

Fact Sheet

Part D Drug Reconsideration Appeals Data – Q1 2023

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 (also called the Part D Qualified Independent Contractor or Part D QIC). An enrollee who is dissatisfied with the Independent Review Entity's decision may appeal to an Administrative Law Judge if the 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 summarizes and highlights some of the key data on reconsiderations for the Medicare Prescription Drug Benefit Program from January 1, 2023 - March 31, 2023 (Quarter 1).

Reconsideration Volume

The Part D QIC received 11,242 reconsideration requests during Q1 of 2023. This represents a rate of 0.21 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹

Standard cases represented 45.26% of all appeals received and resulted in a rate of 0.09 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 4.11% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

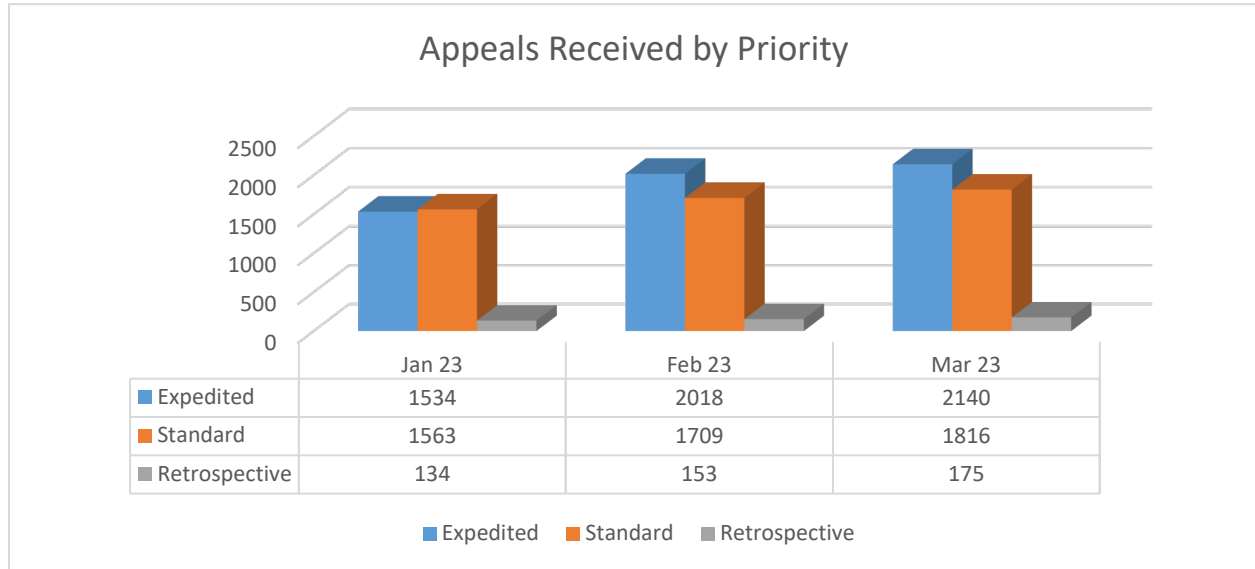
Expedited cases represented 50.63% of all appeals received and resulted in a rate of 0.10 expedited cases for each 1,000 beneficiaries enrolled.

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

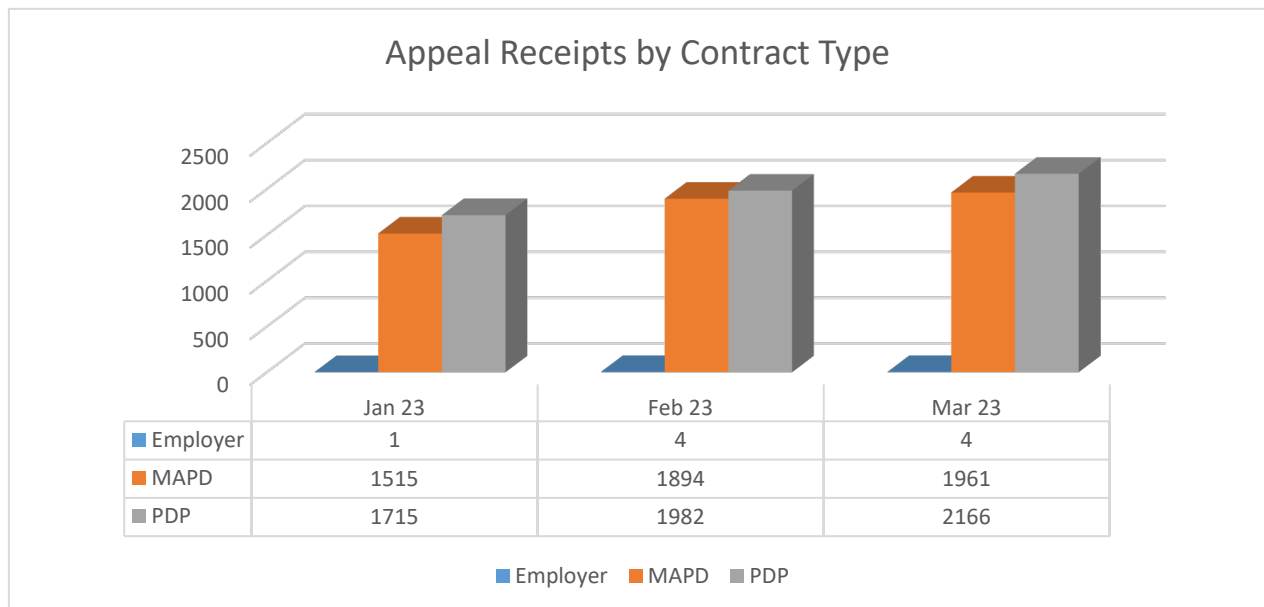
¹ Volume, divided by March enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

Reconsideration Volume

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



Part D Appeal Volume by Contract Type



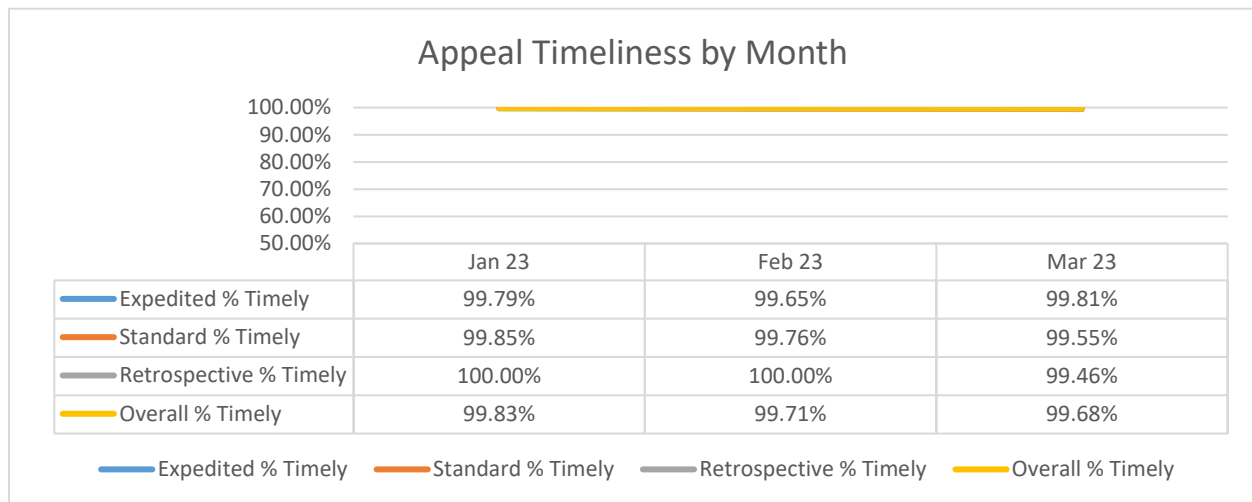
Note: MAPD: Medicare Advantage Prescription Drug Plan; PDP: Prescription Drug Plan; Employer: Prescription Drug Plan

Timeliness of Part D Reconsiderations

Overall Timeliness by Month

Month	Total Appeals Decided	Total Timely	% Timely
January	2893	2888	99.83%
February	3767	3756	99.71%
March	4109	4096	99.68%

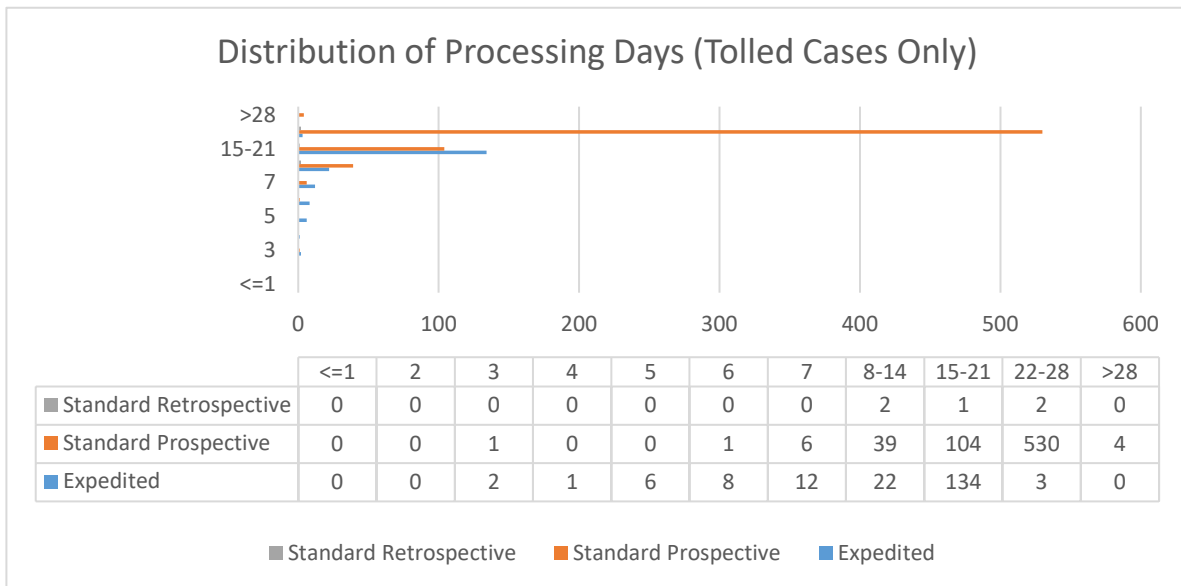
Reconsideration Timeliness by Priority



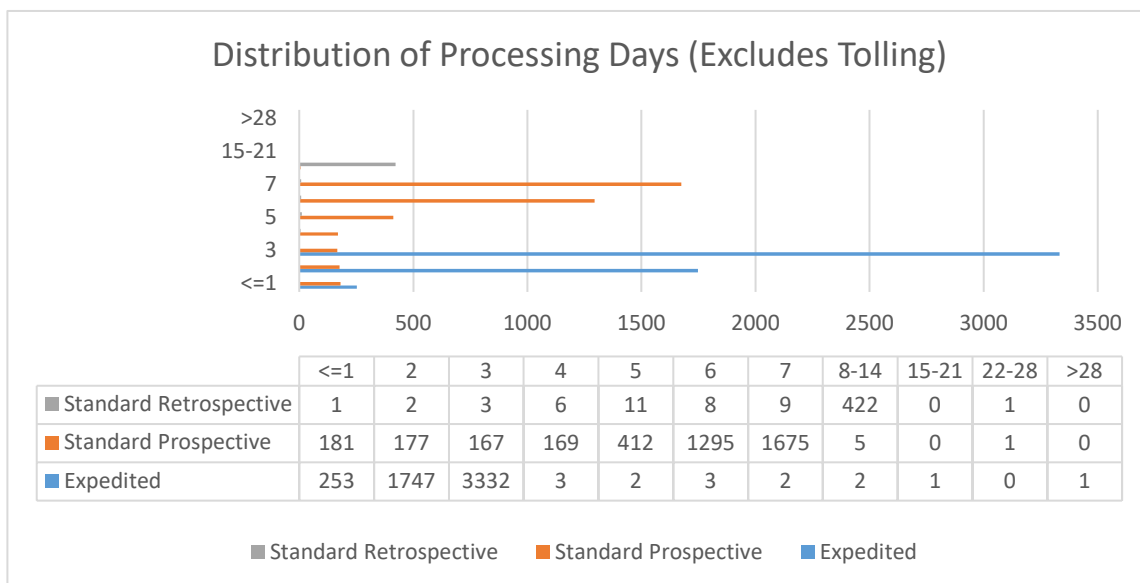
Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to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

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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.

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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	917	356	38.82%	21	5.90%	3.81%
Not covered under Part D	3571	2955	82.75%	133	4.50%	24.14%
Out of Network (OON): Drug not available in-network	9	9	100.00%	1	11.11%	0.18%
OON: Long Term Care (LTC) facility	1	1	100.00%	0	0.00%	0.00%
OON: No access OOA travel	3	3	100.00%	0	0.00%	0.00%
OON: Not timely in-area access	3	2	66.67%	0	0.00%	0.00%
Plan cost utilization tool disputed	2419	2299	95.04%	313	13.61%	56.81%
Request for tiering exception	1643	1593	96.96%	21	1.32%	3.81%
Request for drug not on formulary	2203	2115	96.01%	62	2.93%	11.25%
Grand Total	10769	9333	86.67%	551	5.90%	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	4	4	100.00%	0	0.00%	0.00%
Cost-Sharing	87	71	81.61%	5	7.04%	0.91%
Covered under A/B	281	279	99.29%	11	3.94%	2.00%
Drug is not FDA approved	120	119	99.17%	3	2.52%	0.54%
Not a Medically Accepted Indication	1637	1627	99.39%	46	2.83%	8.35%
Off-Formulary	2029	1971	97.14%	63	3.20%	11.43%
Other	2558	1364	53.32%	76	5.57%	13.79%
Out of Network	19	19	100.00%	1	5.26%	0.18%
Prescription Not Required	1	1	100.00%	0	0.00%	0.00%
Tiering Exception	1621	1588	97.96%	18	1.13%	3.27%
Utilization Management	2412	2290	94.94%	328	14.32%	59.53%
Grand Total	10769	9333	86.67%	551	5.90%	100.00%

*Includes both partially favorable and fully favorable decisions

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Plan Type and Appeal Dispositions

Contract Type	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Employer	0	0.00%	1	10.00%	9	90.00%	10
MAPD	242	5.51%	11	0.25%	4140	94.24%	4393
PDP	290	5.88%	7	0.14%	4633	93.98%	4930
Grand Total	532	5.70%	19	0.20%	8782	94.10%	9333

Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	334	6.25%	8	0.15%	4999	93.60%	5341
Standard	198	4.96%	11	0.28%	3783	94.76%	3992
Prospective	165	4.58%	9	0.25%	3432	95.17%	3606
Retrospective	33	8.55%	2	0.52%	351	90.93%	386
Grand Total	532	5.70%	19	0.20%	8782	94.10%	9333

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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	2	0.02%	0	0	0.00%	0.00%
Copay/Coinsurance Applied	36	0.39%	0	0	0.00%	0.00%
Deductible Not Met	6	0.06%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	34	0.36%	5	0	14.71%	0.91%
Initial Coverage Limit Reached	1	0.01%	0	0	0.00%	0.00%
Coverage Rules						
Other-Coverage Rules	9	0.10%	2	0	22.22%	0.36%
Prior Authorization rules not met	1483	15.89%	257	4	17.60%	47.37%
Quantity Limit rules not met	103	1.10%	11	0	10.68%	2.00%
Step Therapy rules not met	76	0.81%	13	0	17.11%	2.36%
Exception						
Dosage/Form not covered	2	0.02%	0	0	0.00%	0.00%
Not on formulary	1739	18.63%	57	1	3.34%	10.53%
Other-Exception	7	0.08%	0	0	0.00%	0.00%
PA Exception criteria not met	80	0.86%	16	0	20.00%	2.90%
Quantity Limit exception criteria	17	0.18%	2	0	11.76%	0.36%
Step Therapy exception criteria	11	0.12%	2	0	18.18%	0.36%
Tiering exception criteria not met	1420	15.21%	12	3	1.06%	2.72%
Exclusion						
Anorexia drug	1	0.01%	0	0	0.00%	0.00%
Cosmetic Purposes or hair grow	23	0.25%	4	0	17.39%	0.73%
Covered under A or B	370	3.96%	19	3	5.95%	3.99%
DESI Drugs	11	0.12%	0	0	0.00%	0.00%
Manufacturer tying Arrangement	19	0.20%	1	0	5.26%	0.18%
Not FDA Approved Drug	166	1.78%	0	1	0.60%	0.18%
Not Medically Accepted Indication	2138	22.91%	61	2	2.95%	11.43%
OTC Drug	41	0.44%	0	0	0.00%	0.00%
Other-Exclusion	35	0.38%	0	0	0.00%	0.00%
Relief of Cough and Colds	14	0.15%	0	0	0.00%	0.00%
Sexual and Erectile Dysfunction	65	0.70%	1	0	1.54%	0.18%
Supply not directly associated	2	0.02%	0	0	0.00%	0.00%

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Vitamins and Minerals	37	0.40%	0	0	0.00%	0.00%
Weight loss or Weight Gain drug	169	1.81%	0	0	0.00%	0.00%
OON						
OON	3	0.03%	0	0	0.00%	0.00%
No Exception	1213	13.00%	69	5	6.10%	13.43%
Grand Total	9333	100%	532	19	5.90%	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%	3	100.00%	3
Contract Ambiguity	0	0.00%	0	0.00%	6	100.00%	6
Cost Sharing / Benefit Limits	30	13.76%	0	0.00%	188	86.24%	218
Dosage/Form	0	0.00%	1	20.00%	4	80.00%	5
Exclusion - B vs D	12	3.26%	2	0.54%	354	96.20%	368
Not a Medically Accepted Indication	39	1.30%	1	0.03%	2958	98.67%	2998
Off-Formulary Exception	64	3.56%	1	0.06%	1734	96.39%	1799
OON Rules	2	20.00%	0	0.00%	8	80.00%	10
Prior Authorization Exception	83	55.33%	3	2.00%	64	42.67%	150
Prior Authorization Rules	255	21.61%	2	0.17%	923	78.22%	1180
Quantity Limit Exception	11	36.67%	0	0.00%	19	63.33%	30
Quantity Limit Rules	7	5.60%	3	2.40%	115	92.00%	125
Statutory Exclusion	0	0.00%	1	0.14%	739	99.86%	740
Step-Therapy	11	16.18%	0	0.00%	57	83.82%	68
Step-Therapy Exception	5	55.56%	0	0.00%	4	44.44%	9
Tiering Exception (TE) Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	194	100.00%	194
TE Criteria Met	12	92.31%	0	0.00%	1	7.69%	13
TE Criteria Not Met	0	0.00%	1	0.20%	489	99.80%	490
TE for Non-Formulary Drug	0	0.00%	0	0.00%	34	100.00%	34

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TE for Specialty Tier Drug	0	0.00%	2	1.23%	160	98.77%	162
TE for Tier 1 Drug	0	0.00%	0	0.00%	15	100.00%	15
TE No Lower Tier Alternatives	1	0.14%	2	0.28%	708	99.58%	711
Tier 4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	5	100.00%	5
Grand Total	532	5.70%	19	0.20%	8782	94.10%	9333

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%	62	100.00%	62
Prescribing Physician Statement	38	12.30%	0	0.00%	271	87.70%	309
Grand Total	38	10.24%	0	0.00%	333	89.76%	371