1	39	523	**4,984**
Jun	45	148	1	4,363	1	1	45	399	**5,003**
Jul	38	151	0	4,268	2	1	61	400	**4,921**
Aug	39	180	1	4,483	1	0	45	497	**5,246**
Sep	36	193	0	4,506	1	1	43	475	**5,255**
Oct	32	175	0	4,215	2	2	43	403	**4,872**
Nov	36	177	2	4,088	1	3	38	493	**4,838**
Dec	35	198	2	4,425	0	2	32	567	**5,261**
Grand Total	**427**	**1,856**	**8**	**49,210**	**35**	**16**	**582**	**5,112**	**57,246**

Number of Appeals by Service Type and Rates of Overturn for 2016 Part C Plan Denials

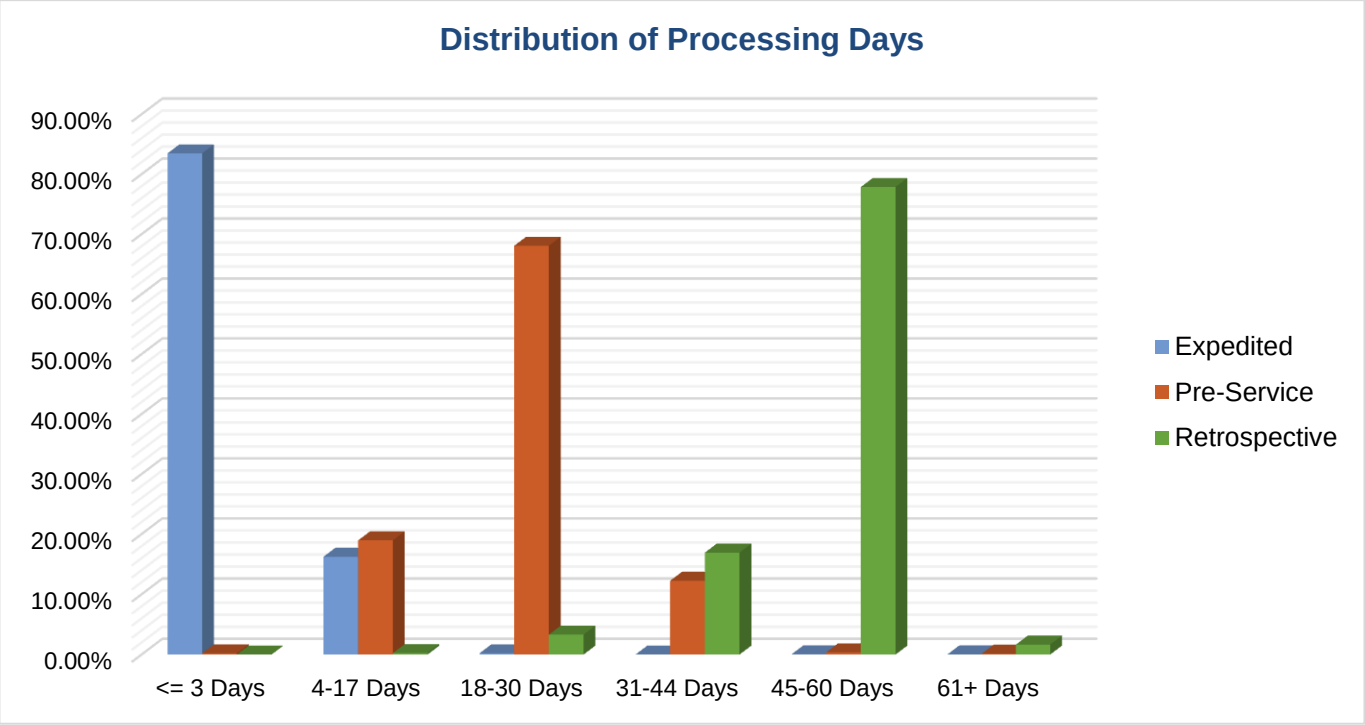
Service Type	Cases	Substantive Cases[1]	% of Cases	Overturns	% Overturned	% of All Overturns
Chiropractic	588	546	92.9%	18	3.3%	0.4%
DME	4,361	3,919	89.9%	139	3.5%	3.4%
Dental	3,540	3,212	90.7%	168	5.2%	4.1%
Diagnostic Imaging	5,093	4,075	80.0%	676	16.6%	16.7%
Drugs	3,373	2,949	87.4%	260	8.8%	6.4%
Emergency	728	580	79.7%	51	8.8%	1.3%
Home Health	765	501	65.5%	111	22.2%	2.7%
Hospital Inpatient	4,612	3,142	68.1%	458	14.6%	11.3%
Laboratory	3,300	2,371	71.8%	273	11.5%	6.7%
Medical Supplies	1,569	1,398	89.1%	35	2.5%	0.9%
Non-MD Practitioner	2,340	1,972	84.3%	155	7.9%	3.8%
Other	534	495	92.7%	15	3.0%	0.4%
Out of Area	1,496	1,331	89.0%	113	8.5%	2.8%
Physician Services	15,184	10,908	71.8%	845	7.7%	20.8%
Prosthetics/Orthotics	1,487	1,218	81.9%	36	3.0%	0.9%
Skilled Nursing Facility	4,497	4,033	89.7%	587	14.6%	14.5%
Transportation	3,034	2,500	82.4%	70	2.8%	1.7%
Vision Care	745	636	85.4%	43	6.8%	1.1%
Totals:	**57,246**	**45,786**	**80.0%**	**4,053**	**8.9%**	**100.0%**

[1] Substantive Cases include only Upheld, Overturned, and Partially Overturned decisions. Dismissals and Withdrawals are not included in Substantive Cases count.

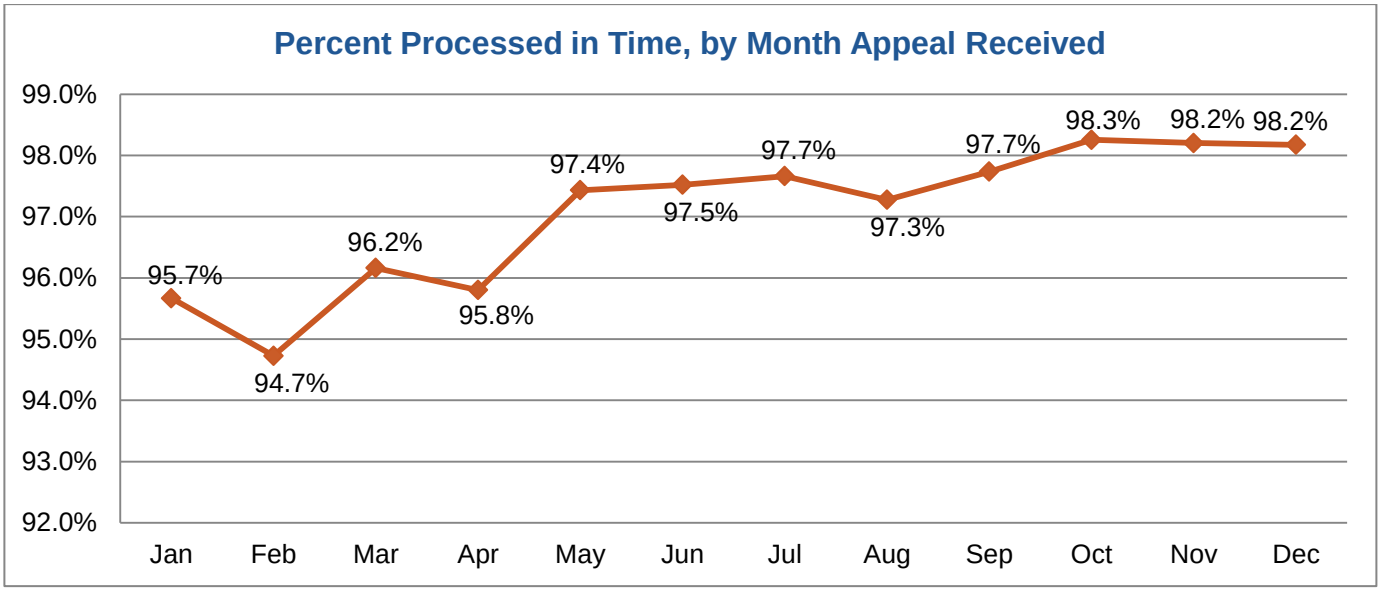
Overall Reversal Rate

Excluding cases that were dismissed or withdrawn (i.e., the Part C QIC did not have jurisdiction to make a substantive decision on the case), the Part C QIC overturned plan decisions, in whole or in part, in 8.9% of cases.

Timeliness of Reconsideration Cases, Calendar Year 2016



Days	Expedited	Pre-Service	Retrospective
<= 3 Days	83.48%	0.21%	0.01%
4-17 Days	16.24%	18.96%	0.25%
18-30 Days	0.21%	68.07%	3.30%
31-44 Days	0.01%	12.26%	16.92%
45-60 Days	0.04%	0.37%	77.87%
61+ Days	0.02%	0.14%	1.65%
Grand Total	**100.00%**	**100.00%**	**100.00%**

Variable time standards apply to the completion of appeals of different appeal priorities. Expedited appeals are to be completed in 3 days, unless an extension is warranted to complete information required of the decision. An extension can be granted for up to 14 additional days. Standard pre-service appeals are to be completed in 30 days; again, an extension of up to 14 days may be granted if warranted. Standard retrospective (claim) denials are to be completed within 60 days.

Processing of Part C Reconsiderations During 2016