

Fact Sheet

Part D Drug Reconsideration Appeals Data – Q2 2022

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)—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 April 1, 2022 - June 30, 2022 (Quarter 2).

Reconsideration Volume

The Part D QIC received 10,612 reconsideration requests during Q2 of 2022. This represents a rate of 0.20 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹

Standard cases represented 42.70% of all appeals received and resulted in a rate of 0.09 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 5.47% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

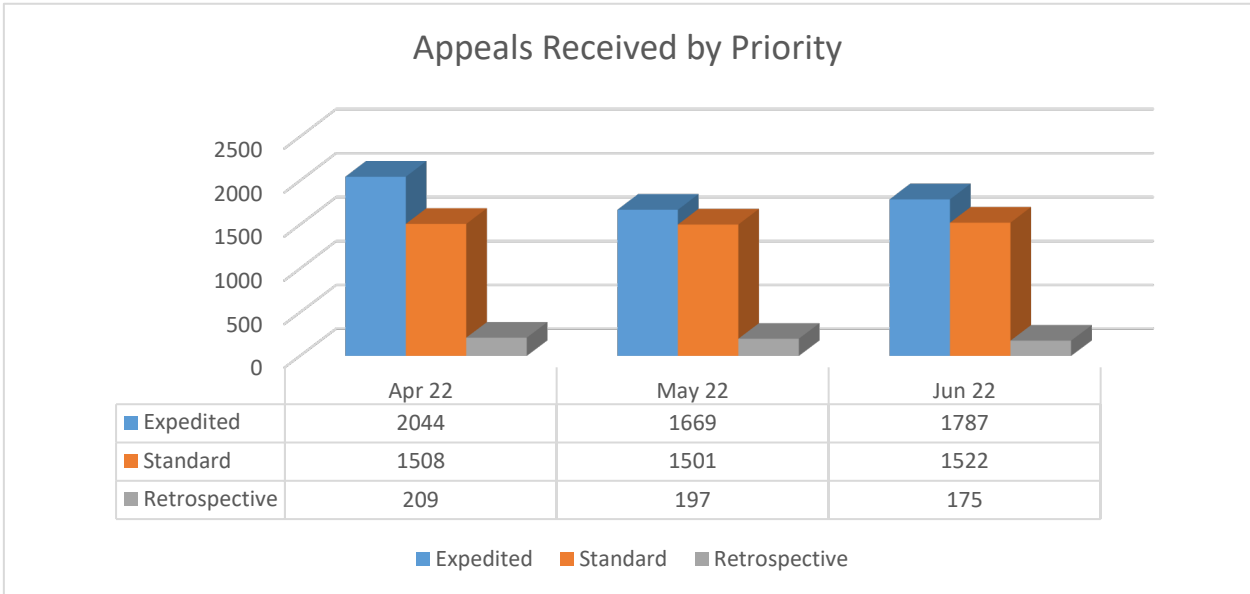
Expedited cases represented 51.83% of all appeals received and resulted in a rate of 0.10 expedited cases for each 1,000 beneficiaries enrolled.

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

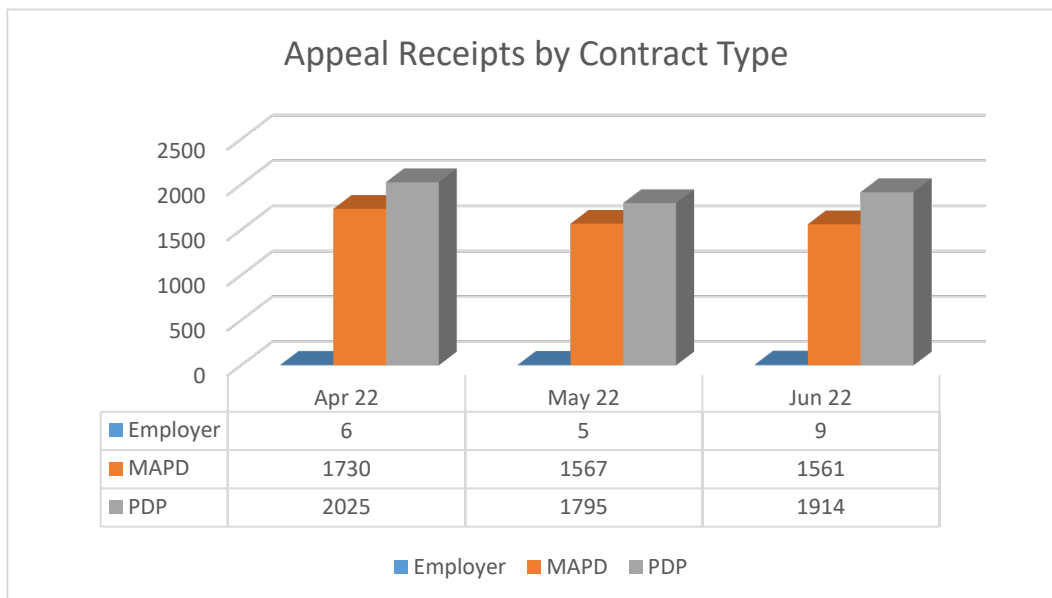
¹ Volume, divided by June enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

Reconsideration Volume

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



Part D Appeal Volume by Contract Type



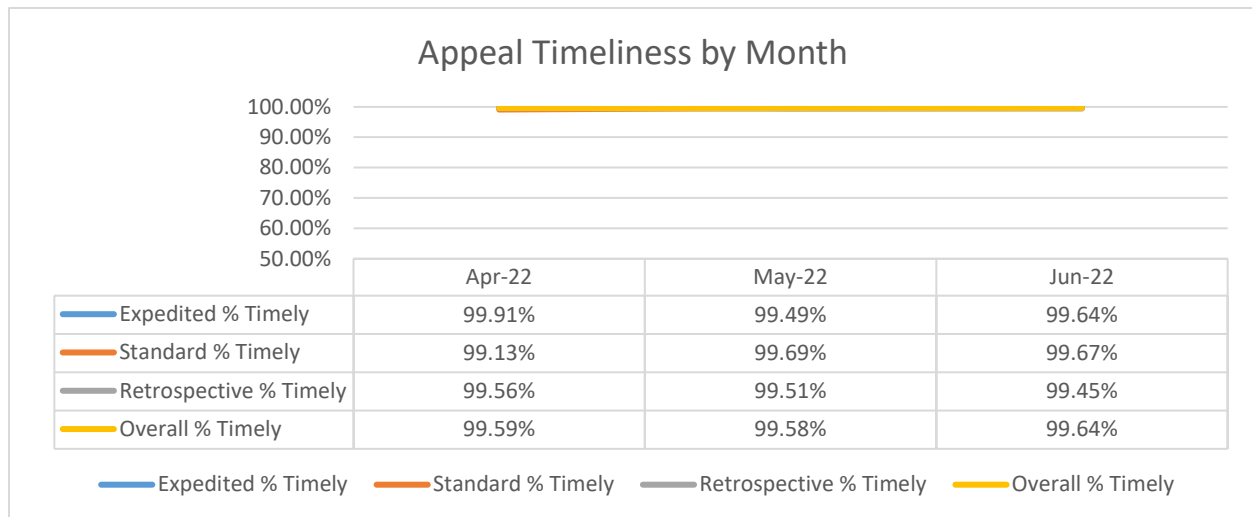
Note: MAPD: Medicare Advantage Prescription Drug Plan; PDP: Prescription Drug Plan; Employer: Prescription Drug Plan

Timeliness of Part D Reconsiderations

Overall Timeliness by Month

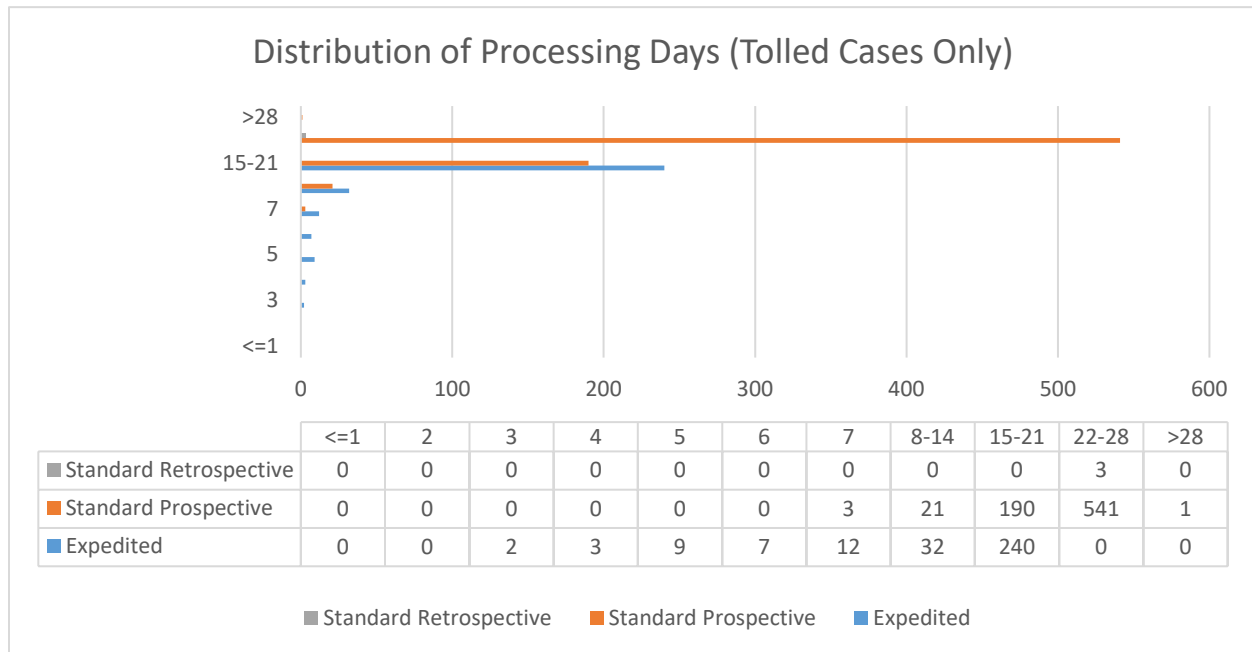
Month	Total Appeals Decided	Total Timely	% Timely
April 2022	3891	3875	99.59%
May 2022	3546	3531	99.58%
June 2022	3360	3348	99.64%

Reconsideration Timeliness by Priority

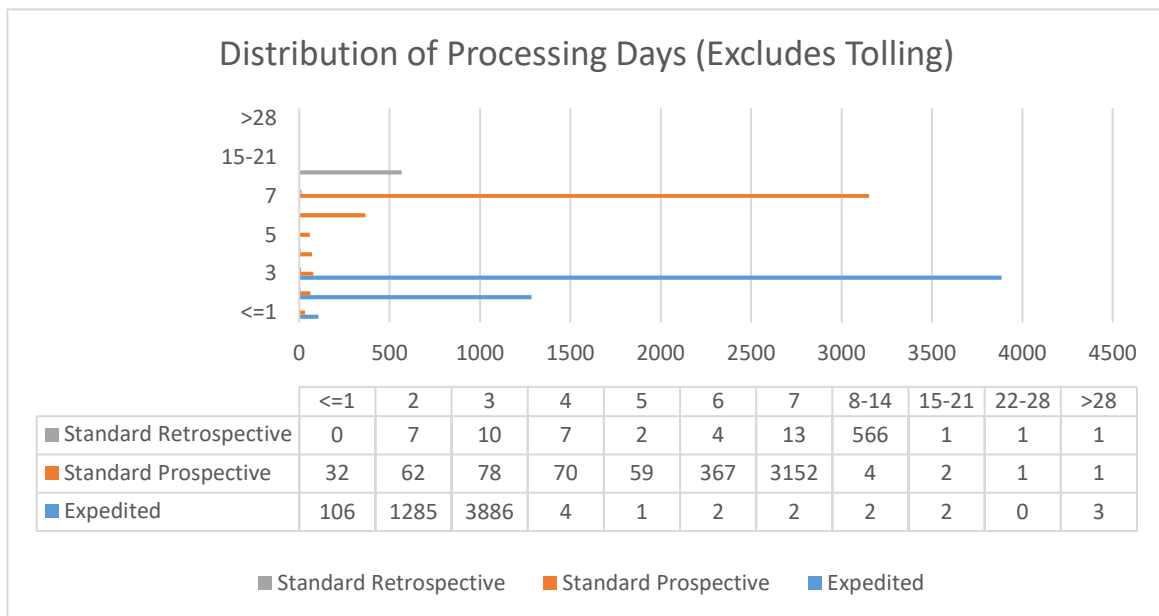


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to 14 additional calendar days. Standard appeals are completed within 7 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	951	466	49.00%	30	6.44%	5.54%
Not covered under Part D	3448	2767	80.25%	129	4.66%	23.80%
Out of Network (OON): Drug not available in-network	8	8	100.00%	1	12.50%	0.18%
OON: No access out of area travel	2	2	100.00%	0	0.00%	0.00%
OON: Not timely in-area access	1	1	100.00%	0	0.00%	0.00%
OON: Physician office access	1	1	100.00%	1	100.00%	0.18%
Plan cost utilization tool disputed	2276	2172	95.43%	295	13.58%	54.43%
Request for tiering exception	1776	1749	98.48%	13	0.74%	2.40%
Request for drug not on formulary	2334	2248	96.32%	73	3.25%	13.47%
Grand Total	10797	9414	87.19%	542	5.76%	100.00%

*Includes both partially favorable and fully favorable decisions

Plan Denial	Total Cases	Substantive Cases	% of Cases	Reversals*	% Reversed	% of all Reversals
At-Risk Determination	2	2	100.00%	0	0.00%	0.00%
Cost-Sharing	146	102	69.86%	9	8.82%	1.66%
Covered under A/B	257	255	99.22%	4	1.57%	0.74%
Drug is not FDA approved	78	75	96.15%	1	1.33%	0.18%
Not a Medically Accepted Indication	1496	1483	99.13%	77	5.19%	14.21%
Off-Formulary	2067	2010	97.24%	70	3.48%	12.92%
Other	2983	1840	61.68%	86	4.67%	15.87%

PART D DRUG FACT SHEET

Plan Denial	Total Cases	Substantive Cases	% of Cases	Reversals*	% Reversed	% of all Reversals
Out of Network (OON)	21	21	100.00%	1	4.76%	0.18%
Prescription Not Required	16	15	93.75%	0	0.00%	0.00%
Purchased Outside of the US	2	2	100.00%	0	0.00%	0.00%
Tiering Exception	1652	1632	98.79%	11	0.67%	2.03%
Utilization Management	2077	1977	95.19%	283	14.31%	52.21%
Grand Total	10797	9414	87.19%	542	5.76%	100.00%

*Includes both partially favorable and fully favorable decisions

Plan Type and Appeal Dispositions

Contract Type	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Employer	3	15.00%	0	0.00%	17	85.00%	20
MAPD	228	5.42%	8	0.19%	3971	94.39%	4207
PDP	295	5.69%	8	0.15%	4884	94.16%	5187
Grand Total	526	5.59%	16	0.17%	8872	94.24%	9414

Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	351	6.55%	8	0.15%	4997	93.30%	5356
Standard	175	4.31%	8	0.20%	3875	95.49%	4058
Prospective	144	4.04%	5	0.14%	3411	95.81%	3560
Retrospective	31	6.22%	3	0.60%	464	93.17%	498
Grand Total	526	5.59%	16	0.17%	8872	94.24%	9414

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
Cost-sharing						
Catastrophic Coverage not met	1	0.01%	0	0	0.00%	0.00%
Copay/coinsurance Applied	35	0.37%	4	0	11.43%	0.74%
Deductible not met	15	0.16%	2	0	13.33%	0.37%
Drugs purchased prior to coverage criteria	31	0.33%	3	0	9.68%	0.55%
Initial Coverage Limit reached	1	0.01%	0	0	0.00%	0.00%
Coverage Rules						
Other-Coverage Rules	19	0.20%	4	0	21.05%	0.74%

PART D DRUG FACT SHEET

Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
Prior Authorization (PA) rules not met	1588	16.87%	263	5	16.88%	49.45%
Quantity Limit rules not met	137	1.46%	9	1	7.30%	1.85%
Step Therapy rules not met	69	0.73%	8	1	13.04%	1.66%
Exception						
Not on formulary	2060	21.88%	70	1	3.45%	13.10%
Other exception	18	0.19%	1	0	5.56%	0.18%
PA exception criteria not met	12	0.13%	1	0	8.33%	0.18%
Quantity Limit exception criteria not met	10	0.11%	1	0	10.00%	0.18%
Step Therapy exception criteria not met	2	0.02%	0	0	0.00%	0.00%
Tiering exception criteria not met	1529	16.24%	11	0	0.72%	2.03%
Exclusion						
Anorexia drug	2	0.02%	0	0	0.00%	0.00%
Cosmetic purposes or hair grow	9	0.10%	0	0	0.00%	0.00%
Covered under A or B	354	3.76%	4	0	1.13%	0.74%
DESI Drugs	19	0.20%	0	0	0.00%	0.00%
Manufacturer tying arrangement	33	0.35%	0	0	0.00%	0.00%
Not FDA approved drug	151	1.60%	1	1	1.32%	0.37%

PART D DRUG FACT SHEET

Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
Not medically accepted indication	1823	19.36%	91	3	5.16%	17.34%
Over-the-counter drug	43	0.46%	0	0	0.00%	0.00%
Other exclusion	83	0.88%	2	0	2.41%	0.37%
Relief of cough and colds	14	0.15%	1	0	7.14%	0.18%
Sexual and erectile dysfunction	56	0.59%	0	0	0.00%	0.00%
Vitamins and minerals	52	0.55%	1	0	1.92%	0.18%
Weight loss or weight gain drug	76	0.81%	0	0	0.00%	0.00%
OON						
OON	5	0.05%	0	1	20.00%	0.18%
No Exception	1167	12.40%	49	3	4.46%	9.59%
Grand Total	9414	100%	526	16	5.76%	100.00%

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%	2	100.00%	2
Contract Ambiguity	1	20.00%	0	0.00%	4	80.00%	5

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Reason	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Cost Sharing/Benefit Limits	35	10.80%	1	0.31%	288	88.89%	324
Dosage/Form	0	0.00%	0	0.00%	3	100.00%	3
Exclusion - B vs D	1	0.24%	0	0.00%	409	99.76%	410
Not a Medically Accepted Indication	50	1.86%	1	0.04%	2643	98.11%	2694
Off-Formulary Exception	80	3.92%	1	0.05%	1959	96.03%	2040
OON Rules	1	20.00%	1	20.00%	3	60.00%	5
Prior Authorization Exception	122	66.67%	2	1.09%	59	32.24%	183
Prior Authorization Rules	208	18.87%	2	0.18%	892	80.94%	1102
Quantity Limit Exception	9	36.00%	0	0.00%	16	64.00%	25
Quantity Limit Rules	4	3.10%	4	3.10%	121	93.80%	129
Statutory Exclusion	0	0.00%	1	0.15%	676	99.85%	677
Step-Therapy	3	5.45%	0	0.00%	52	94.55%	55
Step-Therapy Exception	1	20.00%	0	0.00%	4	80.00%	5
Tiering Exception (TE) Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	419	100.00%	419
TE Criteria Met	11	100.00 %	0	0.00%		0.00%	11

PART D DRUG FACT SHEET

Reason	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
TE Criteria Not Met	0	0.00%	2	0.75%	264	99.25%	266
TE for Non-Formulary Drug	0	0.00%	0	0.00%	179	100.00%	179
TE for Specialty Tier Drug	0	0.00%	1	0.91%	109	99.09%	110
TE for Tier 1 Drug	0	0.00%	0	0.00%	29	100.00%	29
TE No Lower Tier Alternatives	0	0.00%	0	0.00%	722	100.00%	722
Tier 4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	19	100.00%	19
Grand Total	526	5.59%	16	0.17%	8872	94.24%	9414

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%	47	100.00%	47
Prescribing Physician Statement	49	10.99%	0	0.00%	397	89.01%	446
Grand Total	49	9.94%	0	0.00%	444	90.06%	493