

FACT SHEET

PART D DRUG RECONSIDERATION APPEALS DATA – Q3 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), 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 July 1, 2022, through Sept. 30, 2022 (Quarter 3).

Reconsideration Volume

The Part D QIC received 8,960 reconsideration requests during Q3 of 2022. This represents a rate of 0.17 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹

Standard cases represented 47.65% of all appeals received and resulted in a rate of 0.08 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 4.99% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

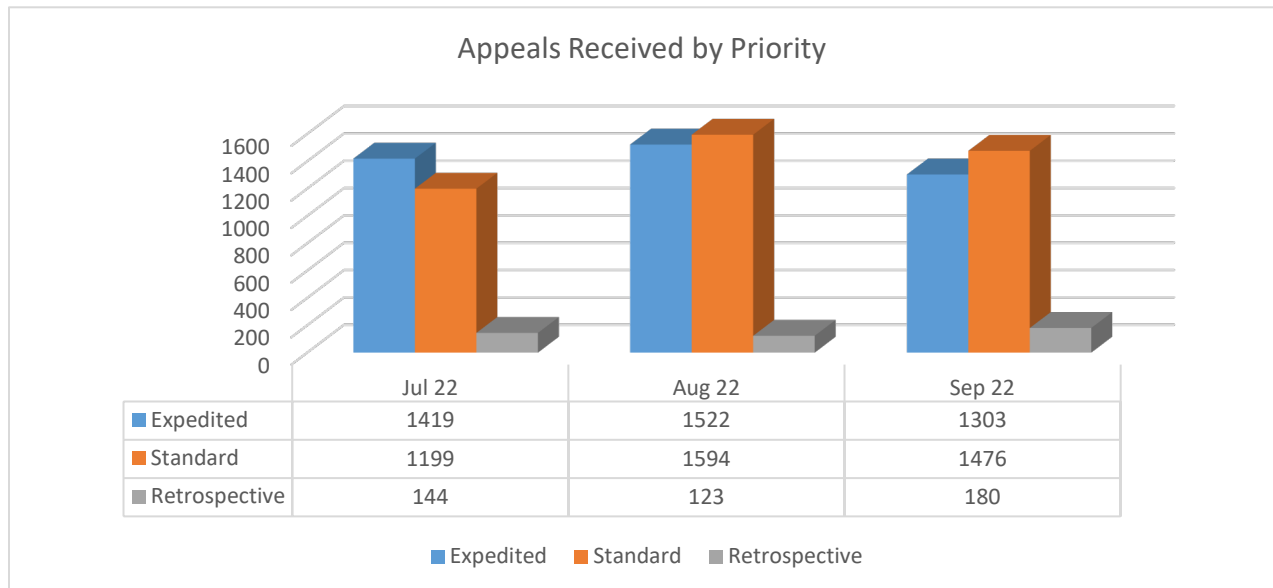
Expedited cases represented 47.37% of all appeals received and resulted in a rate of 0.08 expedited cases for each 1,000 beneficiaries enrolled.

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

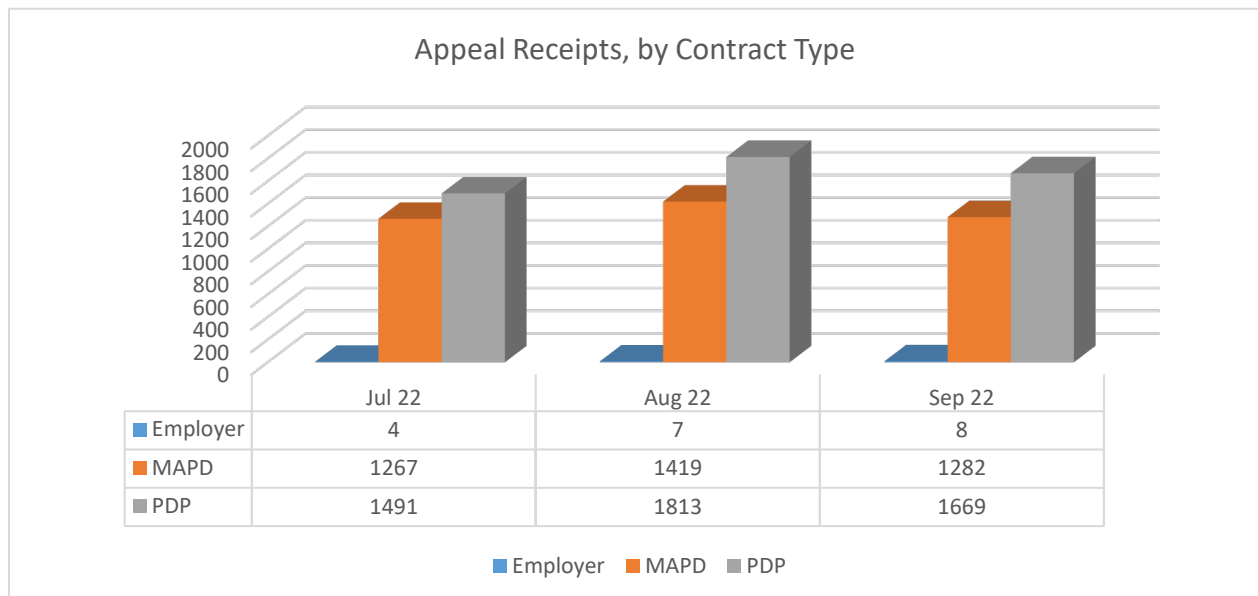
¹ Volume, divided by September enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

Reconsideration Volume

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



Part D Appeal Volume, by Contract Type



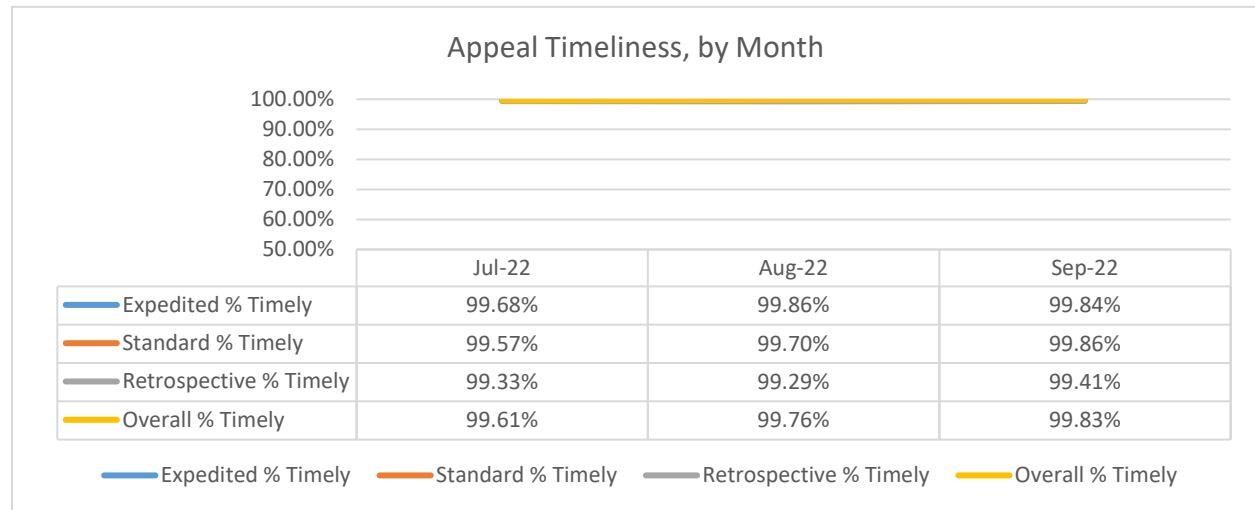
Note: MAPD: Medicare Advantage Prescription Drug Plan; PDP: Prescription Drug Plan; Employer: Prescription Drug Plan

Timeliness of Part D Reconsiderations

Overall Timeliness, by Month

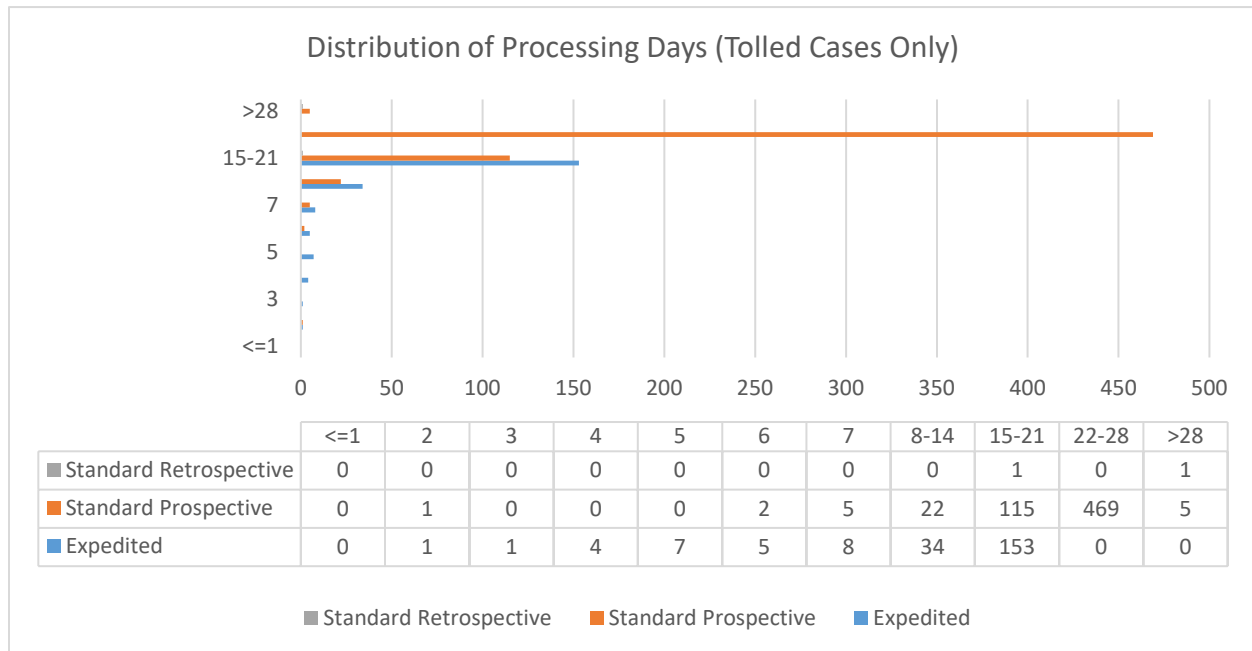
Month	Total Appeals Decided	Total Timely	% Timely
July 2022	2846	2835	99.61%
August 2022	3284	3276	99.76%
September 2022	2908	2903	99.83%

Reconsideration Timeliness, by Priority

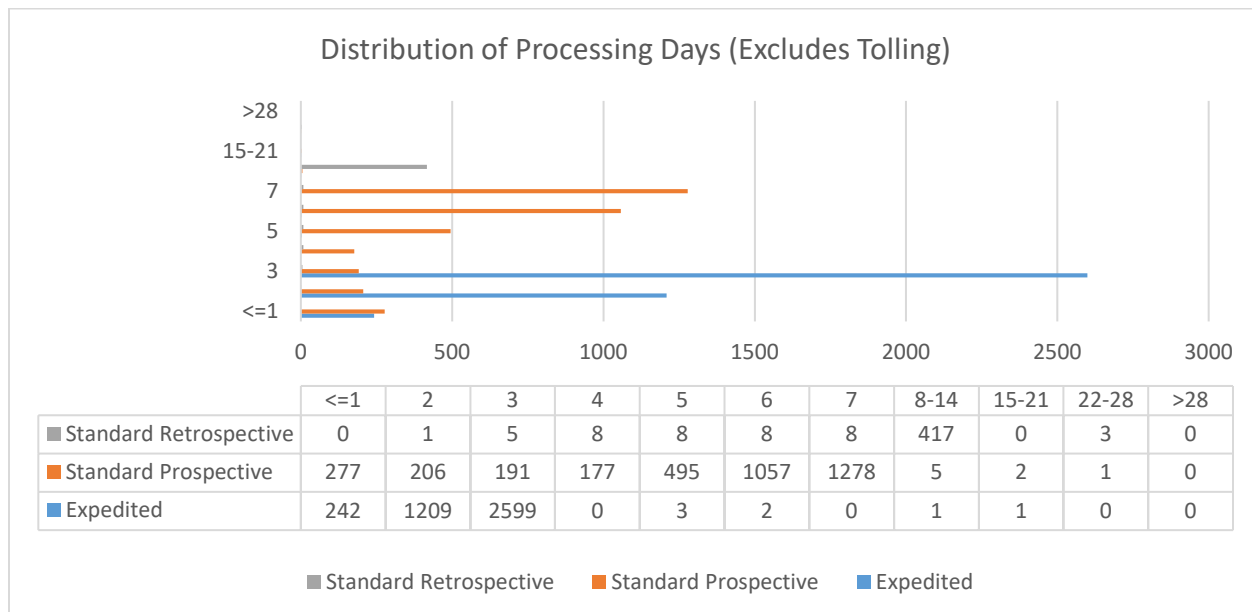


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours, unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to 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.

Overtake 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	651	261	40.09%	23	8.81%	5.29%
Not covered under Part D	3419	2473	72.33%	119	4.81%	27.36%
Out of Network (OON): Drug not available in-network	8	8	100.00%	0	0.00%	0.00%
OON: No access out of area travel	2	2	100.00%	0	0.00%	0.00%
OON: Not timely in-area access	2	1	50.00%	0	0.00%	0.00%
OON: Physician office access	1	1	100.00%	0	0.00%	0.00%
Plan cost utilization tool disputed	1890	1798	95.13%	226	12.57%	51.95%
Request for tiering exception	1384	1340	96.82%	7	0.52%	1.61%
Request for drug not on formulary	1681	1565	93.10%	60	3.83%	13.79%
Grand Total	9038	7449	82.42%	435	5.84%	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	7	7	100.00%	0	0.00%	0.00%
Cost-Sharing	64	59	92.19%	4	6.78%	0.92%
Covered under A/B	259	256	98.84%	14	5.47%	3.22%
Drug is not FDA approved	68	68	100.00%	2	2.94%	0.46%
Not a Medically Accepted Indication	1438	1425	99.10%	66	4.63%	15.17%
Off-Formulary	1523	1464	96.13%	59	4.03%	13.56%
Other	2435	1047	43.00%	47	4.49%	10.80%
Out of Network	15	15	100.00%	0	0.00%	0.00%
Prescription Not Required	8	8	100.00%	0	0.00%	0.00%
Purchased Outside of the US	1	1	100.00%	0	0.00%	0.00%
Tiering Exception	1375	1348	98.04%	6	0.45%	1.38%
Utilization Management	1845	1751	94.91%	237	13.54%	54.48%
Grand Total	9038	7449	82.42%	435	5.84%	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	2	11.11%	0	0.00%	16	88.89%	18
MAPD	197	6.03%	7	0.21%	3063	93.76%	3267
PDP	218	5.24%	11	0.26%	3935	94.50%	4164
Grand Total	417	5.60%	18	0.24%	7014	94.16%	7449

Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	287	6.97%	9	0.22%	3821	92.81%	4117
Standard	130	3.90%	9	0.27%	3193	95.83%	3332
Prospective	112	3.79%	7	0.24%	2837	95.97%	2956
Retrospective	18	4.79%	2	0.53%	356	94.68%	376
Grand Total	417	5.60%	18	0.24%	7014	94.16%	7449

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						
Copay/Coinsurance applied	28	0.38%	2	0	7.14%	0.46%
Deductible not met	8	0.11%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	41	0.55%	6	0	14.63%	1.38%
Coverage Rules						
Other-Coverage Rules	6	0.08%	0	1	16.67%	0.23%
Prior Authorization (PA) rules not met	1265	16.98%	210	8	17.23%	50.11%
Quantity Limit (QL) rules not met	89	1.19%	8	1	10.11%	2.07%

Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
Step Therapy (ST) rules not met	54	0.72%	2	0	3.70%	0.46%
Exception						
Not on formulary	1330	17.85%	57	0	4.29%	13.10%
Other-Exception	5	0.07%	0	0	0.00%	0.00%
PA Exception criteria not met	35	0.47%	5	0	14.29%	1.15%
QL exception criteria	11	0.15%	0	0	0.00%	0.00%
ST exception criteria	4	0.05%	0	0	0.00%	0.00%
Tiering exception criteria not met	1169	15.69%	6	2	0.68%	1.84%
Exclusion						
Anorexia drug	3	0.04%	0	0	0.00%	0.00%
Benzodiazepines	1	0.01%	0	0	0.00%	0.00%
Cosmetic purposes or hair grow	19	0.26%	0	0	0.00%	0.00%
Covered under A or B	319	4.28%	15	1	5.02%	3.68%
DESI Drugs	11	0.15%	0	0	0.00%	0.00%
Fertility Drug	2	0.03%	0	0	0.00%	0.00%
Manufacturer tying Arrangement	33	0.44%	0	0	0.00%	0.00%
Not FDA Approved Drug	116	1.56%	0	1	0.86%	0.23%
Not Medically Accepted Indication	1711	22.97%	74	1	4.38%	17.24%
Over-the-counter (OTC) Drug	24	0.32%	1	0	4.17%	0.23%
Other exclusion	39	0.52%	2	0	5.13%	0.46%
Relief of cough and colds	12	0.16%	0	0	0.00%	0.00%
Sexual and erectile dysfunction (ED) drugs	49	0.66%	0	0	0.00%	0.00%
Vitamins and minerals	38	0.51%	0	0	0.00%	0.00%
Weight loss or weight gain drug	86	1.15%	0	0	0.00%	0.00%
OON						
OON	3	0.04%	0	0	0.00%	0.00%
No Exception	938	12.59%	29	3	3.41%	7.36%
Grand Total	7449	100%	417	18	5.84%	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	0	0.00%	1	7.69%	12	92.31%	13
Cost Sharing / Benefit Limits	21	9.63%	0	0.00%	197	90.37%	218
Dosage/Form	0	0.00%	0	0.00%	1	100.00%	1
Exclusion - B vs D	2	0.61%	0	0.00%	326	99.39%	328
Not a Medically Accepted Indication	40	1.72%	1	0.04%	2280	98.23%	2321
Off-Formulary Exception	63	4.67%	0	0.00%	1285	95.33%	1348
OON Rules	0	0.00%	0	0.00%	5	100.00%	5
Prior Authorization Exception	93	74.40%	0	0.00%	32	25.60%	125
Prior Authorization Rules	177	18.38%	5	0.52%	781	81.10%	963
Quantity Limit Exception	5	16.67%	0	0.00%	25	83.33%	30
Quantity Limit Rules	5	4.81%	8	7.69%	91	87.50%	104
Statutory Exclusion	0	0.00%	1	0.17%	580	99.83%	581
Step-Therapy	3	7.69%	0	0.00%	36	92.31%	39
Step-Therapy Exception	1	16.67%	0	0.00%	5	83.33%	6
Tiering Exception (TE) Brand Drug, Lower Tier Generic	1	0.28%	1	0.28%	350	99.43%	352
TE Criteria Met	6	100.00%	0	0.00%	0	0.00%	6
TE Criteria Not Met	0	0.00%	1	0.62%	161	99.38%	162
TE for Non-Formulary Drug	0	0.00%	0	0.00%	107	100.00%	107
TE for Specialty Tier Drug	0	0.00%	0	0.00%	85	100.00%	85
TE for Tier 1 Drug	0	0.00%	0	0.00%	13	100.00%	13
TE No Lower Tier Alternatives	0	0.00%	0	0.00%	636	100.00%	636

Reason	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Tier 4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	4	100.00%	4
Grand Total	417	5.60%	18	0.24%	7014	94.16%	7449

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%	52	100.00%	52
Prescribing Physician Statement	31	11.83%	2	0.76%	229	87.40%	262
Grand Total	31	9.87%	2	0.64%	281	89.49%	314