

FACT SHEET

PART D LATE ENROLLMENT PENALTY (LEP) RECONSIDERATION APPEALS DATA – Q3 2020

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

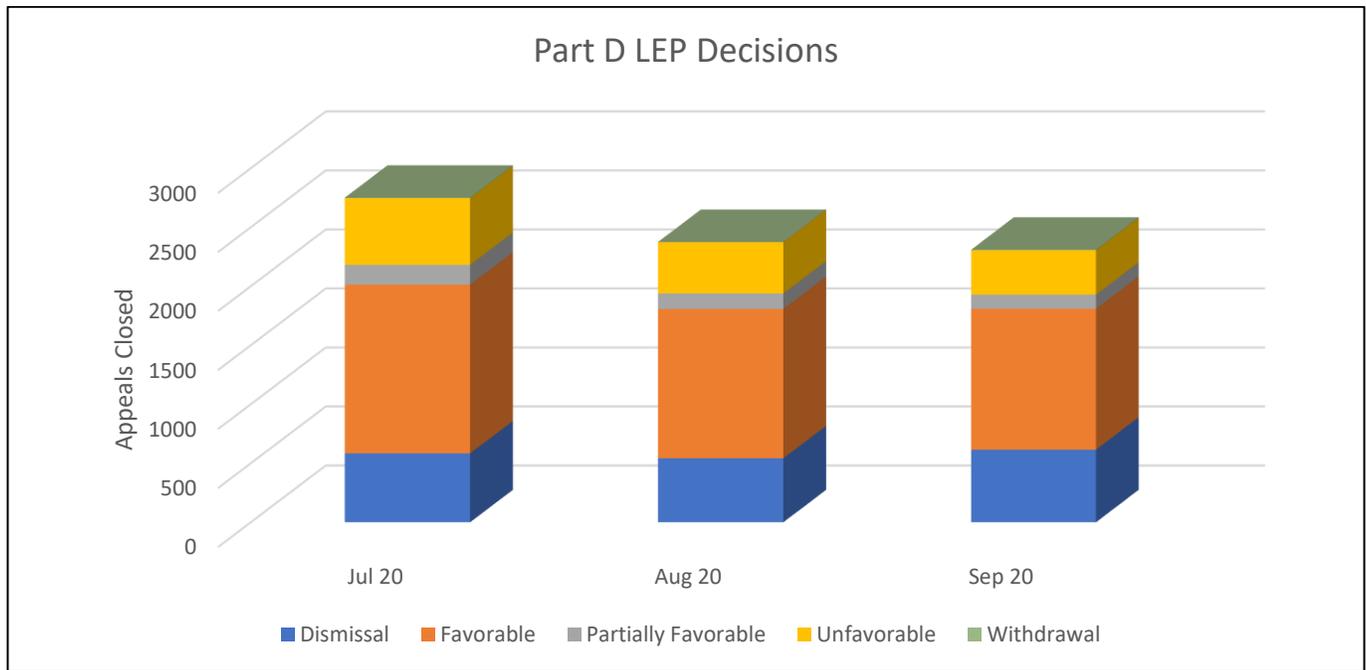
The following data summarizes and highlights some of the key data on reconsiderations during the 15th year of the Medicare prescription drug benefit program, July 1, 2020 – September 30, 2020.

Reconsideration Volume

The Part D QIC closed 7,434 reconsiderations during the third quarter of calendar year 2020. This represents a rate of 0.62 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹

¹ 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 Closed² by Part D LEP by Month³



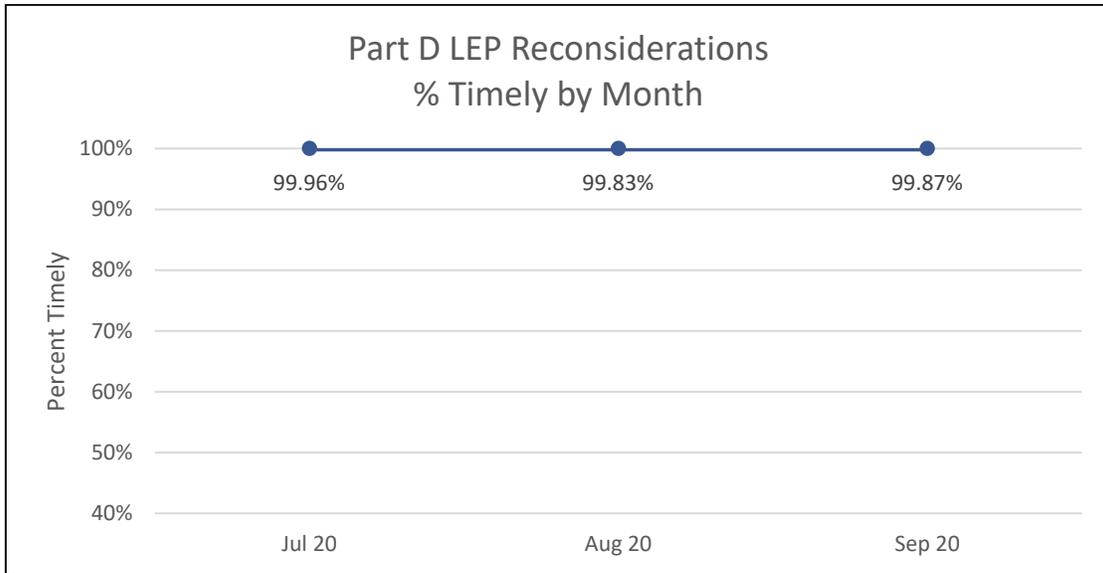
Part D LEP Appeal Volume by Decision

Month	Dismiss	Fully Favorable	Partially Favorable	Uphold	Withdraw	Total
Jul-20	583	1,430	168	566	3	2,750
Aug-20	542	1,265	131	435	2	2,375
Sep-20	615	1,194	119	377	4	2,309
Summary	1,740	3,889	418	1,378	9	7,434

² Excludes Reopening of LEP Appeals

³ Chart cannot show Withdraw volumes due to the limited volumes

Timeliness of LEP Reconsiderations Closed



Month Closed	Total Cases	Timely Cases	% Timely
Jul-20	2,750	2,749	99.96%
Aug-20	2,375	2,371	99.83%
Sep-20	2,309	2,306	99.87%
Summary	7,434	7,426	99.89%