

Fact Sheet

Part C Reconsideration Appeals Data – 2019

Part C Appeals Process

An appeal is the process by which an individual enrolled in a Medicare Health Plan (enrollee) may challenge a plan's organization determination. Appeals begin with a request by an enrollee (or his or her representative) for reconsideration by the plan of an "organization determination" made by the plan about furnishing, covering or paying for a benefit. If the plan's reconsideration decision continues to uphold its original denial, in whole or in part, the plan must forward the reconsideration to the Part C Independent Review Entity (also called the Part C Qualified Independent Contractor or "Part C QIC"). An enrollee who is dissatisfied with the Independent Review Entity's decision may appeal to an Administrative Law Judge. If the enrollee continues to be dissatisfied with the decision, additional appeal levels include the Medicare Appeals Council and federal judicial review, if additional amount in controversy limits are met.

The following data summarizes and highlights some of the key data on Part C reconsiderations from January 1, 2019 – December 31, 2019.

Reconsideration Volume

The Part C QIC received 100,507 reconsideration requests through December 31 of calendar year 2019. Projected to an annual rate, this would be 4.38 reconsiderations to 1,000 enrollees per year, compared with a rate of 3.95 reconsiderations for each 1,000 Medicare beneficiaries enrolled during 2018.¹

Standard pre-service cases represented 17.47% of all appeals received and resulted in a rate of 0.77 reconsiderations for each 1,000 beneficiaries enrolled.

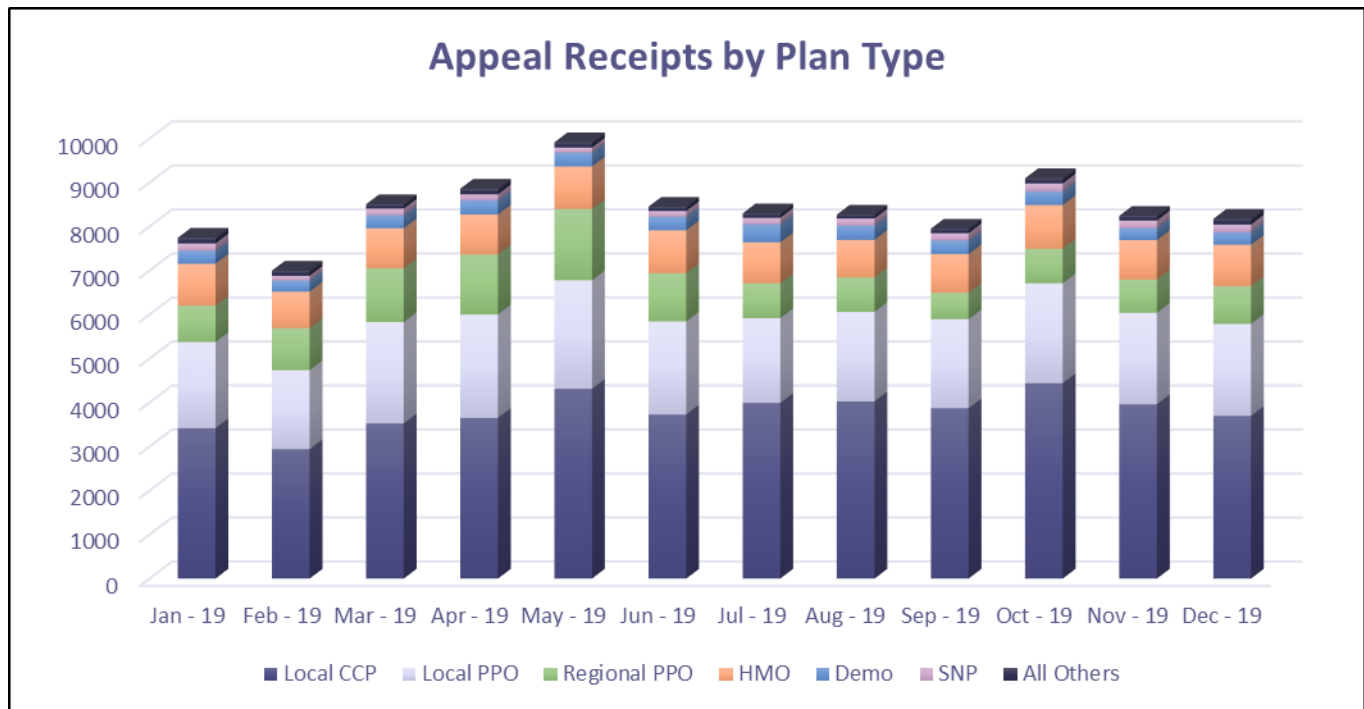
Standard retrospective cases represented 65.97% of all appeals received and resulted in a rate of 2.89 reconsiderations for each 1,000 beneficiaries enrolled.

Expedited cases represented 16.57% of all appeals received and resulted in a rate of 0.73 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.

Fact Sheet Part C Reconsideration Appeals Data - 2019

Number of appeals received by the Part C QIC by Month and Contract Type

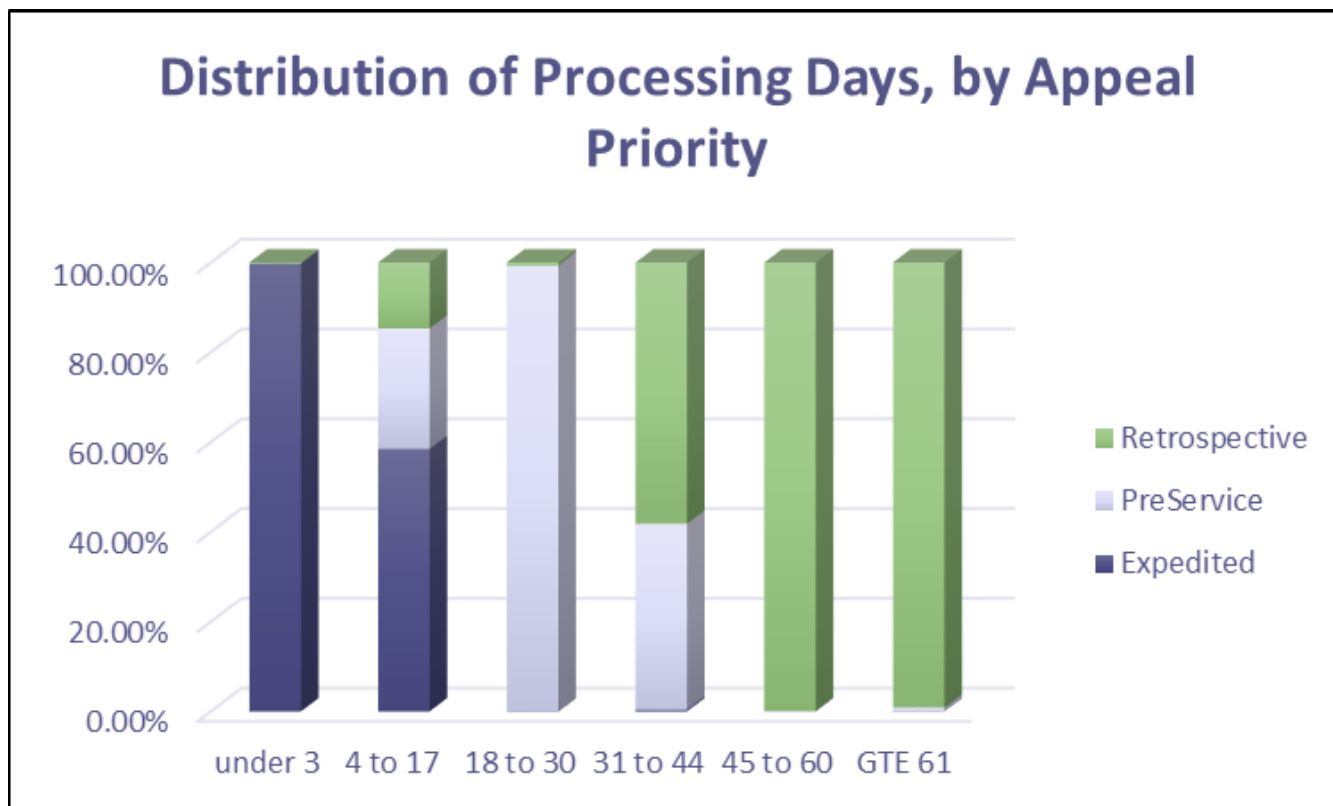


Fact Sheet Part C Reconsideration Appeals Data - 2019

Types of Appeals and Rates of Overturn of Plan Denials

| Appeal Types | Cases | Substantive Cases | % of Cases | Overturns | % Overturned | % of All Overturns |
|--------------------------|-------|-------------------|------------|-----------|--------------|--------------------|
| DME/ Orthotics | 16640 | 16238 | 97.58% | 440 | 2.71% | 5.63% |
| Drugs | 4667 | 4509 | 96.61% | 269 | 5.97% | 3.44% |
| ER | 1385 | 1268 | 91.55% | 110 | 8.68% | 1.41% |
| Home Health | 1773 | 1659 | 93.57% | 118 | 7.11% | 0.13% |
| Hospice | 422 | 418 | 99.05% | 10 | 2.39% | 0.13% |
| Imaging | 5131 | 4756 | 92.69% | 693 | 14.57% | 8.87% |
| Inpatient Hospital | 9642 | 8934 | 92.66% | 1078 | 12.07% | 13.80% |
| Lab | 7158 | 6709 | 93.73% | 445 | 6.63% | 5.69% |
| Other | 3836 | 2526 | 65.85% | 850 | 33.65% | 10.88% |
| Outpatient Mental Health | 1005 | 952 | 94.73% | 56 | 5.88% | 0.72% |
| Outpatient Therapies | 2280 | 2070 | 90.79% | 185 | 8.94% | 2.37% |
| Practitioner Services | 20936 | 19633 | 93.78% | 1900 | 9.68% | 24.32% |
| SNF | 4056 | 3863 | 95.24% | 300 | 7.77% | 3.84% |
| Step-Therapy | 131 | 130 | 99.24% | 3 | 2.31% | 0.04% |
| Supplemental Benefit | 8965 | 8671 | 96.72% | 409 | 4.72% | 5.23% |
| Surgery | 4351 | 4085 | 93.89% | 554 | 13.56% | 7.09% |
| Testing | 2171 | 2027 | 93.37% | 214 | 10.56% | 2.74% |
| Transportation | 3740 | 3531 | 94.41% | 180 | 5.10% | 2.30% |
| Grand Total | 98289 | 91979 | 93.58% | 7814 | 8.50% | 5.48% |

Timeliness of Reconsideration Cases, Calendar Year 2019

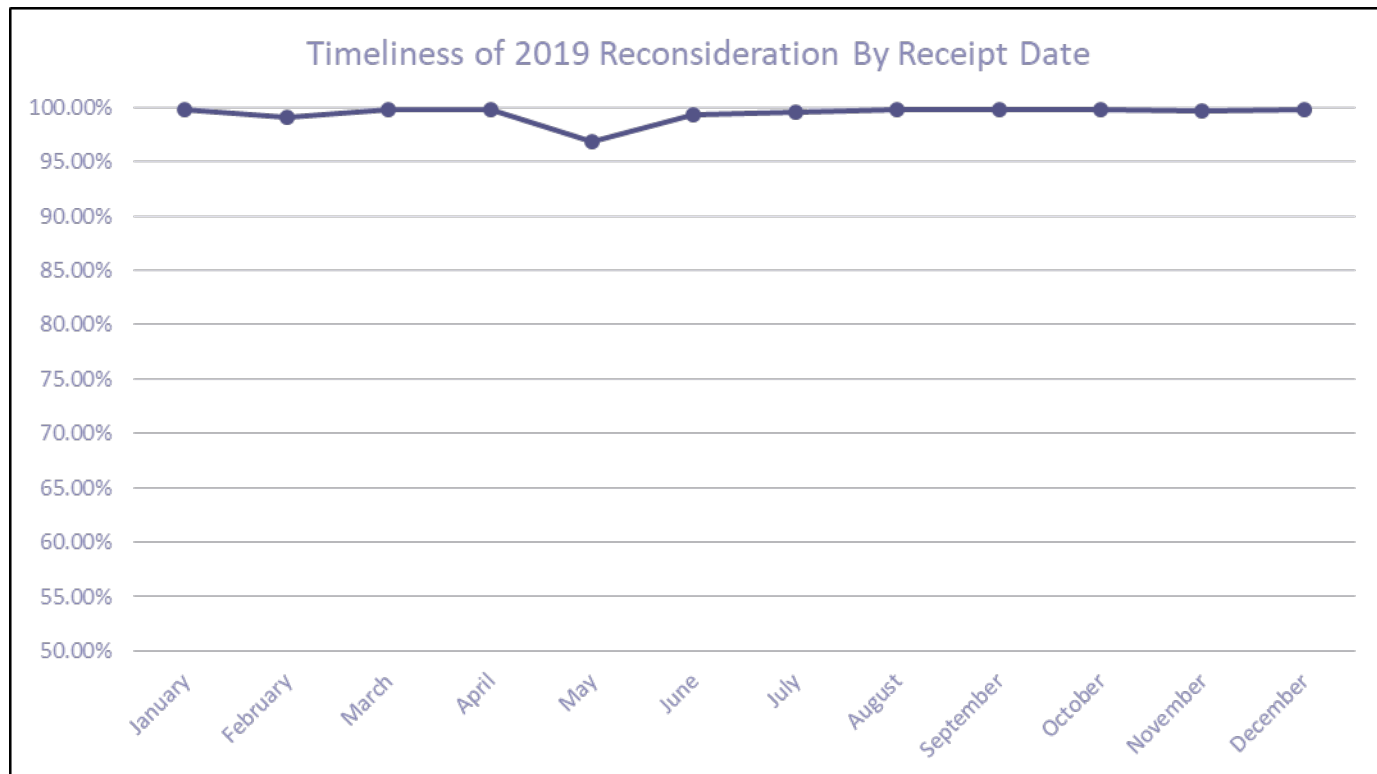


| Processing Days | Expedited | PreService | Retrospective |
|--------------------|---------------|---------------|---------------|
| under 3 | 99.73% | 0.03% | 0.24% |
| 4 to 17 | 58.45% | 26.86% | 14.69% |
| 18 to 30 | 0.07% | 99.26% | 0.67% |
| 31 to 44 | 0.38% | 41.45% | 58.18% |
| 45 to 60 | 0.01% | 0.12% | 99.87% |
| > 61 | 0.04% | 0.80% | 99.15% |
| Grand Total | 16.58% | 17.48% | 65.94% |

Variable time standards apply to the completion of appeals of different appeal priorities. Expedited appeals are to be completed in 3 days, unless an extension is warranted to complete information required of the decision. An extension can be for up to 14 additional days. Standard pre-service appeals are to be completed in 30 days; again, an extension of up to 14 days may be taken if warranted. Standard retrospective (claim) denials are to be completed within 60 days.

Fact Sheet Part C Reconsideration Appeals Data - 2019

Processing of Part C Reconsiderations During 2019



| Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | June-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 |
|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|
| 99.78% | 99.14% | 99.81% | 99.82% | 96.87% | 99.33% | 99.60% | 99.76% | 99.84% | 99.78% | 99.67% | 99.82% |