

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q1 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 or "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 January 1, 2024, through March 31, 2024 (Quarter 1).

#### Reconsideration Volume

The Part D QIC received 13,683 reconsideration requests during Q1 of 2024. This represents a rate of 0.24 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 58.50% of all appeals received and resulted in a rate of 0.14 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 4.85% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 36.64% of all appeals received and resulted in a rate of 0.09 expedited cases for each 1,000 beneficiaries enrolled.

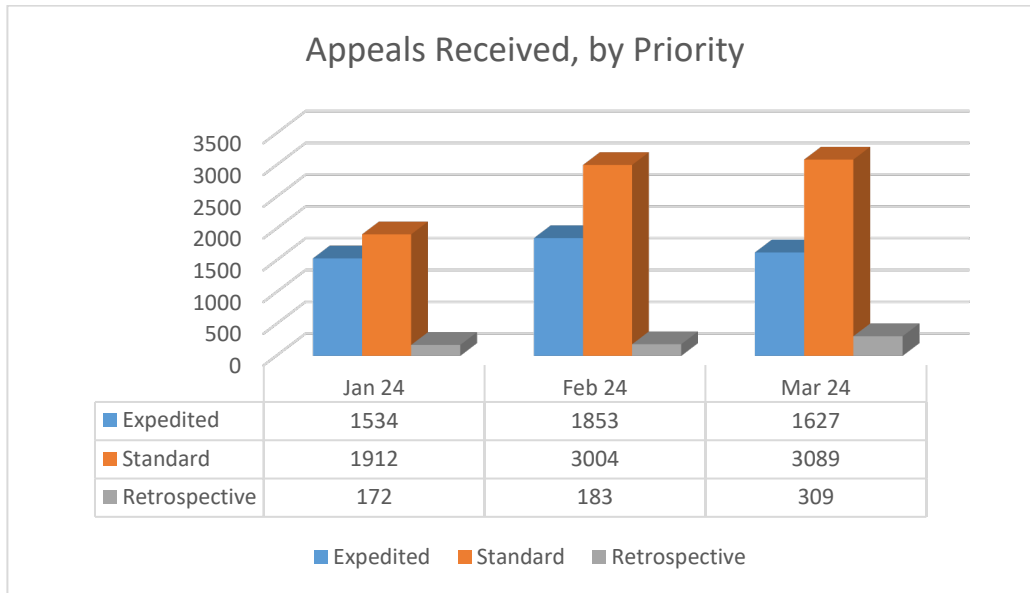
Substantive cases are cases that include upheld, reversed or partially reversed decision only. Dismissals and withdrawals are not included in substantive cases count.

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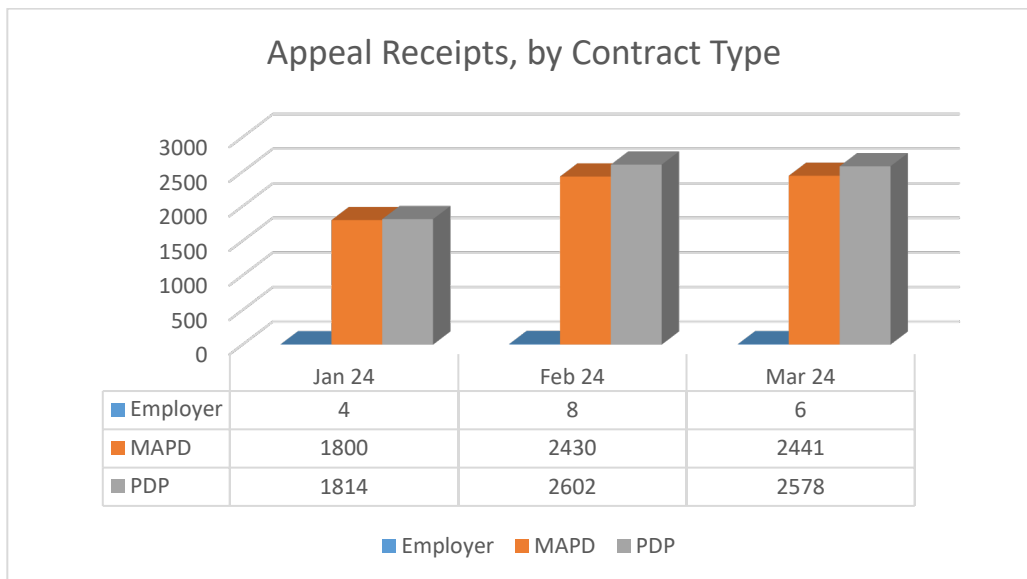
<sup>1</sup> <sup>1</sup> Volume, divided by March enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

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



## Part D Appeal Volume, by Contract Type



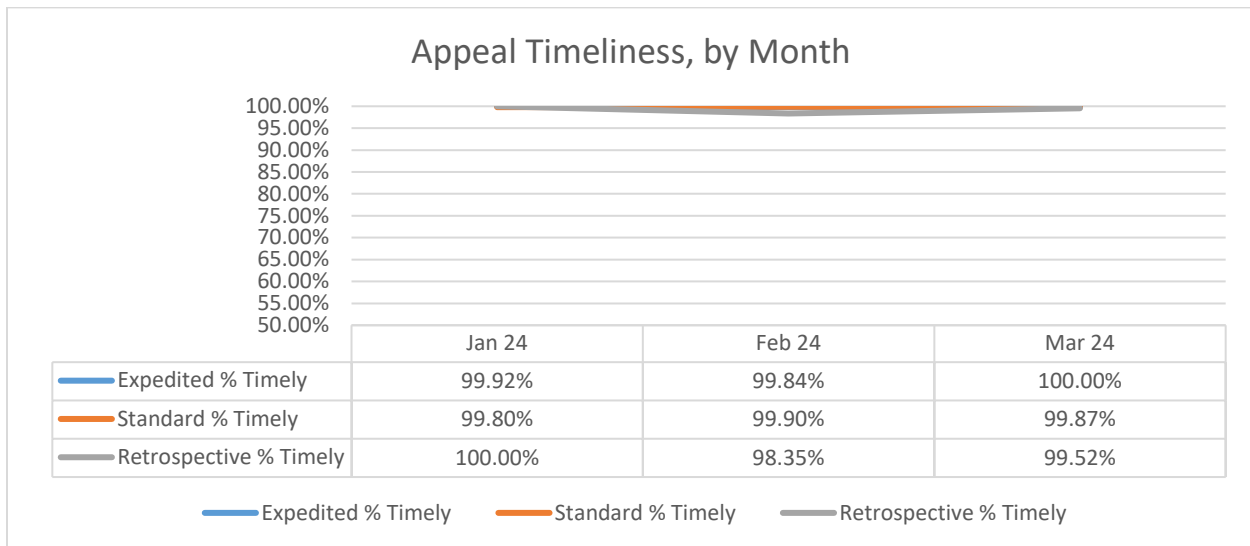
*Note: MAPD: Medicare Advantage Prescription Drug Plan; PDP: Prescription Drug Plan; Employer: Prescription Drug Plan*

## Timeliness of Part D Reconsiderations

### Overall Timeliness, by Month

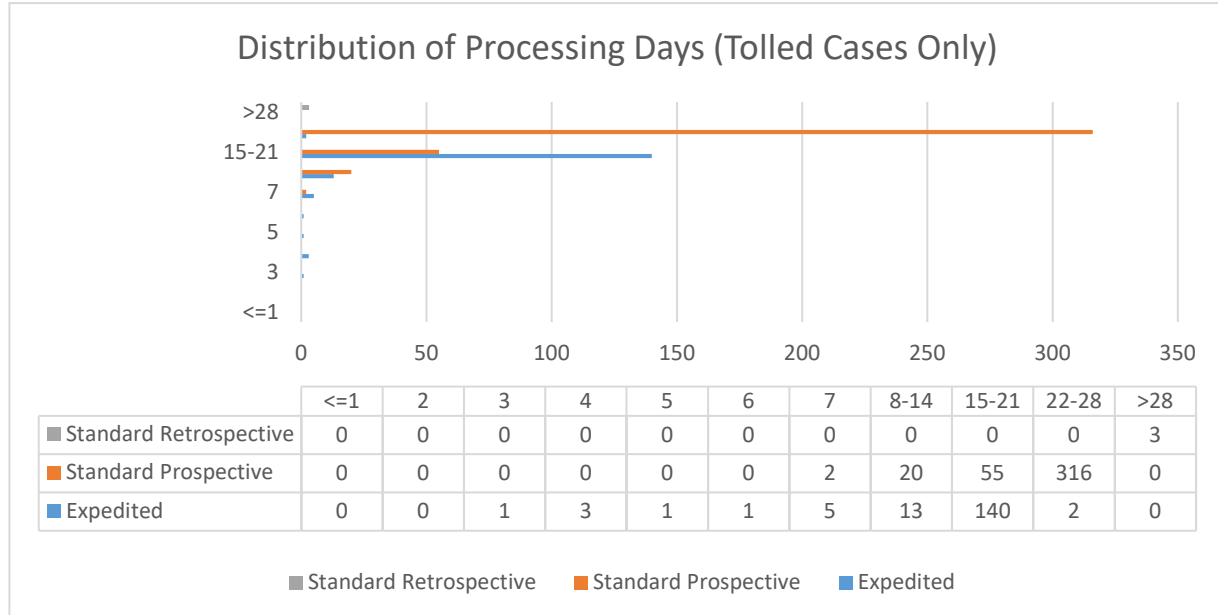
Month	Total Appeals Decided	Total Timely	% Timely
January	2952	2948	99.86%
February	4978	4969	99.82%
March	5136	5131	99.90%

### Reconsideration Timeliness, by Priority

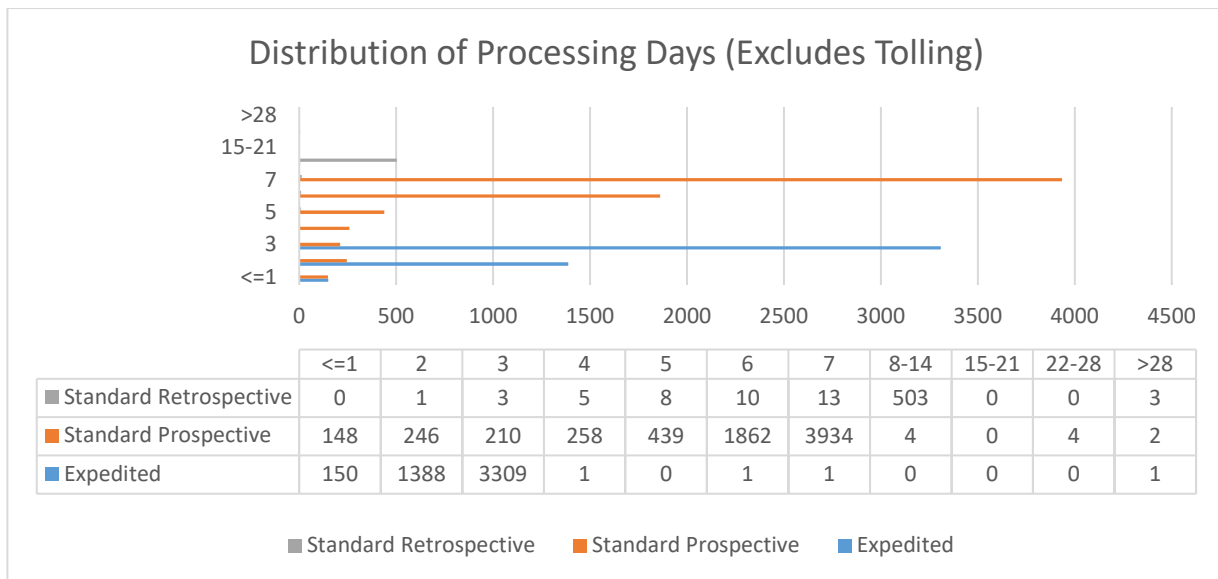


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to 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	683	291	42.61%	29	9.97%	5.21%
Not covered under Part D	5481	4425	80.73%	147	3.32%	26.39%
Out of Network (OON): Drug not avail in-network	4	3	75.00%	0	0.00%	0.00%
OON: LTC facility	1	1	100.00%	0	0.00%	0.00%
OON: no access out of area travel	4	4	100.00%	0	0.00%	0.00%
OON: physician office access	1	1	100.00%	0	0.00%	0.00%
Plan cost utilization tool disputed	3181	3014	94.75%	326	10.82%	58.53%
Request for tiering exception	1354	1316	97.19%	6	0.46%	1.08%
Request for drug not on formulary	2357	2243	95.16%	49	2.18%	8.80%
<b>Grand Total</b>	<b>13066</b>	<b>11298</b>	<b>86.47%</b>	<b>557</b>	<b>4.93%</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	15	13	86.67%	0	0.00%	0.00%
Cost-Sharing	95	77	81.05%	6	7.79%	1.08%
Covered under A/B	320	313	97.81%	5	1.60%	0.90%
Drug is not FDA approved	198	195	98.48%	6	3.08%	1.08%
Not a Medically Accepted Indication	2137	2116	99.02%	68	3.21%	12.21%
Off-Formulary	2106	2026	96.20%	47	2.32%	8.44%
Other	3491	2044	58.55%	85	4.16%	15.26%
Out of Network	21	20	95.24%	0	0.00%	0.00%
Prescription Not Required	2	2	100.00%	0	0.00%	0.00%
Purchased Outside of the US	43	36	83.72%	0	0.00%	0.00%
Tiering Exception	1329	1301	97.89%	6	0.46%	1.08%
Utilization Management	3309	3155	95.35%	334	10.59%	59.96%
<b>Grand Total</b>	<b>13066</b>	<b>11298</b>	<b>86.47%</b>	<b>557</b>	<b>4.93%</b>	<b>100.00%</b>

\*Includes both partially favorable and fully favorable decisions

# PART D DRUG FACT SHEET

## Plan Type and Appeal Dispositions

Contract Type	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Employer	2	11.76%	0	0.00%	15	88.24%	17
MAPD	268	4.88%	9	0.16%	5210	94.95%	5487
PDP	272	4.69%	6	0.10%	5516	95.20%	5794
Grand Total	542	4.80%	15	0.13%	10741	95.07%	11298

## Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	275	5.84%	5	0.11%	4429	94.05%	4709
Standard	267	4.05%	10	0.15%	6312	95.80%	6589
Prospective	232	3.76%	3	0.05%	5939	96.19%	6174
Retrospective	35	8.43%	7	1.69%	373	89.88%	415
Grand Total	542	4.80%	15	0.13%	10741	95.07%	11298

# 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	39	0.35%	5	1	15.38%	1.08%
Deductible Not Met	4	0.04%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	50	0.44%	8	0	16.00%	1.44%
Initial Coverage Limit Reached	1	0.01%	0	0	0.00%	0.00%
<b>Coverage Rules</b>						
Other-Coverage Rules	11	0.10%	3	0	27.27%	0.54%
Prior Authorization rules not met	2028	17.95%	280	2	13.91%	50.63%
Quantity Limit rules not met	136	1.20%	3	0	2.21%	0.54%
Step Therapy rules not met	177	1.57%	19	0	10.73%	3.41%
<b>Exception</b>						
Not on formulary	2075	18.37%	51	0	2.46%	9.16%
Other-Exception	2	0.02%	1	0	50.00%	0.18%
PA Exception criteria not met	54	0.48%	8	0	14.81%	1.44%
Quantity Limit exception criteria not met	18	0.16%	1	0	5.56%	0.18%
Step Therapy exception criteria not met	3	0.03%	0	0	0.00%	0.00%
Tiering exception criteria not met	1222	10.82%	4	1	0.41%	0.90%
<b>Exclusion</b>						
Anorexia drug	6	0.05%	0	0	0.00%	0.00%
Cosmetic Purposes or hair grow	14	0.12%	3	0	21.43%	0.54%
Covered under A or B	366	3.24%	9	2	3.01%	1.97%
DESI Drugs	7	0.06%	0	0	0.00%	0.00%
Fertility Drug	1	0.01%	0	0	0.00%	0.00%
Manufacturer Tying Arrangement	14	0.12%	0	0	0.00%	0.00%
Not FDA Approved Drug	260	2.30%	4	0	1.54%	0.72%
Not Medically Accepted Indication	2663	23.57%	97	2	3.72%	17.77%
OTC Drug	49	0.43%	0	1	2.04%	0.18%
Other-Exclusion	40	0.35%	0	0	0.00%	0.00%
Relief of Cough and Colds	26	0.23%	0	0	0.00%	0.00%
Sexual and Erectile Dysfunction	45	0.40%	1	0	2.22%	0.18%
Supply not directly associated with injection of insulin	2	0.02%	0	0	0.00%	0.00%
Vitamins and Minerals	48	0.42%	0	0	0.00%	0.00%
Weight loss or Weight Gain drug	622	5.51%	2	0	0.32%	0.36%
<b>OON</b>						
OON	9	0.08%	0	0	0.00%	0.00%
<b>No Exception</b>	1306	11.56%	43	6	3.75%	8.80%
<b>Grand Total</b>	<b>11298</b>	<b>100%</b>	<b>542</b>	<b>15</b>	<b>4.93%</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%	4	100.00%	4
Contract Ambiguity	0	0.00%	0	0.00%	5	100.00%	5
Cost Sharing / Benefit Limits	32	15.46%	4	1.93%	171	82.61%	207
Dosage/Form	0	0.00%	0	0.00%	1	100.00%	1
Exclusion - B vs D	6	1.60%	2	0.53%	366	97.86%	374
Not a Medically Accepted Indication	55	1.20%	2	0.04%	4515	98.75%	4572
Off-Formulary Exception	47	2.47%	0	0.00%	1852	97.53%	1899
OON Rules	0	0.00%	0	0.00%	16	100.00%	16
Prior Authorization Exception	50	35.21%	1	0.70%	91	64.08%	142
Prior Authorization Rules	338	25.32%	2	0.15%	995	74.53%	1335
Quantity Limit Exception	5	18.52%	0	0.00%	22	81.48%	27
Quantity Limit Rules	2	1.44%	1	0.72%	136	97.84%	139
Statutory Exclusion	0	0.00%	2	0.18%	1139	99.82%	1141
Step-Therapy	2	3.08%	0	0.00%	63	96.92%	65
Step-Therapy Exception	1	14.29%	0	0.00%	6	85.71%	7
Tiering Exception (TE) Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	66	100.00%	66
TE Criteria Met	4	33.33%	0	0.00%	8	66.67%	12
TE Criteria Not Met	0	0.00%	0	0.00%	469	100.00%	469
TE for Non-Formulary Drug	0	0.00%	0	0.00%	31	100.00%	31
TE for Specialty Tier Drug	0	0.00%	1	0.79%	126	99.21%	127
TE for Tier 1 Drug	0	0.00%	0	0.00%	14	100.00%	14
TE No Lower Tier Alternatives	0	0.00%	0	0.00%	624	100.00%	624
Tier 4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	21	100.00%	21
Grand Total	542	4.80%	15	0.13%	10741	95.07%	11298

## 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%	13	100.00%	13
Prescribing Physician Statement	12	4.17%	1	0.35%	275	95.49%	288
Grand Total	12	3.99%	1	0.33%	288	95.68%	301