

## Fact Sheet

### Part D Drug Reconsideration Appeals Data – Q4 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 (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 Oct. 1, 2023, through Dec. 31, 2023 (Quarter 4).

#### Reconsideration Volume

The Part D QIC received 7,322 reconsideration requests during Quarter 4 of 2023. This represents a rate of 0.13 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup>

Standard cases represented 46.46% of all appeals received and resulted in a rate of 0.06 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 6.04% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 47.50% of all appeals received and resulted in a rate of 0.06 expedited cases for each 1,000 beneficiaries enrolled.

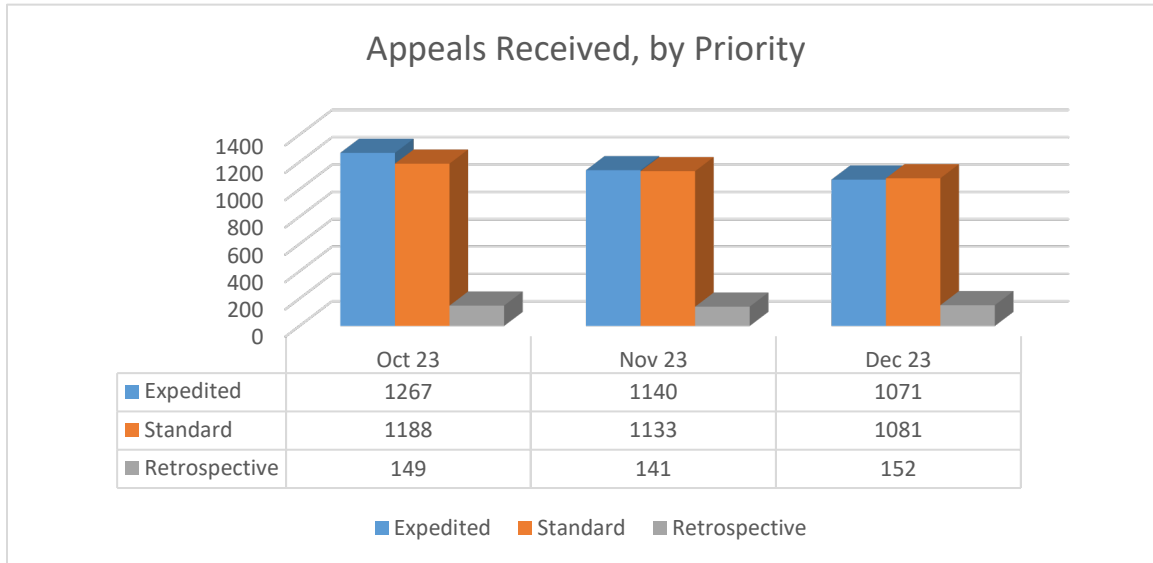
Substantive cases are cases that include upheld, reversed or partially reversed decision only. Dismissals and withdrawals are not included in substantive cases count.

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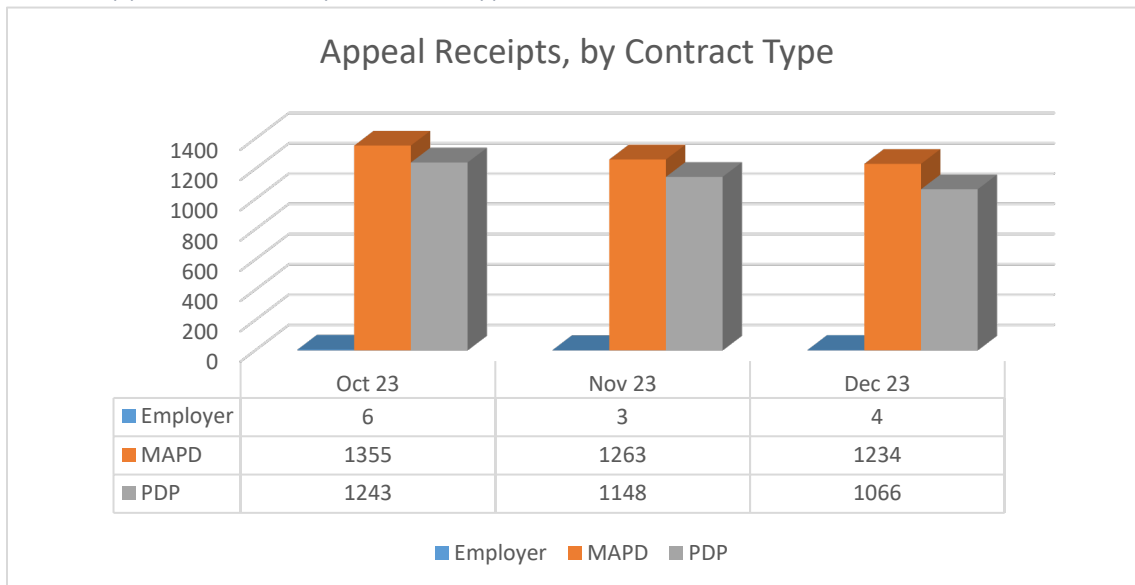
<sup>1</sup> Volume, divided by December enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

## Reconsideration Volume

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



Part D Appeal Volume, by Contract Type



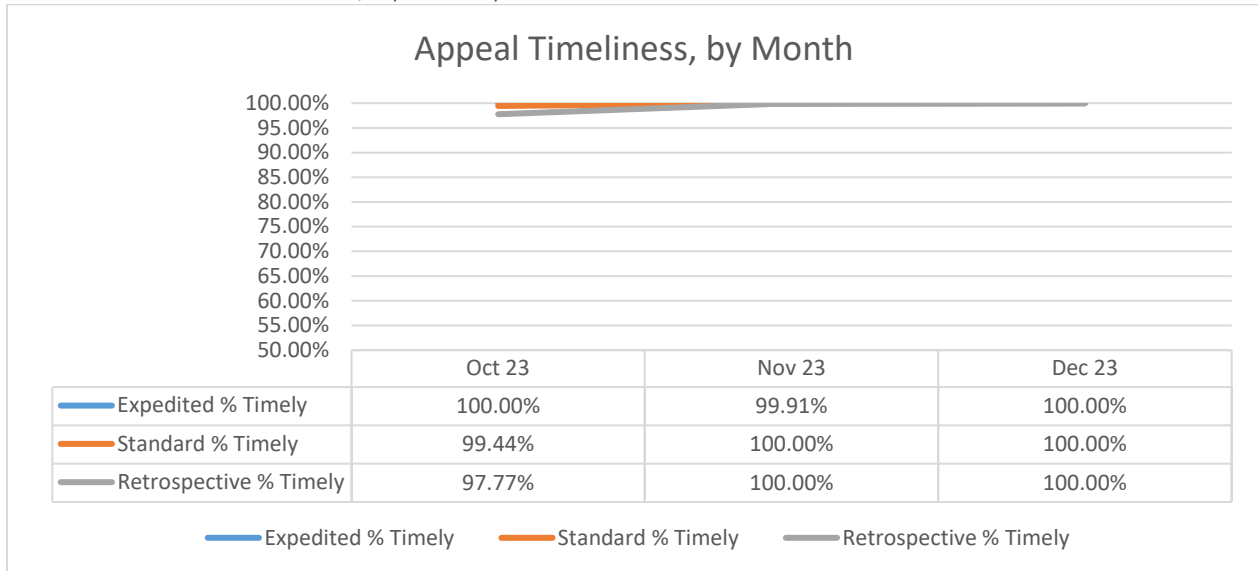
Note: MAPD: Medicare Advantage Prescription Drug Plan; PDP: Prescription Drug Plan; Employer: Prescription Drug Plan

## Timeliness of Part D Reconsiderations

## Overall Timeliness, by Month

Month	Total Appeals Decided	Total Timely	% Timely
October	2719	2708	99.60%
November	2376	2375	99.96%
December	2403	2403	100.00%

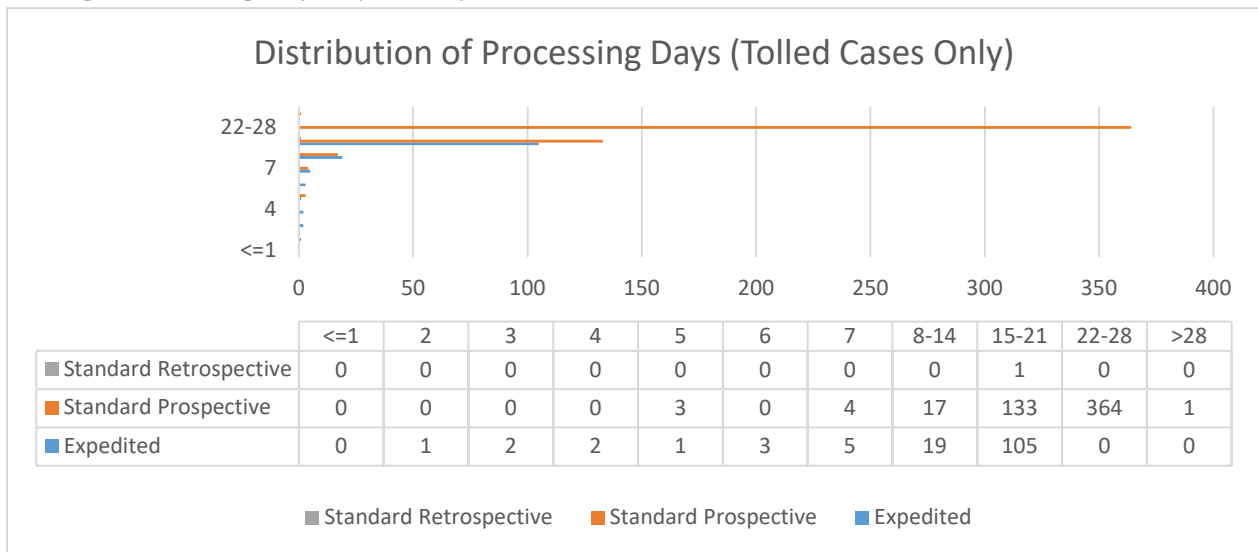
## Reconsideration Timeliness, by Priority



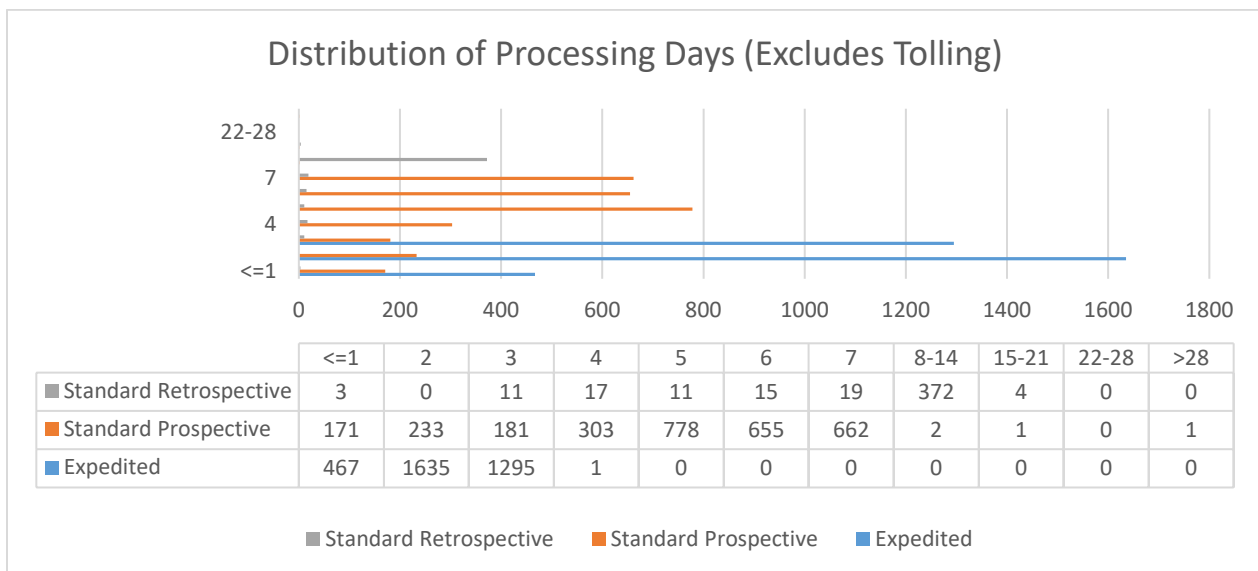
Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to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

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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.

## 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	335	166	49.55%	26	15.66%	6.03%
Not covered under Part D	2986	2301	77.06%	130	5.65%	30.16%
Out of Network (OON): Drug not avail in-network	2	2	100.00%	0	0.00%	0.00%
OON: no access out of area travel	8	8	100.00%	0	0.00%	0.00%
OON: not timely in-area access	3	3	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	1843	1756	95.28%	226	12.87%	52.44%
Request for tiering exception	725	704	97.10%	5	0.71%	1.16%
Request for drug not on formulary	1595	1538	96.43%	44	2.86%	10.21%
<b>Grand Total</b>	<b>7498</b>	<b>6479</b>	<b>86.41%</b>	<b>431</b>	<b>6.65%</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	13	12	92.31%	0	0.00%	0.00%
Cost-Sharing	87	79	90.80%	10	12.66%	2.32%
Covered under A/B	150	149	99.33%	12	8.05%	2.78%
Drug is not FDA approved	102	99	97.06%	3	3.03%	0.70%
Not a Medically Accepted Indication	1211	1197	98.84%	65	5.43%	15.08%
Off-Formulary	1458	1413	96.91%	44	3.11%	10.21%
Other	1994	1140	57.17%	79	6.93%	18.33%
Out of Network	24	24	100.00%	0	0.00%	0.00%
Prescription Not Required	1	1	100.00%	0	0.00%	0.00%
Purchased Outside of the US	6	5	83.33%	0	0.00%	0.00%
Tiering Exception	702	689	98.15%	4	0.58%	0.93%
Utilization Management	1750	1671	95.49%	214	12.81%	49.65%
<b>Grand Total</b>	<b>7498</b>	<b>6479</b>	<b>86.41%</b>	<b>431</b>	<b>6.65%</b>	<b>100.00%</b>

\*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%	0	0.00%	12	100.00%	12
MAPD	225	6.68%	10	0.30%	3133	93.02%	3368
PDP	194	6.26%	2	0.06%	2903	93.68%	3099
Grand Total	419	6.47%	12	0.19%	6048	93.35%	6479

## Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	249	7.28%	8	0.23%	3164	92.49%	3421
Standard	170	5.56%	4	0.13%	2884	94.31%	3058
Prospective	126	4.66%	1	0.04%	2576	95.30%	2703
Retrospective	44	12.39%	3	0.85%	308	86.76%	355
Grand Total	419	6.47%	12	0.19%	6048	93.35%	6479

## 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	33	0.51%	5	0	15.15%	1.16%
Deductible Not Met	3	0.05%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	42	0.65%	7	0	16.67%	1.62%
<b>Coverage Rules</b>						
Other-Coverage Rules	4	0.06%	0	0	0.00%	0.00%
Prior Authorization rules not met	1143	17.64%	182	1	16.01%	42.46%
Quantity Limit rules not met	80	1.23%	5	0	6.25%	1.16%
Step Therapy rules not met	62	0.96%	5	0	8.06%	1.16%
<b>Exception</b>						
Not on formulary	1266	19.54%	41	0	3.24%	9.51%
PA Exception criteria not met	41	0.63%	8	0	19.51%	1.86%
Quantity Limit exception criteria not met	8	0.12%	0	1	12.50%	0.23%
Step Therapy exception criteria not met	3	0.05%	0	0	0.00%	0.00%
Tiering exception criteria not met	599	9.25%	3	3	1.00%	1.39%

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Plan Denial Reason	Substantive Decisions	% of Substantive Decisions	Favorable (Reversals)	Partially Favorable (Part Reverse)	% Overturned	% of all Overturns
<b>Exclusion</b>						
Anorexia drug	6	0.09%	0	0	0.00%	0.00%
Cosmetic Purposes or hair grow	8	0.12%	2	0	25.00%	0.46%
Covered under A or B	202	3.12%	12	2	6.93%	3.25%
DESI Drugs	13	0.20%	0	0	0.00%	0.00%
Fertility Drug	1	0.02%	0	0	0.00%	0.00%
Manufacturer Tying Arrangement	21	0.32%	2	0	9.52%	0.46%
Not FDA Approved Drug	146	2.25%	2	0	1.37%	0.46%
Not Medically Accepted Indication	1517	23.41%	76	1	5.08%	17.87%
OTC Drug	47	0.73%	0	0	0.00%	0.00%
Other-Exclusion	26	0.40%	0	0	0.00%	0.00%
Relief of Cough and Colds	8	0.12%	0	0	0.00%	0.00%
Sexual and Erectile Dysfunction	30	0.46%	0	0	0.00%	0.00%
Vitamins and Minerals	19	0.29%	0	0	0.00%	0.00%
Weight loss or Weight Gain drug	194	2.99%	0	0	0.00%	0.00%
<b>OON</b>						
OON	4	0.06%	0	0	0.00%	0.00%
<b>No Exception</b>	953	14.71%	69	4	7.66%	16.94%
<b>Grand Total</b>	<b>6479</b>	<b>100%</b>	<b>419</b>	<b>12</b>	<b>6.65%</b>	<b>100.00%</b>

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## 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%	8	100.00%	8
Cost Sharing / Benefit Limits	44	18.64%	2	0.85%	190	80.51%	236
Dosage/Form	0	0.00%	0	0.00%	1	100.00%	1
Exclusion - B vs D	4	1.85%	1	0.46%	211	97.69%	216
Not a Medically Accepted Indication	56	2.42%	0	0.00%	2256	97.58%	2312
Off-Formulary Exception	44	3.68%	0	0.00%	1153	96.32%	1197
OON Rules	0	0.00%	0	0.00%	13	100.00%	13
Prior Authorization Exception	80	76.19%	1	0.95%	24	22.86%	105
Prior Authorization Rules	173	19.33%	4	0.45%	718	80.22%	895
Quantity Limit Exception	6	35.29%	0	0.00%	11	64.71%	17
Quantity Limit Rules	2	1.90%	2	1.90%	101	96.19%	105
Statutory Exclusion	3	0.49%	1	0.16%	606	99.34%	610
Step-Therapy	2	6.90%	0	0.00%	27	93.10%	29
Step-Therapy Exception	2	50.00%	0	0.00%	2	50.00%	4
Tiering Exception (TE) Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	35	100.00%	35
TE Criteria Met	3	60.00%	0	0.00%	2	40.00%	5
TE Criteria Not Met	0	0.00%	1	0.58%	170	99.42%	171
TE for Non-Formulary Drug	0	0.00%	0	0.00%	13	100.00%	13
TE for Specialty Tier Drug	0	0.00%	0	0.00%	67	100.00%	67
TE for Tier 1 Drug	0	0.00%	0	0.00%	2	100.00%	2
TE No Lower Tier Alternatives	0	0.00%	0	0.00%	420	100.00%	420
Tier 4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	14	100.00%	14
Grand Total	419	6.47%	12	0.19%	6048	93.35%	6479

## Rates of Disposition, by Tolling Type

Tolling Type	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Appointment of Representation (AOR) Form	1	11.11%	0	0.00%	8	88.89%	9
Prescribing Physician Statement	18	9.38%	0	0.00%	174	90.63%	192
Grand Total	19	9.45%	0	0.00%	182	90.55%	201