

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q1 2021

#### Part D Drug 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 their 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 for the Medicare prescription drug benefit program, from Jan. 1, 2021 – March 31, 2021 (Quarter 1).

#### Reconsideration Volume

The Part D QIC received 9,492 reconsideration requests during Q1 of 2021. This represents a rate of 0.18 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 48.58% of all appeals received and resulted in a rate of 0.09 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 5.01% of all appeals received and resulted in a rate of 0.009 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 46.41% of all appeals received and resulted in a rate of 0.09 expedited cases for each 1,000 beneficiaries enrolled.

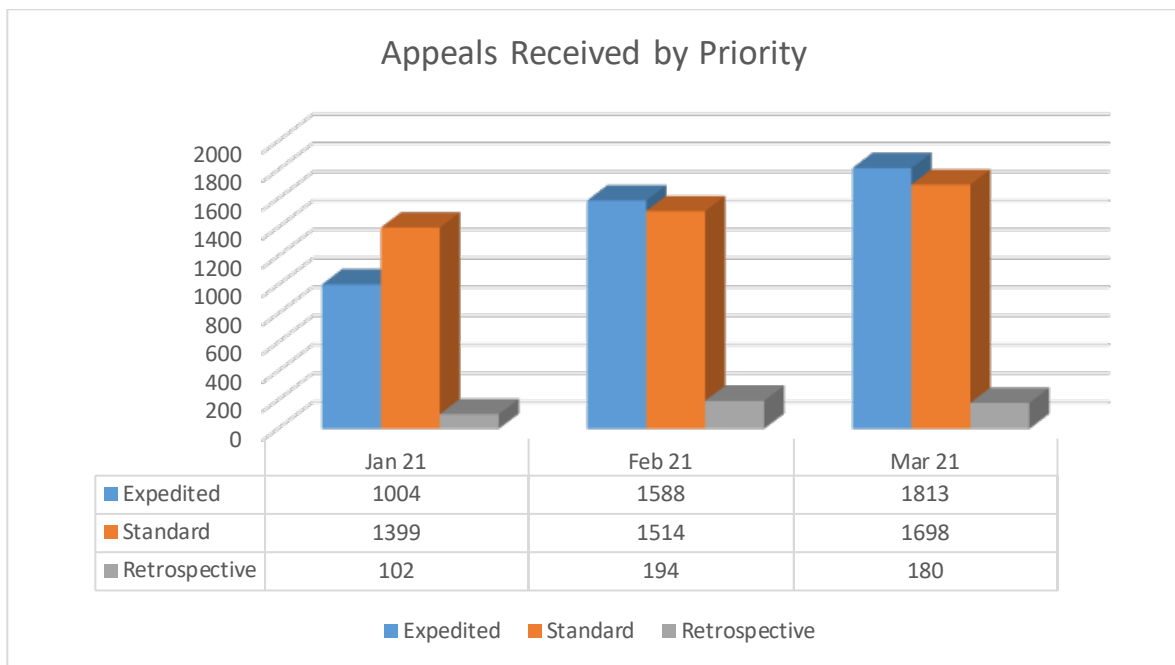
Substantive cases are cases that include upheld, reversed, or partially reversed decision only. Dismissals and withdrawals are not included in substantive cases count.

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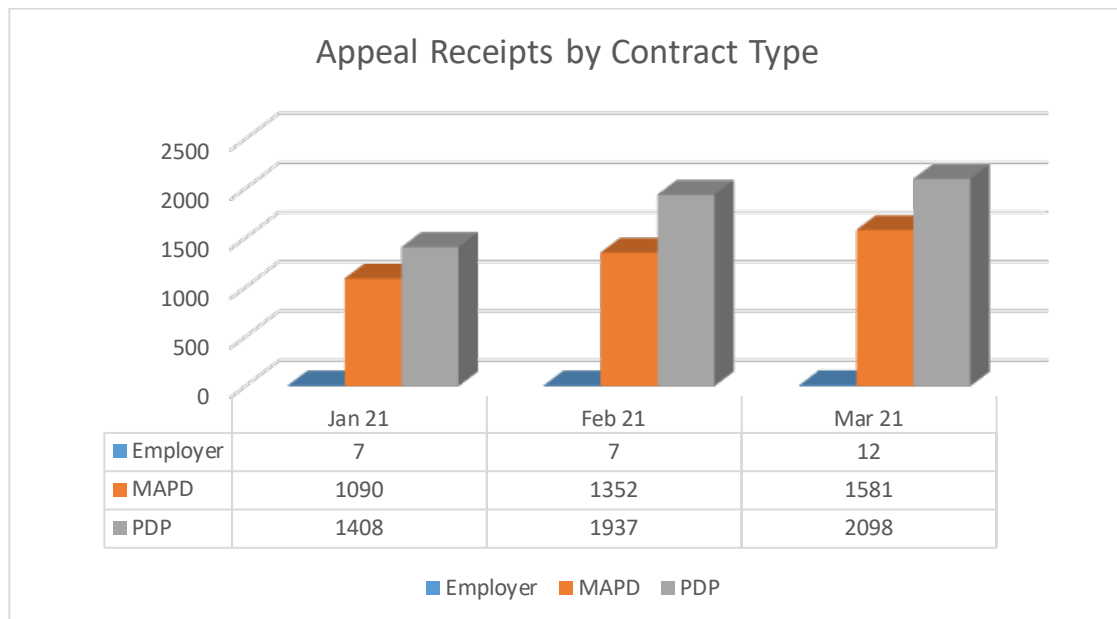
<sup>1</sup> Volume, divided by mid-year enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

Number of Appeals Received by the Part D Drug QIC by Month



Part D Appeal Volume by Contract Type

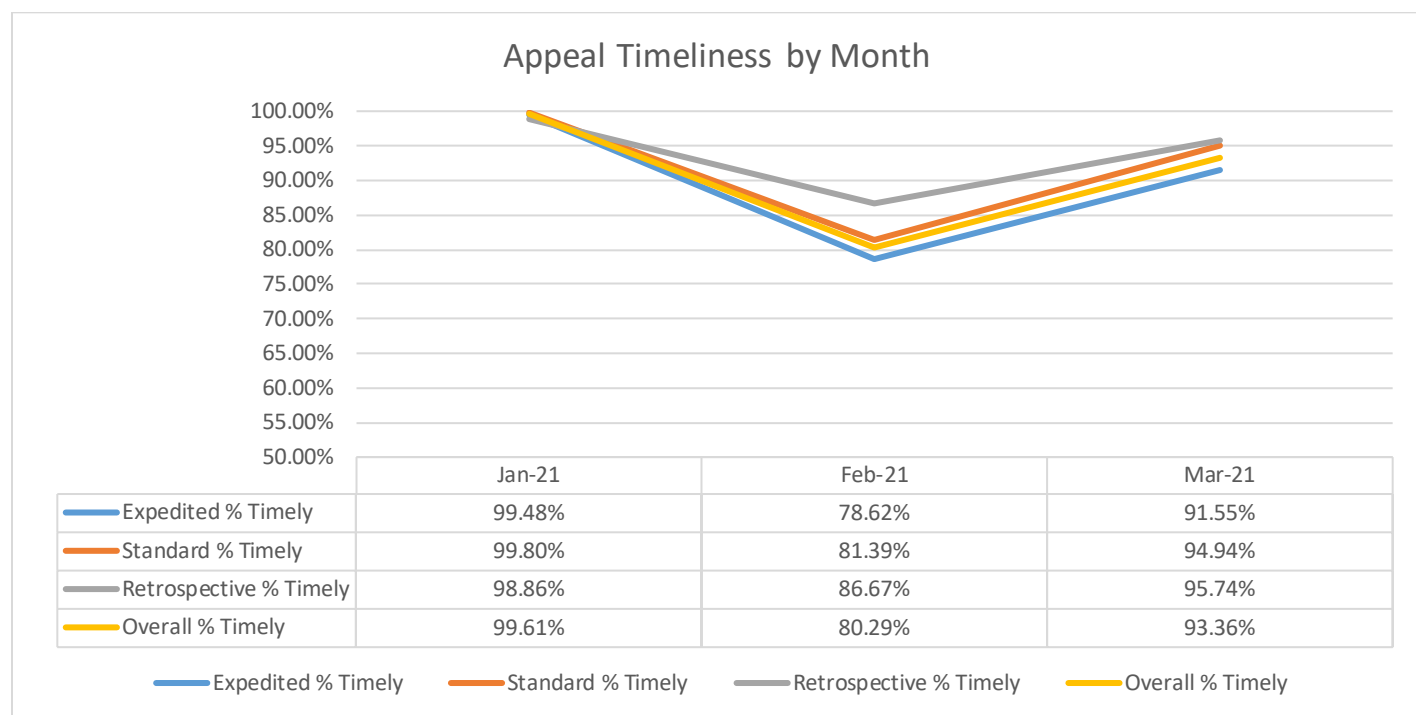


## Timeliness of Part D Reconsiderations

### Overall Timeliness by Month

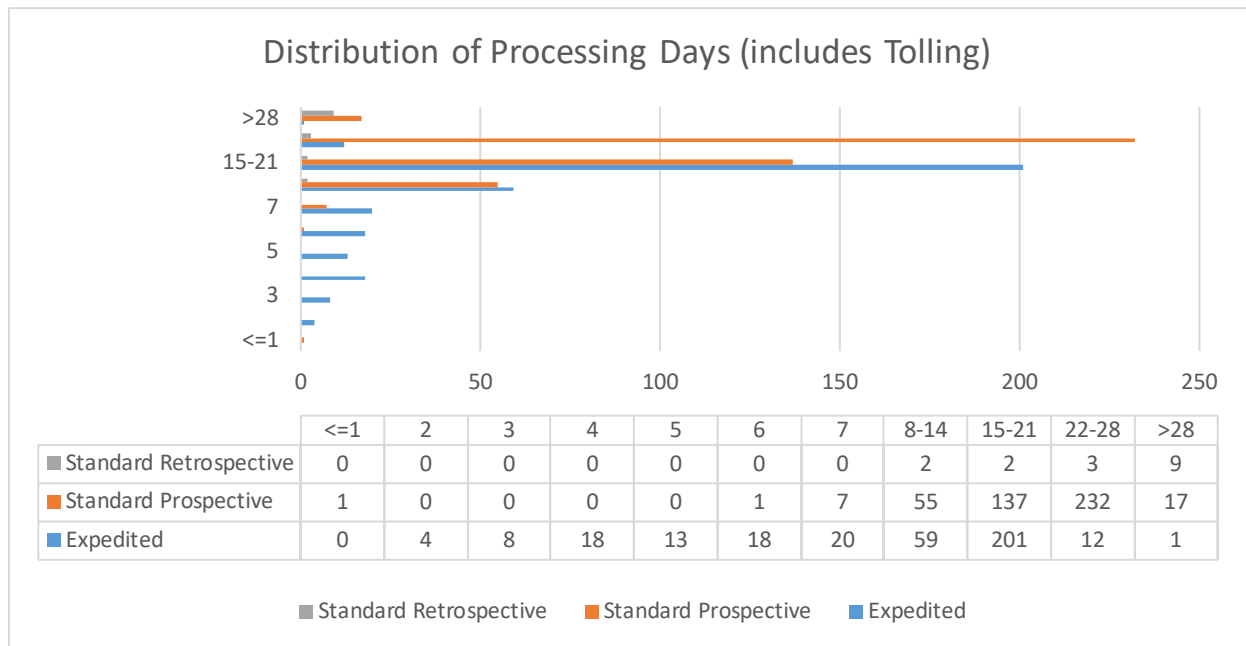
Month	Total Appeals Decided	Total Timely	% Timely
January-21	2,069	2,061	99.61%
February-21	3,135	2,517	80.29%
March-21	3,672	3,428	93.36%

### Reconsideration Timeliness by Priority

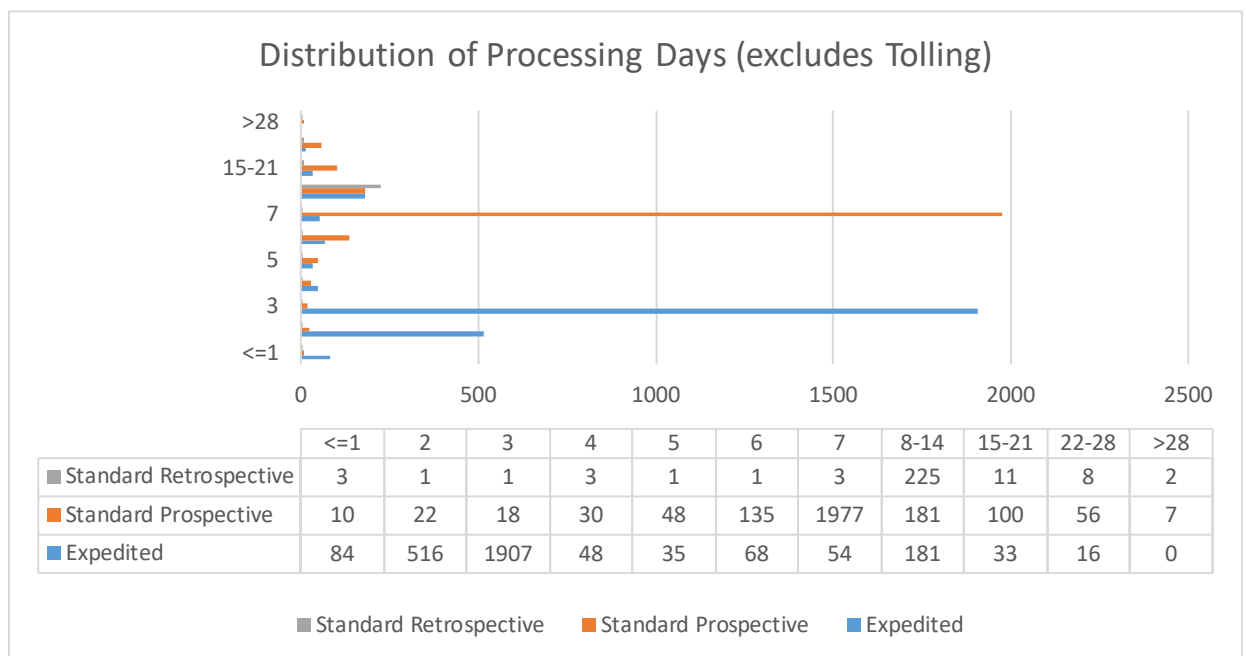


Adjudication time frames vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to 14 additional calendar days. Standard appeals are completed within seven days for pre-service cases or 14 days for retrospective (payment) cases. Standard pre-service cases may also be tolled for up to 14 additional calendar days, as warranted, for a formulary exception request or an Appointment of Representation form.

## Average Processing Days by Priority



The table above includes cases that tolled for information necessary to adjudicate the case. This action extends the duration of the case in order to allow the necessary information to be received and reviewed.



The table above excludes cases that tolled for information necessary to adjudicate the case.

## Overturn Details

### Types of Appeals and Rates of Reversal of Plan Denials

Appeal Type	Total Cases	Substantive Cases	% of Cases	Reversals*	% Reversed	% of all Reversals
Cost sharing	900	345	38.33%	35	10.14%	6.73%
Not covered under Part D	4,936	4,141	83.89%	344	8.31%	66.15%
OON: Drug not available in-network	10	9	90.00%	1	11.11%	0.19%
OON: No access OOA travel	1	1	100.00%	1	100.00%	0.19%
OON: Not timely in-area access	7	1	14.29%	0	0.00%	0.00%
OON: Physician office access	9	8	88.89%	3	37.50%	0.58%
Plan cost utilization tool disputed	819	761	92.92%	105	13.80%	20.19%
Request for tiering exception	1,306	1,239	94.87%	8	0.65%	1.54%
Request for drug not on formulary	888	777	87.50%	23	2.96%	4.42%
<b>Grand Total</b>	<b>8,876</b>	<b>7,282</b>	<b>82.04%</b>	<b>520</b>	<b>7.14%</b>	<b>100.00%</b>

\*Includes both partially favorable and fully favorable decisions

### Plan Type and Appeal Dispositions

			Substantive Disposition				
	Favorable		Partially Favorable		Unfavorable		
Contract Type	Number	%	Number	%	Number	%	Total
Employer	1	3.85%	0	0.00%	25	96.15%	26
MAPD	207	7.06%	6	0.20%	2,719	92.74%	2,932
PDP	298	6.89%	8	0.19%	4,018	92.92%	4,324
Grand Total	506	6.95%	14	0.19%	6,762	92.86%	7,282

## Appeal Priority and Appeal Dispositions

			Substantive Disposition				
			Favorable				
	Number	%	Number	%	Number	%	
Expedited	266	6.97%	4	0.10%	3,548	92.93%	3,818
Standard	240	6.93%	10	0.29%	3,214	92.78%	3,464
Prospective	186	5.80%	4	0.12%	3,017	94.08%	3,207
Retrospective	54	21.01%	6	2.33%	197	76.65%	257
Grand Total	506	6.95%	14	0.19%	6,762	92.86%	7,282

## Rates of Overturn of Plan Denial Reasons

Plan Denial Reason	Substantiv e Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
<b>Cost-Sharing Denials</b>						
Catastrophic coverage not met	1	0.01%	0	0	0.00%	0.00%
Copay / Coinsurance applied	61	0.84%	6	1	11.48%	1.35%
Deductible not met	6	0.08%	1	0	16.67%	0.19%
Drugs purchased prior to coverage criteria being approved	8	0.11%	2	0	25.00%	0.38%
Drugs purchased prior to coverage	1	0.01%	1	0	100%	0.19%
Initial Coverage Limit reached	3	0.04%	0	0	0.00%	0.00%
No exception	1	0.01%	0	0	0.00%	0.00%
<b>Coverage Rule Denials</b>						
Other-Coverage Rules	2	0.03%	0	0	0.00%	0.00%
PA rules not met	903	12.40%	163	3	18.38%	31.92%
QL rules not met	129	1.77%	27	0	20.93%	5.19%

Plan Denial Reason	Substantiv e Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
ST rules not met	30	0.41%	2	0	6.67%	0.38%
<b>Exception Denials</b>						
Brand/Generic exception not met	3	0.04%	0	0	0.00%	0.00%
Dosage/Form not covered	5	0.07%	1	1	40.00%	0.38%
Not on formulary	1,100	15.11%	60	1	5.55%	11.73%
Other-Exception	1	0.01%	1	0	100%	0.19%
PA exception criteria not met	25	0.34%	5	0	20.00%	0.96%
QL exception criteria not met	24	0.33%	7	0	29.17%	1.35%
ST exception criteria not met	2	0.03%	0	0	0.00%	0.00%
Tiering exception criteria not met	1,838	25.24%	12	0	0.65%	2.31%
<b>Exclusion Denials</b>						
Barbiturates	1	0.01%	0	0	0.00%	0.00%
Cosmetic purposes or hair grow	4	0.05%	0	0	0.00%	0.00%
Covered under A or B	479	6.58%	42	0	8.77%	8.08%
DESI drugs	5	0.07%	0	0	0.00%	0.00%
Fertility drug	1	0.01%	0	0	0.00%	0.00%
Manufacturer tying arrangement	12	0.16%	1	0	8.33%	0.19%
Not FDA approved drug	201	2.76%	6	3	4.48%	1.73%
Not medically accepted indication	2,146	29.47%	125	4	6.01%	24.81%
OTC drug	32	0.44%	0	0	0.00%	0.00%
Other-Exclusion	78	1.07%	13	0	16.67%	2.50%
Relief of cough and colds	6	0.08%	0	0	0.00%	0.00%

Plan Denial Reason	Substantiv e Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
Sexual and erectile dysfunction	37	0.51%	0	0	0.00%	0.00%
Smoking cessation drugs - OTC	1	0.01%	0	0	0.00%	0.00%
Supply not directly associated	4	0.05%	0	0	0.00%	0.00%
Vitamins and minerals	34	0.47%	0	0	0.00%	0.00%
Weight loss or weight gain drug	18	0.25%	0	0	0.00%	0.00%
<b>OON</b>						
OON	69	0.95%	29	1	43.48%	5.77%
<b>No Exception</b>	11	0.15%	2	0	18.18%	0.38%
<b>Grand Total</b>	<b>7,282</b>	<b>100%</b>	<b>506</b>	<b>14</b>	<b>7.14%</b>	<b>100.00%</b>

#### Rates of Substantive Reason by Substantive Decision

			Substantive Decision				
	Favorable		Partially Favorable		Unfavorable		
Reason	Number	%	Number	%	Number	%	Total
Brand/Generic Differential	0	0.00%	0	0.00%	11	100.00%	11
Contract Ambiguity	37	88.10%	0	0.00%	5	11.90%	42
Cost Sharing / Benefit Limits	19	22.62%	1	1.19%	64	76.19%	84
Dosage/Form	2	18.18%	0	0.00%	9	81.82%	11
Exclusion - B vs D	11	2.27%	0	0.00%	473	97.73%	484
Not a Med Accepted Indication	26	1.13%	1	0.04%	2,276	98.83%	2,303
Off-Formulary Exception	68	9.33%	2	0.27%	659	90.40%	729
OON Rules	26	27.08%	1	1.04%	69	71.88%	96
Prior Authorization Exception	145	60.67%	0	0.00%	94	39.33%	239
Prior Authorization Rules	121	16.40%	4	0.54%	613	83.06%	738



			Substantive Decision				
	Favorable		Partially Favorable		Unfavorable		
Reason	Number	%	Number	%	Number	%	Total
Quantity Limit Exception	31	52.54%	0	0.00%	28	47.46%	59
Quantity Limit Rules	7	7.53%	1	1.08%	85	91.40%	93
Statutory Exclusion	0	0.00%	2	0.50%	398	99.50%	400
Step-Therapy	1	4.00%	0	0.00%	24	96.00%	25
Step-Therapy Exception	1	20.00%	0	0.00%	4	80.00%	5
TE Brand Drug, Lower Tier Generic		0.00%	0	0.00%	343	100.00%	343
TE Criteria Met	11	57.89%	0	0.00%	8	42.11%	19
TE Criteria Not Met	0	0.00%	1	0.17%	582	99.83%	583
TE for Non-Formulary Drug	0	0.00%	0	0.00%	396	100.00%	396
TE for Specialty Tier Drug	0	0.00%	0	0.00%	188	100.00%	188
TE for Tier 1 Drug	0	0.00%	0	0.00%	10	100.00%	10
TE No Lower Tier Alternatives	0	0.00%	1	0.27%	370	99.73%	371
Tier4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	53	100.00%	53
Grand Total	506	6.95%	14	0.19%	6,762	92.86%	7,282

#### Rates of Disposition by Tolling Type

			Substantive Decision					
	Favorable		Partially Favorable		Unfavorable			
Tolling Type	Number	%	Number	%	Number	%	Total	
AOR Form	1	4.00%	0	0.00%	24	96.00%	25	
Prescribing Physician Statement	79	11.84%	2	0.30%	586	87.86%	667	
Grand Total	80	11.56%	2	0.29%	610	88.15%	692	