

Fact Sheet: Part D Reconsideration Appeals Data–2017

Part D 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 (also called the Part D Qualified Independent Contractor or "Part D QIC"). An enrollee who is dissatisfied with the Independent Review Entity'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 during the 12th year of the Medicare prescription drug benefit program, January 1, 2017 – December 31, 2017.

Reconsideration Volume

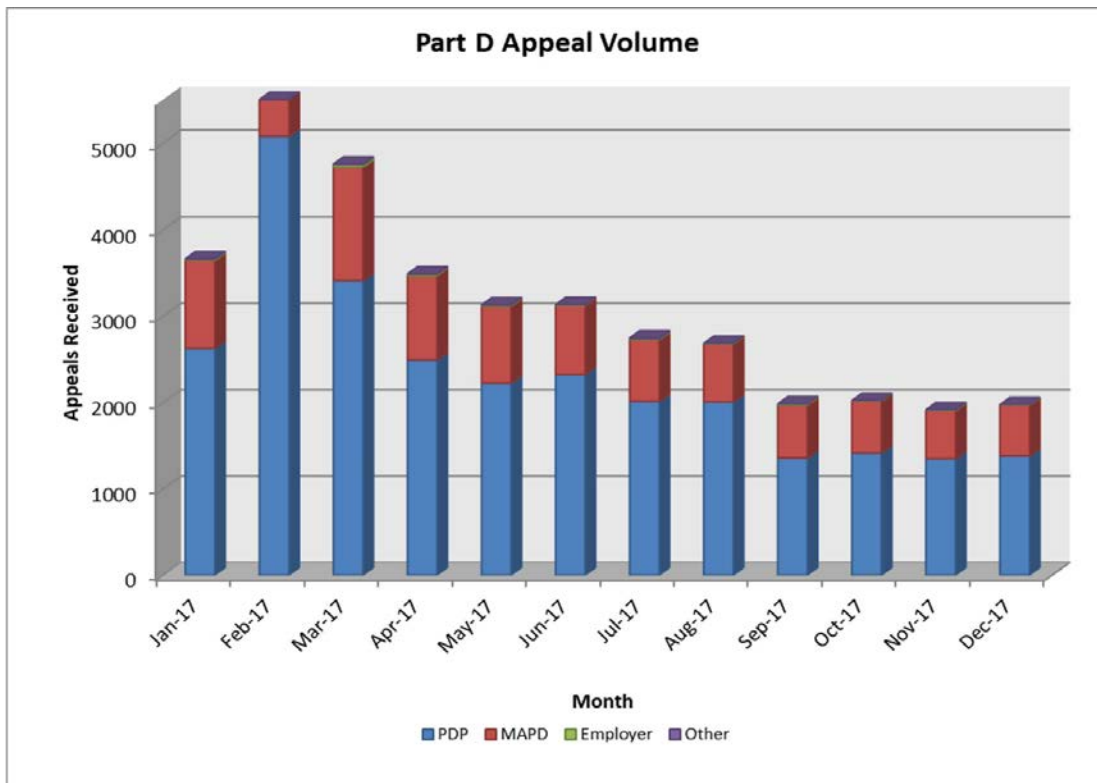
The Part D QIC received 38,415 reconsideration requests during calendar year 2017. This represents a rate of 0.90 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹ It also reflects a 7.8% increase in the total number of appeals received in 2016.

Standard reconsideration requests represented 65% of all appeals received and resulted in a rate of 0.58 standard cases for each 1,000 beneficiaries enrolled.

Expedited reconsideration requests represented 35% of all appeals received and resulted in a rate of 0.32 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 D QIC by Month²



Part D Appeal Volume by Contract Type

Month	PDP	MAPD	Employer	Other	Total
Jan-17	2,626	1,019	13	5	3,663
Feb-17	5,077	1,818	14	6	6,915 ³
Mar-17	3,412	1,312	33	3	4,760
Apr-17	2,493	975	16	4	3,488
May-17	2,226	889	9	5	3,129
Jun-17	2,326	799	3	5	3,133
Jul-17	2,014	712	9	12	2,747
Aug-17	2,007	670	4	3	2,684
Sep-17	1,359	612	11	2	1,984
Oct-17	1,417	600	3	2	2,022
Nov-17	1,352	555	6	2	1,915
Dec-17	1,383	589	1	2	1,975
Summary	27,692	10,550	122	51	38,415

² Chart cannot show Employer or Other volumes due to limited volumes.

³ The first quarter generally reflects a spike in the number of appeals received at the IRE.

Types of Appeals and Rates of Reversal of Plan Denials⁴

Appeal Type	Cases	Substantive Cases	% of Cases	Reversals	% Reversed	% of all Reversals
Cost Sharing	414	387	1.08%	139	35.92%	2%
Not covered under Part D	21,858	17,240	52.90%	1,706	9.90%	28%
Not a Medically Accepted Indication	17,857	14,075	46.48%	1,394	9.90%	23%
Statutory Exclusion	4,001	3,165	10.42%	312	9.85%	5%
Out of Network	409	381	1.06%	170	44.62%	3%
Plan Cost Utilization Tool Disputed	6,109	5,865	15.90%	2,300	39.22%	38%
Request for Tier Exception	4,397	4,242	11.45%	439	10.35%	7%
Request for Drug not on Formulary	5,228	5,012	13.61%	1,345	26.84%	22%
Summary	38,415	33,127	100%	6,099	18.41%	100%

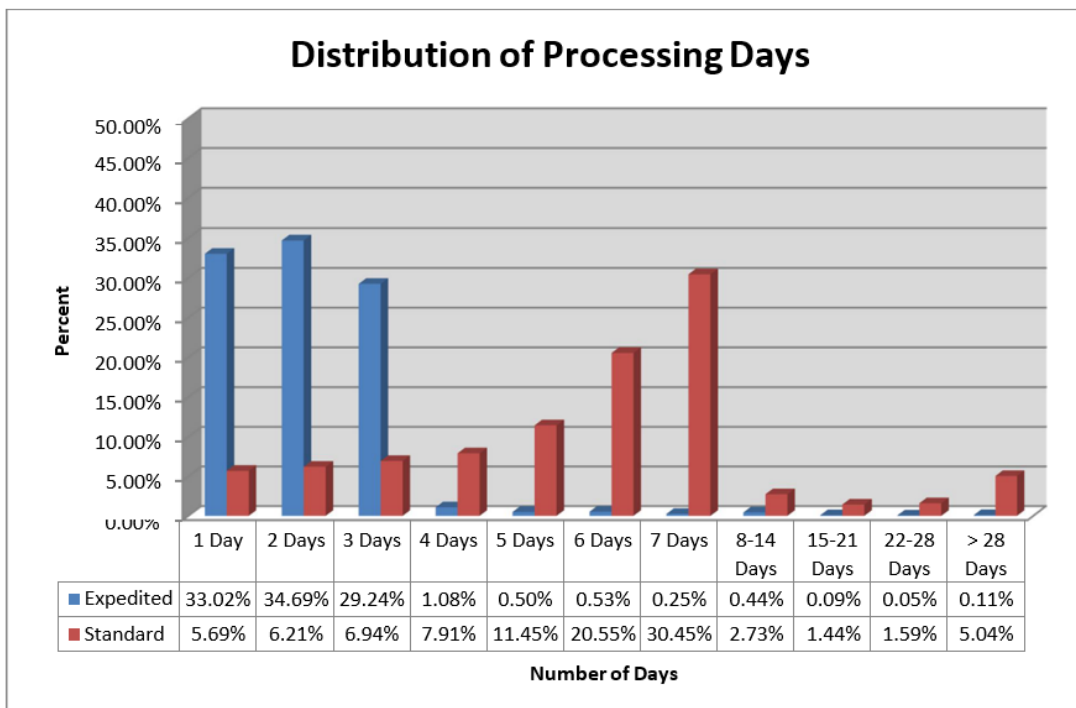
¹ Substantive Cases includes Upheld, Reversed, and Partially Reversed decisions, only. Dismissals and Withdrawals are not included in Substantive Cases count

Overall Reversal Rate

Excluding cases that were dismissed, withdrawn, or remanded (i.e., the Part D QIC did not have jurisdiction to make a substantive decision on the case) and cases involving non-Part D drugs, the Part D QIC reversed plan decisions in 27.65% of cases. Inclusion of the non-Part D drugs reduces the overall reversal rate to 18.41%.

⁴ Calculation of the reversal rate by appeal type excludes cases that were dismissed, withdrawn or remanded.

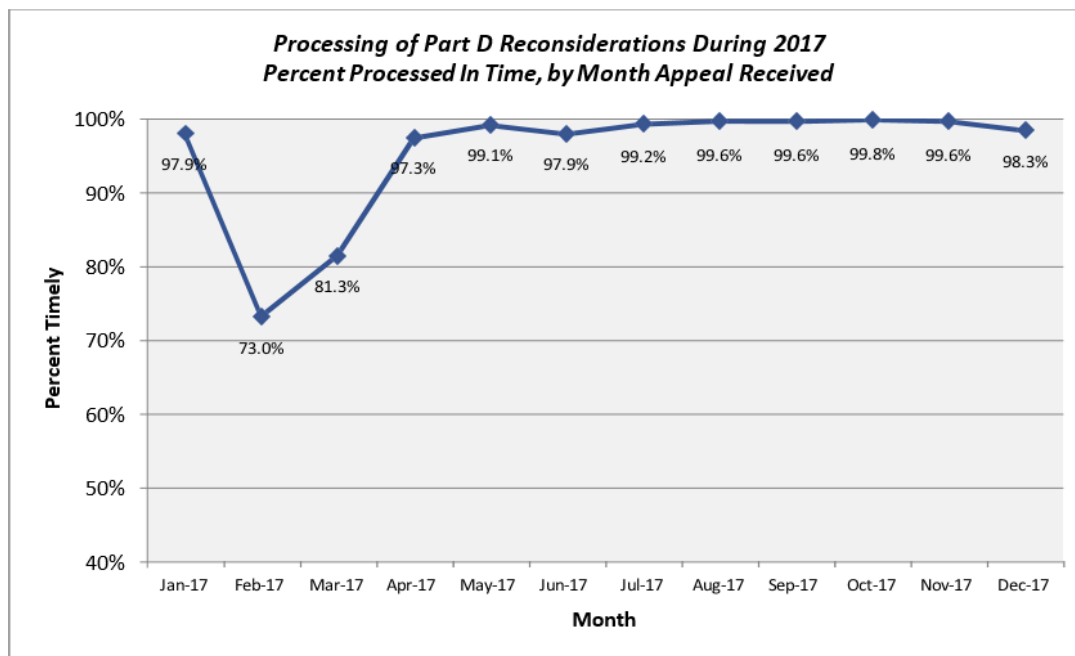
Timeliness of Reconsideration Cases, Calendar Year 2017



Distribution of processing days as a percentage versus the number of days.

Note: Tolling is removed from the calculation of processing days.

Processing Part D Reconsiderations During 2017



Processing of Part D Reconsiderations during 2017 by Percentage

Month Received	Cases	Timely	Percent Timely
Jan-17	3,663	3,587	97.93%
Feb-17	6,915	5,050	73.03% ⁵
Mar-17	4,760	3,872	81.34%
Apr-17	3,488	3,394	97.31%
May-17	3,129	3,100	99.07%
Jun-17	3,133	3,066	97.86%
Jul-17	2,747	2,725	99.20%
Aug-17	2,684	2,674	99.63%
Sep-17	1,984	1,976	99.60%
Oct-17	2,022	2,018	99.80%
Nov-17	1,915	1,907	99.58%
Summary	38,415	35,311	91.92%

Expedited appeals are to be completed in 72 hours, unless tolling is warranted to collect information required to make a decision. An extension can be granted for up to 14 additional days. Standard appeals are to be completed in 7 days; again, tolling of up to 14 days may be taken if warranted.

⁵ The first quarter generally reflects a spike in the number of appeals received at the IRE.