

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q4 2024

#### 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 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 (IRE), which is also called the Part D Qualified Independent Contractor (Part D QIC). An enrollee who is dissatisfied with the IRE'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 October 1, 2024, through December 31, 2024 (Quarter 4).

#### Reconsideration Volume

The Part D QIC received 10,670 reconsideration requests during Q4 of 2024. This represents a rate of 0.18 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 55.85% of all appeals received and resulted in a rate of 0.10 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 3.90% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 40.25% of all appeals received and resulted in a rate of 0.07 expedited cases for each 1,000 beneficiaries enrolled.

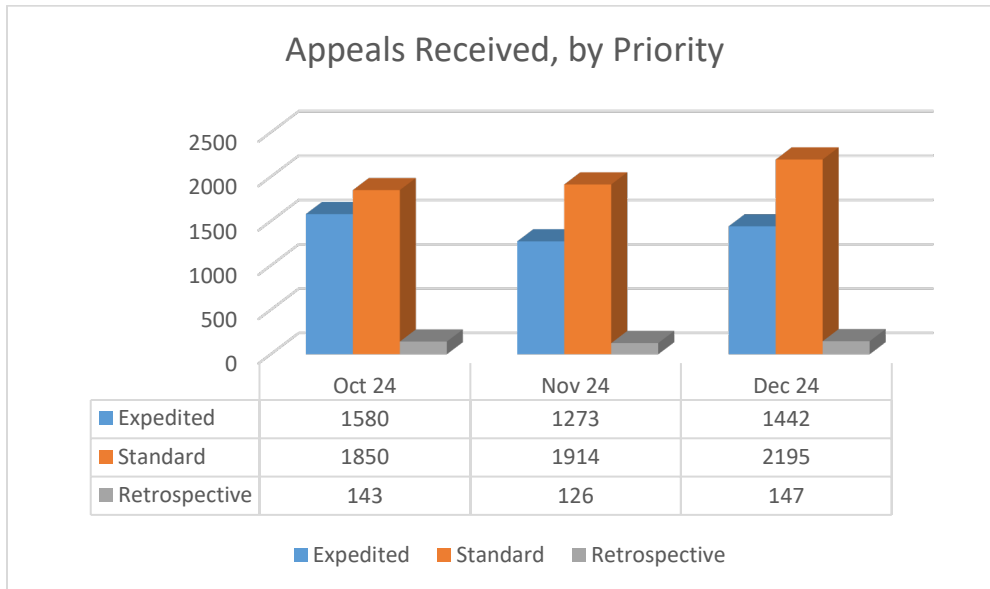
Substantive cases are cases that include upheld, reversed or partially reversed decision only. Dismissals and withdrawals are not included in the substantive cases count.

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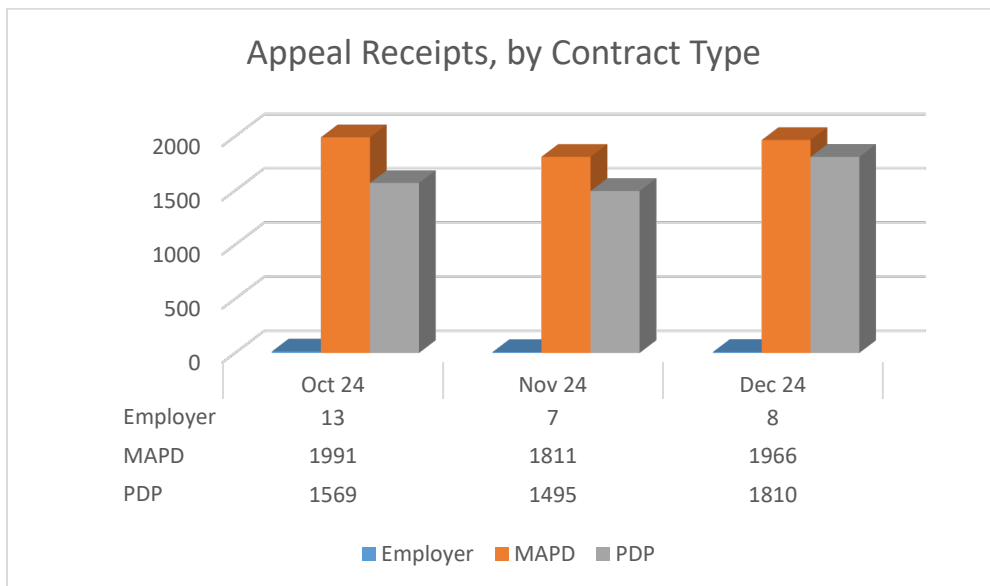
<sup>1</sup> Volume, divided by December enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

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



## Part D Appeal Volume, by Contract Type



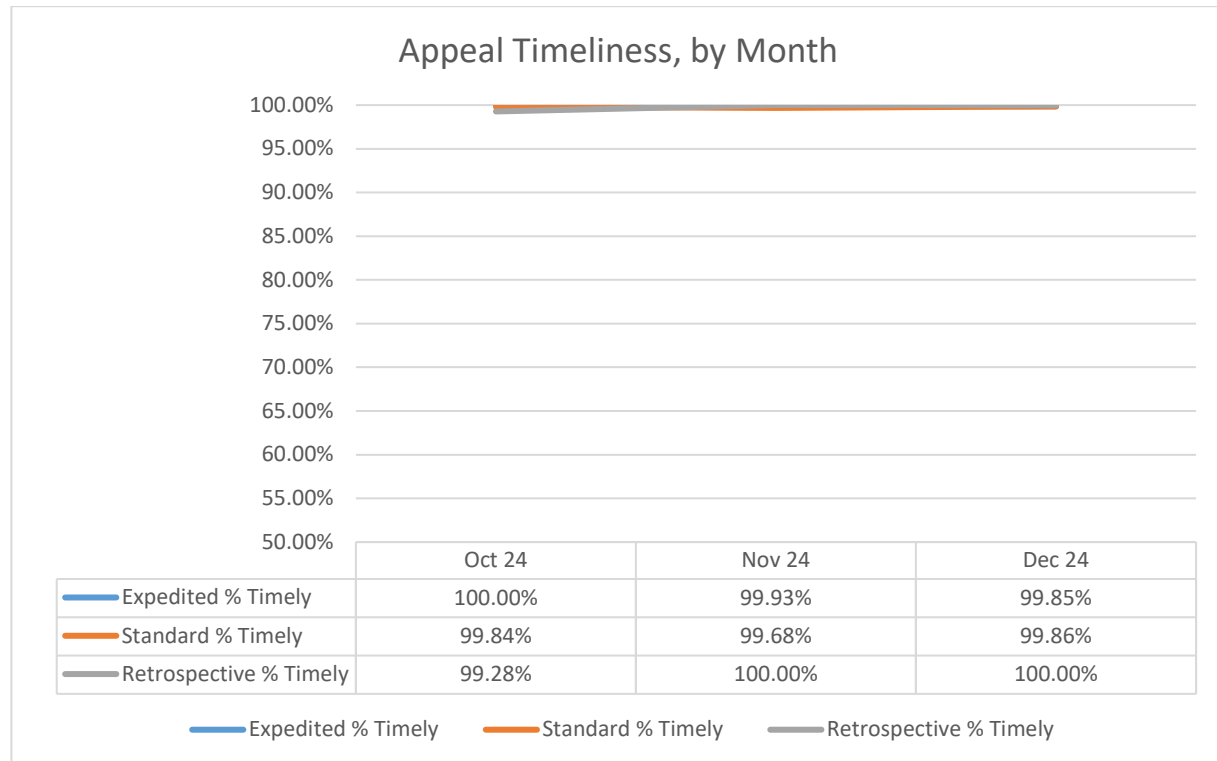
Note — MAPD: Medicare Advantage Prescription Drug Plan; PDP: Prescription Drug Plan; Employer: Prescription Drug Plan

## Timeliness of Part D Reconsiderations

### Overall Timeliness, by Month

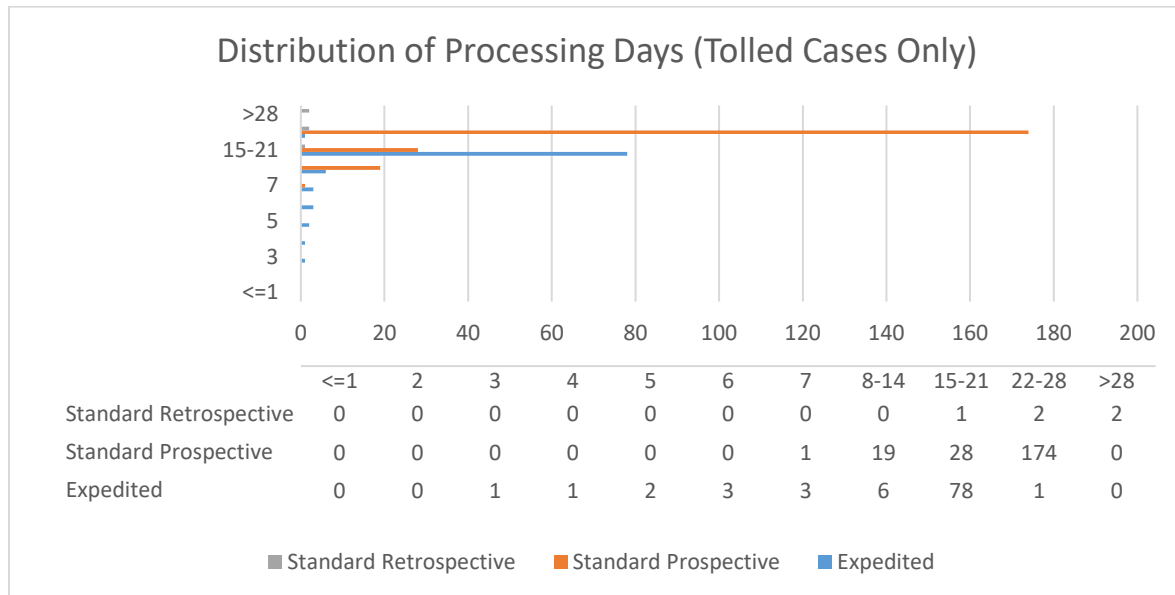
Month	Total Appeals Decided	Total Timely	% Timely
October	3439	3435	99.88%
November	3420	3413	99.80%
December	3595	3590	99.86%

### Reconsideration Timeliness, by Priority

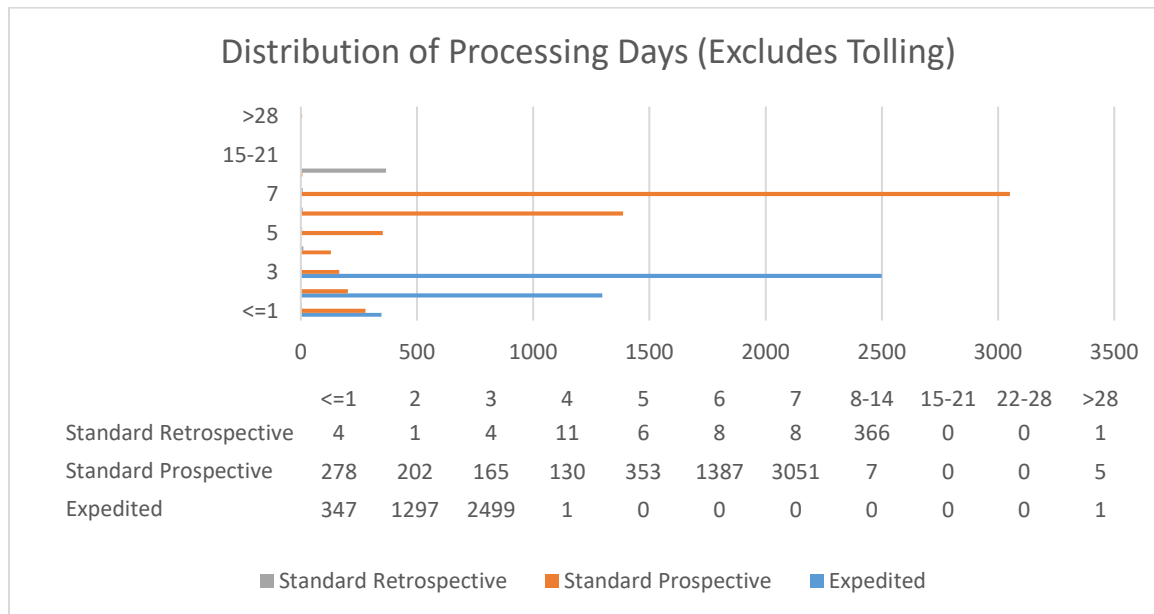


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to 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	567	167	29.45%	15	8.98%	3.14%
Not covered under Part D	4366	3445	78.91%	145	4.21%	30.40%
Out of Network (OON): no access OOA travel	3	2	66.67%	0	0.00%	0.00%
Plan cost utilization tool disputed	2636	2529	95.94%	273	10.79%	57.23%
Request for tiering exception	546	496	90.84%	2	0.40%	0.42%
Request for drug not on formulary	2336	2249	96.28%	42	1.87%	8.81%
<b>Grand Total</b>	<b>10454</b>	<b>8888</b>	<b>85.02%</b>	<b>477</b>	<b>5.37%</b>	<b>100.00%</b>

\*Includes both partially favorable and fully favorable decisions

Plan Denial	Total Cases	Substantive Cases	% of Cases	Reversals*	% Reversed	% of all Reversals
At-Risk Determination	20	18	90.00%	0	0.00%	0.00%
Cost-Sharing	78	70	89.74%	5	7.14%	1.05%
Covered under A/B	315	313	99.37%	8	2.56%	1.68%
Drug is not FDA approved	105	104	99.05%	2	1.92%	0.42%
Not a Medically Accepted Indication	1505	1482	98.47%	59	3.98%	12.37%
Off-Formulary	2081	2022	97.16%	43	2.13%	9.01%
Other	3100	1771	57.13%	91	5.14%	19.08%
Out of Network	10	9	90.00%	0	0.00%	0.00%
Purchased Outside of the US	12	11	91.67%	0	0.00%	0.00%
Tiering Exception	507	493	97.24%	1	0.20%	0.21%
Utilization Management	2721	2595	95.37%	268	10.33%	56.18%
<b>Grand Total</b>	<b>10454</b>	<b>8888</b>	<b>85.02%</b>	<b>477</b>	<b>5.37%</b>	<b>100.00%</b>

\*Includes both partially favorable and fully favorable decisions

\*\*Cases may include exclusions such as manufacturer not participating in GAP, drug is classified by the FDA as a medical device or a food product, DESI drug, enrollee is in a patient assistance program (PAP), or the drug is being provided "incident to" a physician's service

# PART D DRUG FACT SHEET

## Plan Type and Appeal Dispositions

Contract Type	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Employer	2	7.69%	0	0.00%	24	92.31%	26
MAPD	263	5.65%	7	0.15%	4382	94.20%	4652
PDP	202	4.80%	3	0.07%	4005	95.13%	4210
Grand Total	467	5.25%	10	0.11%	8411	94.63%	8888

## Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	269	6.92%	4	0.10%	3614	92.98%	3887
Standard	198	3.96%	6	0.12%	4797	95.92%	5001
Prospective	153	3.28%	3	0.06%	4503	96.65%	4659
Retrospective	45	13.16%	3	0.88%	294	85.96%	342
Grand Total	467	5.25%	10	0.11%	8411	94.63%	8888

# PART D DRUG FACT SHEET

## Rates of Overturn of Plan Denial Reasons

Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
<b>Cost-sharing</b>						
Copay/Coinsurance Applied	24	0.27%	3	0	12.50%	0.63%
Deductible Not Met	1	0.01%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	86	0.97%	6	0	6.98%	1.26%
<b>Coverage Rules</b>						
Other-Coverage Rules	15	0.17%	2	0	13.33%	0.42%
Prior Authorization rules not met	1513	17.02%	233	3	15.60%	49.48%
Quantity Limit rules not met	129	1.45%	6	1	5.43%	1.47%
Step Therapy rules not met	129	1.45%	9	0	6.98%	1.89%
<b>Exception</b>						
Not on formulary	1927	21.68%	40	1	2.13%	8.60%
PA Exception criteria not met	19	0.21%	3	1	21.05%	0.84%
Quantity Limit exception criteria not met	8	0.09%	2	0	25.00%	0.42%
Step Therapy exception criteria not met	1	0.01%	0	0	0.00%	0.00%
Tiering exception criteria not met	398	4.48%	0	1	0.25%	0.21%
<b>Exclusion</b>						
Anorexia drug	2	0.02%	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	318	3.58%	11	0	3.46%	2.31%
DESI Drugs	6	0.07%	0	0	0.00%	0.00%
Fertility Drug	1	0.01%	0	0	0.00%	0.00%
Manufacturer Tying Arrangement	15	0.17%	0	0	0.00%	0.00%
Not FDA Approved Drug	119	1.34%	2	0	1.68%	0.42%
Not Medically Accepted Indication	2104	23.67%	91	0	4.33%	19.08%
OTC Drug	33	0.37%	0	0	0.00%	0.00%
Other-Exclusion	37	0.42%	1	0	2.70%	0.21%
Relief of Cough and Colds	9	0.10%	0	0	0.00%	0.00%
Sexual and Erectile Dysfunction	42	0.47%	1	0	2.38%	0.21%
Vitamins and Minerals	34	0.38%	0	0	0.00%	0.00%
Weight loss or Weight Gain drug	496	5.58%	0	0	0.00%	0.00%
<b>OON</b>						
OON	3	0.03%	0	0	0.00%	0.00%
<b>No Exception</b>	1415	15.92%	57	3	4.24%	12.58%
<b>Grand Total</b>	<b>8888</b>	<b>100%</b>	<b>467</b>	<b>10</b>	<b>5.37%</b>	<b>100.00%</b>

# PART D DRUG FACT SHEET

## Rates of Substantive Reason, by Substantive Decision

Reason	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Appellant Dismissal-IRE Agrees with Plan	0	0.00%	0	0.00%	3	100.00%	3
Brand/Generic Differential	0	0.00%	0	0.00%	1	100.00%	1
Contract Ambiguity	0	0.00%	0	0.00%	4	100.00%	4
Cost Sharing / Benefit Limits	43	17.06%	1	0.40%	208	82.54%	252
Dosage/Form	1	50.00%	0	0.00%	1	50.00%	2
Exclusion - B vs D	2	0.55%	1	0.27%	362	99.18%	365
Not a Medically Accepted Indication	59	1.66%	0	0.00%	3501	98.34%	3560
Off-Formulary Exception	42	2.64%	2	0.13%	1546	97.23%	1590
OON Rules	0	0.00%	0	0.00%	2	100.00%	2
Prior Authorization Exception	38	82.61%	0	0.00%	8	17.39%	46
Prior Authorization Rules	270	21.50%	4	0.32%	982	78.18%	1256
Quantity Limit Exception	3	16.67%	0	0.00%	15	83.33%	18
Quantity Limit Rules	5	2.76%	1	0.55%	175	96.69%	181
Statutory Exclusion	1	0.10%	0	0.00%	1047	99.90%	1048
Step-Therapy	2	4.55%	0	0.00%	42	95.45%	44
Step-Therapy Exception	0	0.00%	0	0.00%	3	100.00%	3
Tiering Exception (TE) Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	37	100.00%	37
TE Criteria Met	1	50.00%	0	0.00%	1	50.00%	2
TE Criteria Not Met	0	0.00%	1	0.43%	229	99.57%	230
TE for Non-Formulary Drug	0	0.00%	0	0.00%	3	100.00%	3
TE for Specialty Tier Drug	0	0.00%	0	0.00%	33	100.00%	33
TE for Tier 1 Drug	0	0.00%	0	0.00%	4	100.00%	4
TE No Lower Tier Alternatives	0	0.00%	0	0.00%	200	100.00%	200
Tier 4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	4	100.00%	4
Grand Total	467	5.25%	10	0.11%	8411	94.63%	8888

## Rates of Disposition, by Tolling Type

Tolling Type	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Appointment of Representation (AOR) Form	0	0.00%	0	0.00%	14	100.00%	14
Prescribing Physician Statement	13	7.93%	1	0.61%	150	91.46%	164
Grand Total	13	7.30%	1	0.56%	164	92.13%	178