

FACT SHEET

PART D LATE ENROLLMENT PENALTY (LEP) RECONSIDERATION APPEALS DATA – Q2 2022

A Late Enrollment Penalty (LEP) appeal is the process by which an individual enrolled in a Medicare prescription drug plan (enrollee) may challenge a plan's determination that an LEP should be assessed. Appeals begin with a request by an enrollee (or his or her representative) for a reconsideration of the plan's decision to assess an LEP. If upon reconsideration, the plan upholds its decision, 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"). Under Medicare regulations, the Part D QIC decision is final and not subject to further appeal.

Part D LEP Appeals Process

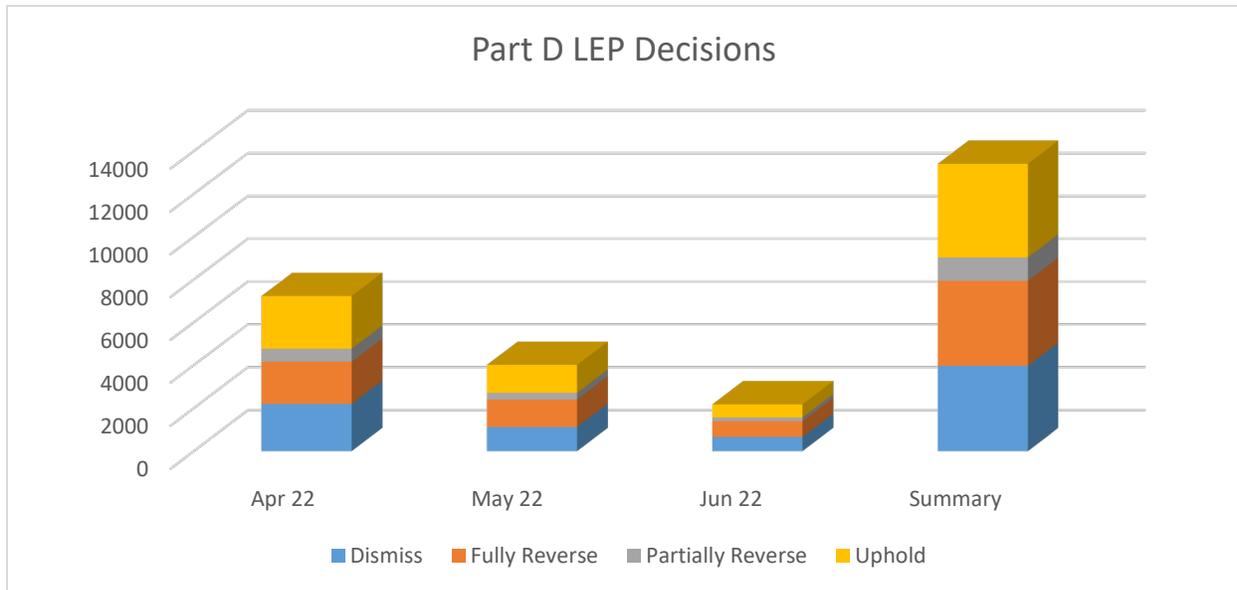
The following data summarizes and highlights some of the key data on reconsiderations during the 18th year of the Medicare prescription drug benefit program, April 1, 2022, to June 30, 2022.

Reconsideration Volume

The Part D QIC closed 13,403 reconsiderations during the second quarter of calendar year 2022. This represents a rate of 0.25 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹

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

Number of Appeals Closed² by Part D LEP by Month

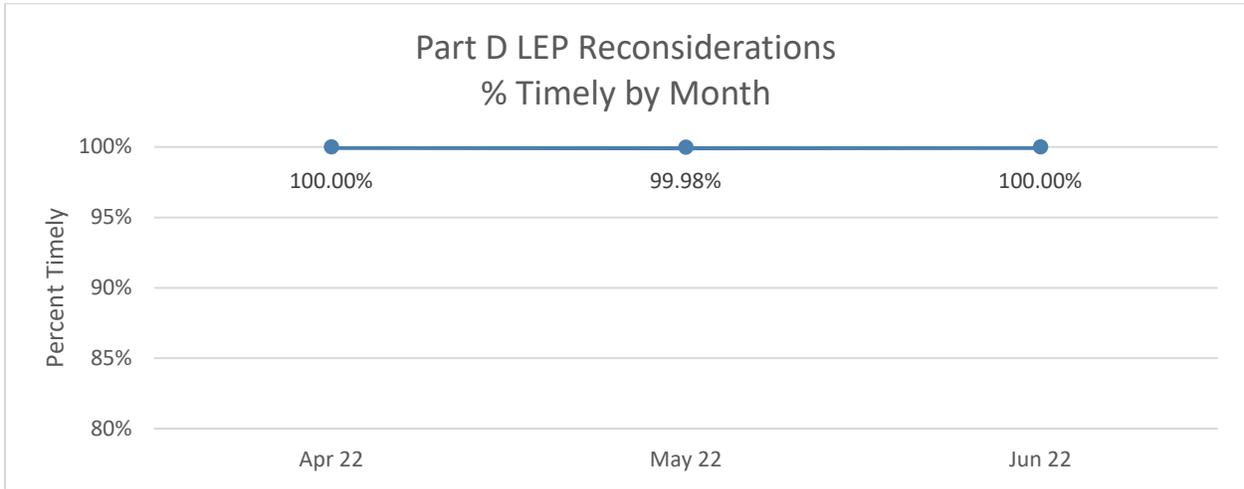


Part D LEP Appeal Volume by Decision

| Month | Dismiss | Fully Reverse | Partially Reverse | Uphold | Total |
|----------------|-------------|---------------|-------------------|-------------|--------------|
| Apr 22 | 2191 | 1966 | 604 | 2465 | 7226 |
| May 22 | 1121 | 1269 | 313 | 1305 | 4008 |
| Jun 22 | 656 | 732 | 176 | 605 | 2169 |
| Summary | 3968 | 3967 | 1093 | 4375 | 13403 |

²Excludes Reopening of LEP Appeals

Timeliness of LEP Reconsiderations Closed



| Month Closed | Total Cases | Timely Cases | % Timely |
|----------------|--------------|--------------|---------------|
| Apr 22 | 7226 | 7226 | 100.00% |
| May 22 | 4008 | 4007 | 99.98% |
| Jun 22 | 2169 | 2169 | 100.00% |
| Summary | 13403 | 13402 | 99.99% |