

Fact Sheet

Part D Drug Reconsideration Appeals Data – Q3 2024

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, 2024, through September 30, 2024 (Quarter 3).

Reconsideration Volume

The Part D QIC received 11,235 reconsideration requests during Q3 of 2024. This represents a rate of 0.20 reconsiderations for each 1,000 Medicare beneficiaries enrolled.¹

Standard cases represented 52.78% of all appeals received and resulted in a rate of 0.10 standard cases for each 1,000 beneficiaries enrolled.

Retrospective cases represented 4.87% of all appeals received and resulted in a rate of 0.01 standard cases for each 1,000 beneficiaries enrolled.

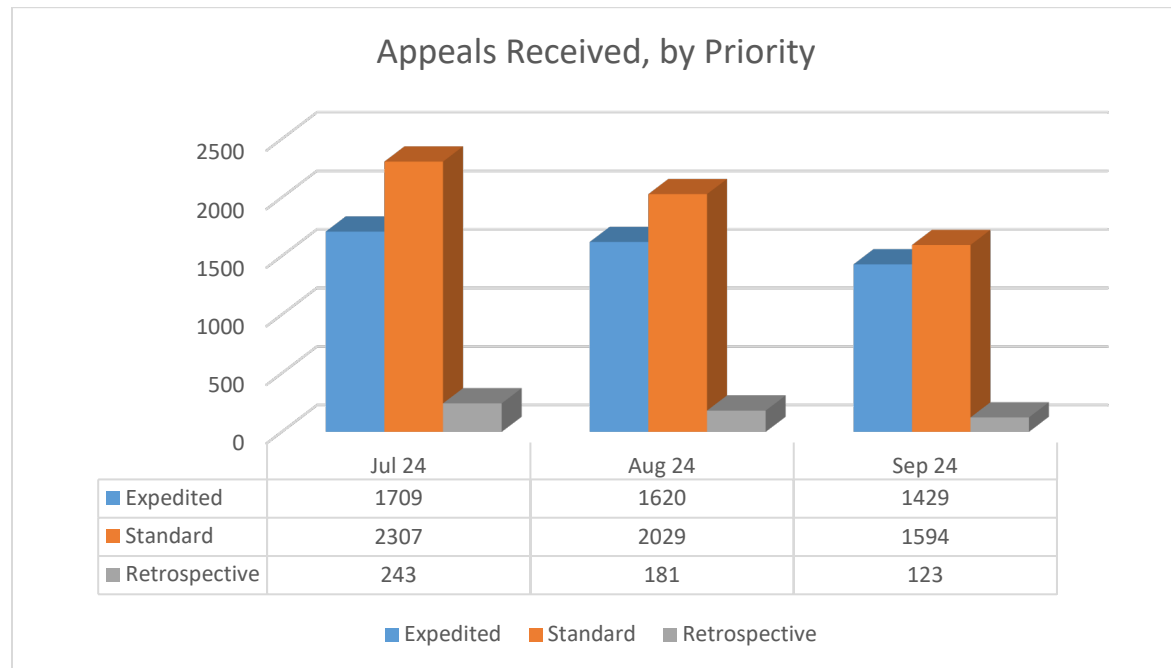
Expedited cases represented 42.35% of all appeals received and resulted in a rate of 0.08 expedited cases for each 1,000 beneficiaries enrolled.

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

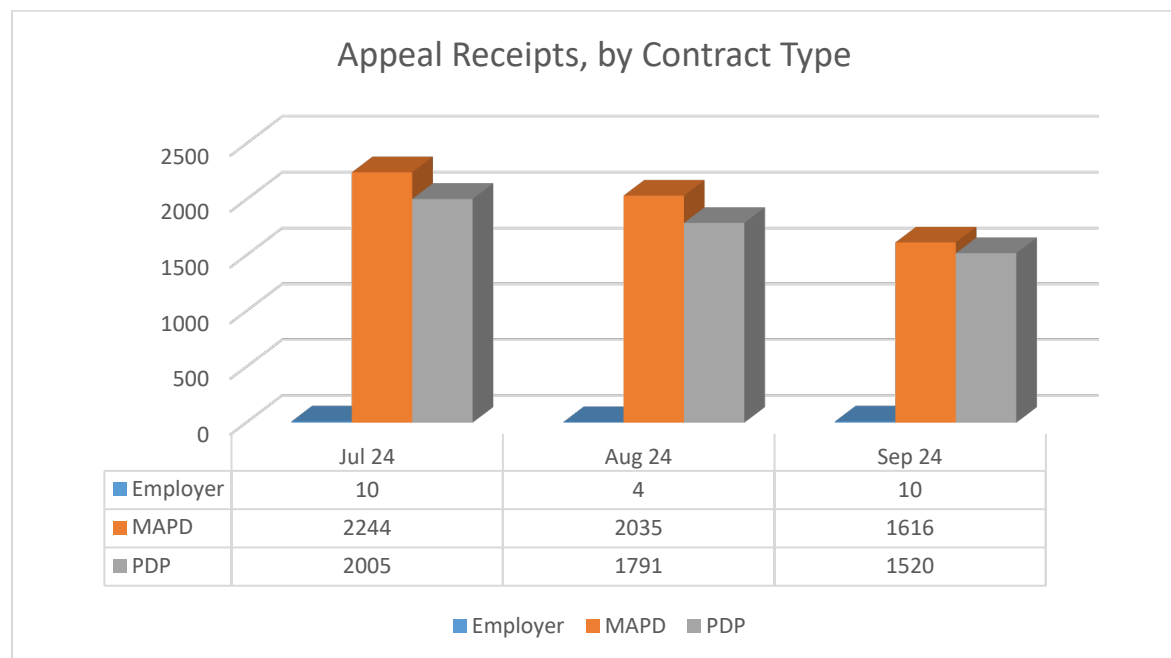
¹ Volume, divided by September enrollment (times 1,000), is used to calculate the annual rate of appeals per 1,000 enrollees.

Reconsideration Volume

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



Part D Appeal Volume, by Contract Type



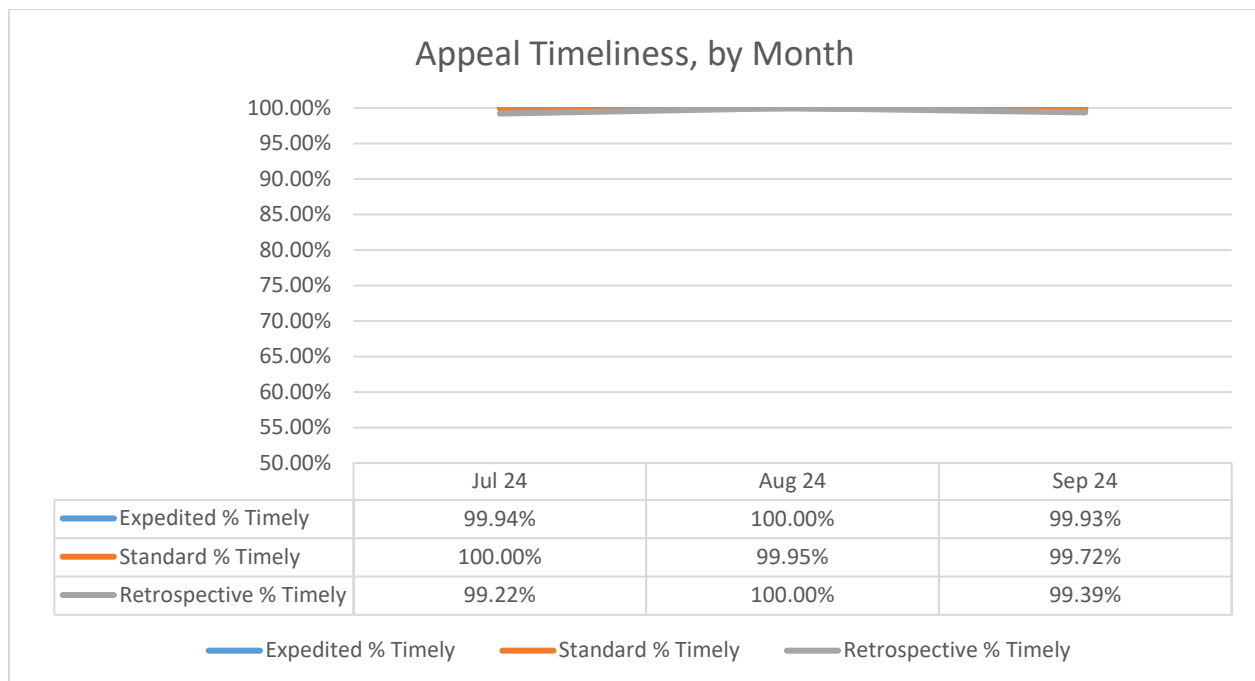
Note — MAPD: Medicare Advantage Prescription Drug Plan; PDP: Prescription Drug Plan; Employer: Prescription Drug Plan

Timeliness of Part D Reconsiderations

Overall Timeliness, by Month

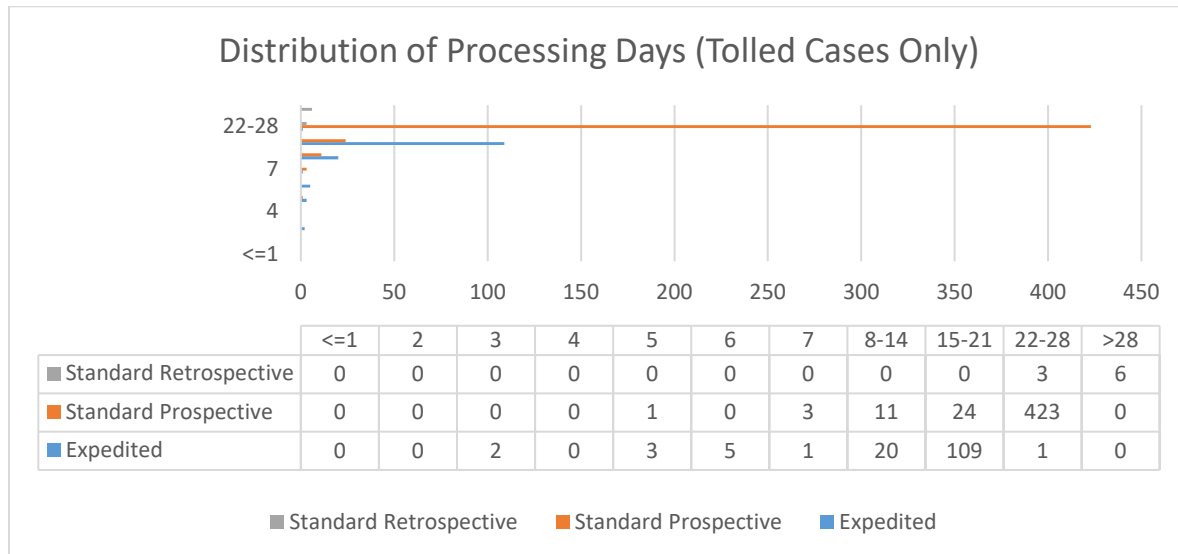
Month	Total Appeals Decided	Total Timely	% Timely
July	4129	4126	99.93%
August	3978	3977	99.97%
September	3452	3445	99.80%

Reconsideration Timeliness, by Priority

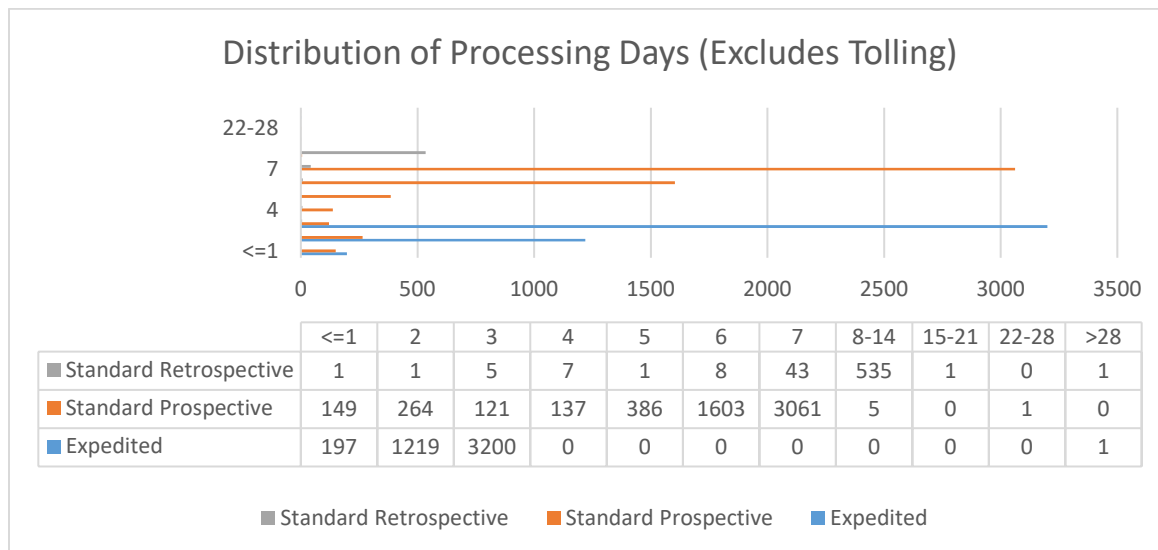


Adjudication timeframes vary based on appeal priority. Expedited appeals are completed within 72 hours unless tolling is warranted for a formulary exception request or an Appointment of Representation form for a representative-appellant. When tolling is warranted, the IRE may toll the case for up to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

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	882	293	33.22%	19	6.48%	3.73%
Not covered under Part D	4832	3684	76.24%	135	3.66%	26.52%
Out of Network (OON): Drug not avail in-network	4	4	100.00%	0	0.00%	0.00%
OON: no access OOA travel	2	2	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	2533	2433	96.05%	293	12.04%	57.56%
Request for tiering exception	749	711	94.93%	2	0.28%	0.39%
Request for drug not on formulary	2554	2456	96.16%	60	2.44%	11.79%
Grand Total	11559	9585	82.92%	509	5.31%	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	15	14	93.33%	0	0.00%	0.00%
Cost-Sharing	114	105	92.11%	6	5.71%	1.18%
Covered under A/B	243	241	99.18%	6	2.49%	1.18%
Drug is not FDA approved	110	105	95.45%	2	1.90%	0.39%
Not a Medically Accepted Indication	1668	1628	97.60%	84	5.16%	16.50%
Off-Formulary	2283	2207	96.67%	56	2.54%	11.00%
Other	3737	2024	54.16%	68	3.36%	13.36%
Out of Network	16	12	75.00%	0	0.00%	0.00%
Prescription Not Required	3	3	100.00%	0	0.00%	0.00%
Purchased Outside of the US	28	25	89.29%	0	0.00%	0.00%
Tiering Exception	737	714	96.88%	3	0.42%	0.59%
Utilization Management	2605	2507	96.24%	284	11.33%	55.80%
Grand Total	11559	9585	82.92%	509	5.31%	100.00%

*Includes both partially favorable and fully favorable decisions

**Cases may include exclusions such as manufacturer not participating in GAP, drug is classified by the FDA as a medical device or a food product, DESI drug, enrollee is in a patient assistance program (PAP), or the drug is being provided "incident to" a physician's service

Plan Type and Appeal Dispositions

Contract Type	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Employer	0	0.00%	0	0.00%	21	100.00%	21
MAPD	265	5.40%	6	0.12%	4635	94.48%	4906
PDP	234	5.02%	4	0.09%	4420	94.89%	4658
Grand Total	499	5.21%	10	0.10%	9076	94.69%	9585

Appeal Priority and Appeal Dispositions

Priority	Substantive Disposition						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Expedited	287	6.50%	5	0.11%	4122	93.38%	4414
Standard	212	4.10%	5	0.10%	4954	95.80%	5171
Prospective	179	3.78%	1	0.02%	4551	96.20%	4731
Retrospective	33	7.50%	4	0.91%	403	91.59%	440
Grand Total	499	5.21%	10	0.10%	9076	94.69%	9585

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	33	0.34%	0	0	0.00%	0.00%
Deductible Not Met	5	0.05%	0	0	0.00%	0.00%
Drugs purchased prior to coverage criteria	129	1.35%	10	2	9.30%	2.36%
Initial Coverage Limit Reached	1	0.01%	0	0	0.00%	0.00%
Coverage Rules						
Other-Coverage Rules	11	0.11%	1	0	9.09%	0.20%
Prior Authorization rules not met	1698	17.72%	241	1	14.25%	47.54%
Quantity Limit rules not met	159	1.66%	6	1	4.40%	1.38%
Step Therapy rules not met	114	1.19%	7	1	7.02%	1.57%
Exception						
Not on formulary	2195	22.90%	57	1	2.64%	11.39%
PA Exception criteria not met	38	0.40%	10	0	26.32%	1.96%
Quantity Limit exception criteria not met	23	0.24%	1	0	4.35%	0.20%
Step Therapy exception criteria not met	7	0.07%	1	0	14.29%	0.20%
Tiering exception criteria not met	630	6.57%	2	0	0.32%	0.39%
Exclusion						
Anorexia drug	5	0.05%	0	0	0.00%	0.00%
Cosmetic Purposes or hair grow	7	0.07%	0	0	0.00%	0.00%
Covered under A or B	311	3.24%	8	0	2.57%	1.57%
DESI Drugs	9	0.09%	0	0	0.00%	0.00%
Fertility Drug	1	0.01%	0	0	0.00%	0.00%
Manufacturer Tying Arrangement	23	0.24%	0	0	0.00%	0.00%
Not FDA Approved Drug	151	1.58%	1	0	0.66%	0.20%
Not Medically Accepted Indication	2315	24.15%	112	1	4.88%	22.20%
OTC Drug	65	0.68%	0	0	0.00%	0.00%
Other-Exclusion	39	0.41%	0	0	0.00%	0.00%
Relief of Cough and Colds	14	0.15%	0	0	0.00%	0.00%
Sexual and Erectile Dysfunction	24	0.25%	0	0	0.00%	0.00%
Vitamins and Minerals	35	0.37%	0	0	0.00%	0.00%
Weight loss or Weight Gain drug	740	7.72%	0	0	0.00%	0.00%
OON						
OON	12	0.13%	0	0	0.00%	0.00%
No Exception	791	8.25%	42	3	5.69%	8.84%
Grand Total	9585	100%	499	10	5.31%	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%	7	100.00%	7
Appellant Dismissal-Plan Vacated Dismissal	0	0.00%	0	0.00%	1	100.00%	1
Contract Ambiguity	0	0.00%	0	0.00%	7	100.00%	7
Cost Sharing / Benefit Limits	32	10.92%	4	1.37%	257	87.71%	293
Dosage/Form	0	0.00%	0	0.00%	2	100.00%	2
Exclusion - B vs D	1	0.39%	0	0.00%	255	99.61%	256
Not a Medically Accepted Indication	62	1.65%	1	0.03%	3684	98.32%	3747
Off-Formulary Exception	61	3.77%	0	0.00%	1559	96.23%	1620
OON Rules	1	6.67%	0	0.00%	14	93.33%	15
Prior Authorization Exception	35	46.67%	0	0.00%	40	53.33%	75
Prior Authorization Rules	292	22.48%	2	0.15%	1005	77.37%	1299
Quantity Limit Exception	2	5.00%	0	0.00%	38	95.00%	40
Quantity Limit Rules	8	5.19%	2	1.30%	144	93.51%	154
Statutory Exclusion	1	0.08%	0	0.00%	1271	99.92%	1272
Step-Therapy	1	2.17%	0	0.00%	45	97.83%	46
Step-Therapy Exception	0	0.00%	0	0.00%	5	100.00%	5
Tiering Exception (TE) Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	43	100.00%	43
TE Criteria Met	3	37.50%	0	0.00%	5	62.50%	8
TE Criteria Not Met	0	0.00%	1	0.30%	335	99.70%	336
TE for Non-Formulary Drug	0	0.00%	0	0.00%	38	100.00%	38
TE for Specialty Tier Drug	0	0.00%	0	0.00%	44	100.00%	44
TE for Tier 1 Drug	0	0.00%	0	0.00%	8	100.00%	8
TE No Lower Tier Alternatives	0	0.00%	0	0.00%	267	100.00%	267
Tier 4 Brand Drug, Lower Tier Generic	0	0.00%	0	0.00%	2	100.00%	2
Grand Total	499	5.21%	10	0.10%	9076	94.69%	9585

Rates of Disposition, by Tolling Type

Tolling Type	Substantive Decision						Total
	Favorable		Partially Favorable		Unfavorable		
	Number	%	Number	%	Number	%	
Appointment of Representation (AOR) Form	1	7.14%	0	0.00%	13	92.86%	14
Prescribing Physician Statement	21	10.14%	0	0.00%	186	89.86%	207
Grand Total	22	9.95%	0	0.00%	199	90.05%	221