

FACT SHEET

PART D LATE ENROLLMENT PENALTY (LEP) RECONSIDERATION APPEALS DATA – 2016

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

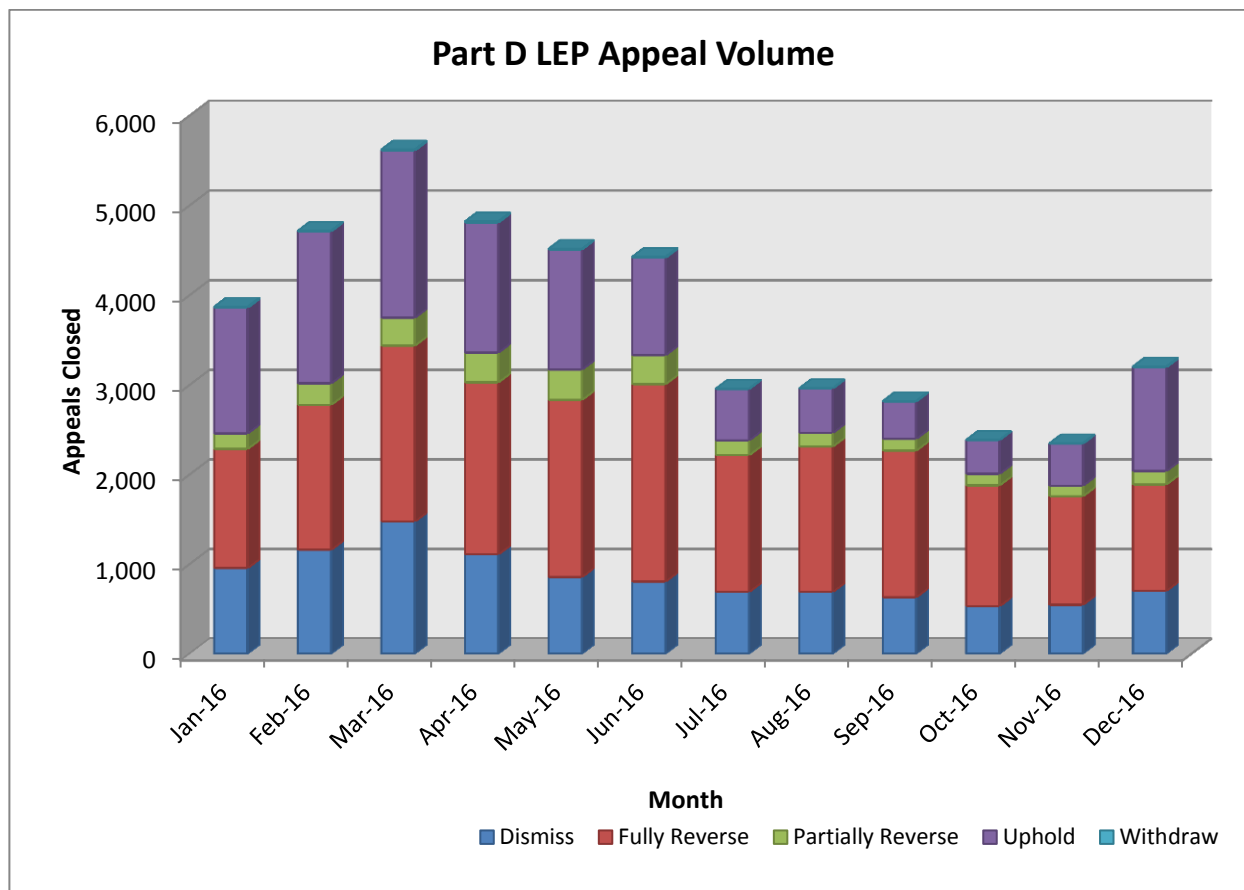
The following data summarizes and highlights some of the key data on reconsiderations during the 11th year of the Medicare prescription drug benefit program, January 1, 2016 – December 31, 2016.

Reconsideration Volume

The Part D QIC closed 44,673 reconsiderations during calendar year 2016. This represents a rate of 1.09 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹ It also represents a 6.8% decrease in the aggregate number of LEP appeals received in 2015.

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 Closed² by Part D LEP by Month³



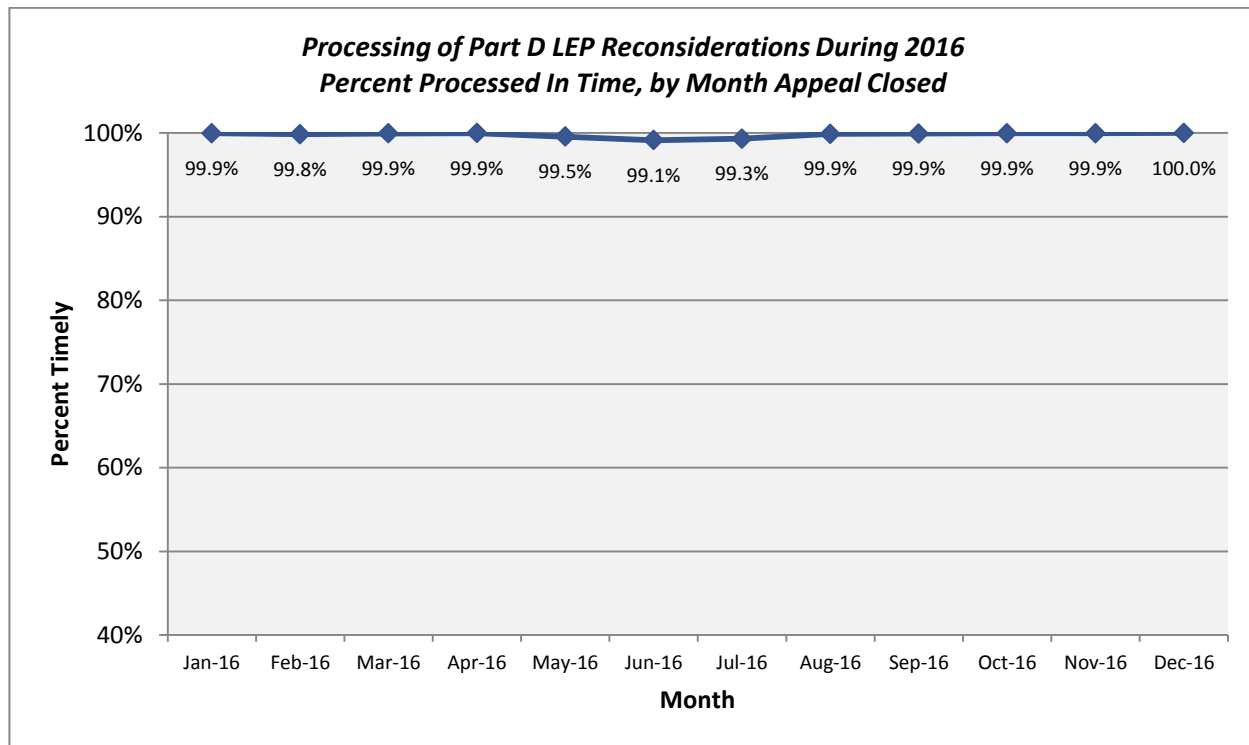
Part D LEP Appeal Volume by Decision

Month	Dismiss	Fully	Partially	Uphold	Withdraw	Total
Jan-16	959	1,330	172	1,402	10	3,873
Feb-16	1,163	1,618	240	1,693	4	4,718
Mar-16	1,478	1,963	311	1,862	10	5,624
Apr-16	1,111	1,921	331	1,449	11	4,823
May-16	858	1,978	338	1,338	6	4,518
Jun-16	808	2,203	323	1,085	8	4,427
Jul-16	692	1,527	165	574	1	2,959
Aug-16	692	1,623	152	496	1	2,964
Sep-16	632	1,638	131	417	3	2,821
Oct-16	532	1,350	129	377	0	2,388
Nov-16	548	1,212	117	470	3	2,350
Dec-16	703	1,188	150	1,158	8	3,207
Summary	10,176	19,551	2,559	12,321	65	44,672

² Excludes Reopening of LEP Appeals

³ Chart cannot show Partially Reverse or Withdraw volumes due to the limited volumes

Timeliness of LEP Reconsiderations Closed⁴, Calendar Year 2016



Month Closed	Cases	Timely	Pct. Timely
Jan-16	3,863	3,862	99.97%
Feb-16	4,714	4,707	99.85%
Mar-16	5,614	5,611	99.95%
Apr-16	4,812	4,811	99.98%
May-16	4,512	4,492	99.56%
Jun-16	4,419	4,382	99.16%
Jul-16	2,958	2,938	99.32%
Aug-16	2,963	2,960	99.90%
Sep-16	2,818	2,816	99.93%
Oct-16	2,388	2,387	99.96%
Nov-16	2,347	2,346	99.96%
Dec-16	3,199	3,199	100.00%
Summary	44,607	44,511	99.78%

⁴ Excludes Reopening and Withdraw of LEP Appeals.
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