

## **FACT SHEET PART D RECONSIDERATION APPEALS DATA - 2007**

### Part D Appeals Process

An appeal is the process by which an individual enrolled in a Medicare prescription drug plan (an “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 beneficiary 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 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 during the second year of the Medicare prescription drug benefit program, January 1, 2007 – December 31, 2007.

### Reconsideration Volume

The Part D QIC received 11,033 reconsideration requests during calendar year 2007. This represents a rate of 0.45 reconsiderations for each 1000 Medicare beneficiaries enrolled.<sup>1</sup>

In 2006, the Part D QIC received 13,239 reconsideration requests, which represented a rate of 0.63 reconsiderations for each 1000 Medicare beneficiaries enrolled.

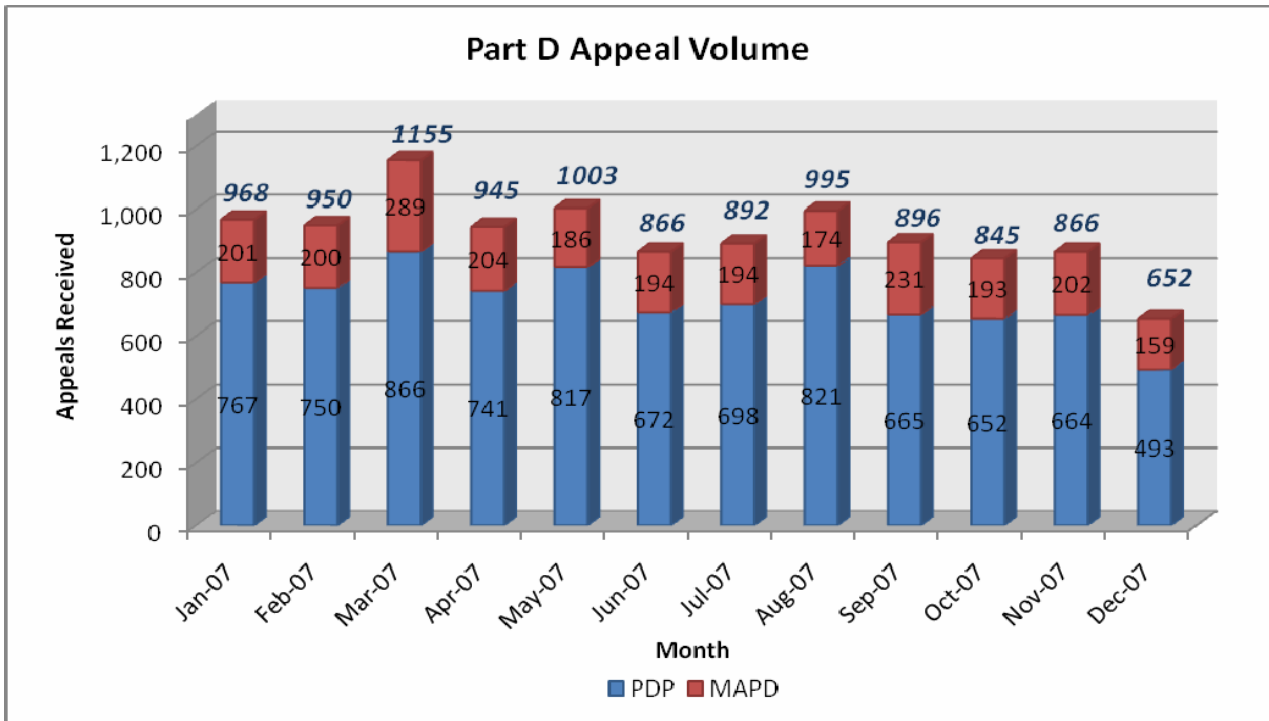
Standard cases represented 82% of all appeals received and resulted in a rate of 0.37 standard cases for each 1000 beneficiaries enrolled.

Expedited cases represented 18% of all appeals received and resulted in a rate of 0.08 expedited cases for each 1000 beneficiaries enrolled.

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<sup>1</sup> Annual volume, divided by mid-year enrollment (times 1000) is used to calculate the annual rate of appeals per 1,000 enrollees.

**Number of appeals received by the Part D QIC by month:**



**Part D Appeal Volume by Contract Type**

| Month          | PDP          | MAPD         | Total         |
|----------------|--------------|--------------|---------------|
| Jan-07         | 767          | 201          | 968           |
| Feb-07         | 750          | 200          | 950           |
| Mar-07         | 866          | 289          | 1,155         |
| Apr-07         | 741          | 204          | 945           |
| May-07         | 817          | 186          | 1,003         |
| Jun-07         | 672          | 194          | 866           |
| Jul-07         | 698          | 194          | 892           |
| Aug-07         | 821          | 174          | 995           |
| Sep-07         | 665          | 231          | 896           |
| Oct-07         | 652          | 193          | 845           |
| Nov-07         | 664          | 202          | 866           |
| Dec-07         | 493          | 159          | 652           |
| <b>Summary</b> | <b>8,606</b> | <b>2,427</b> | <b>11,033</b> |

## Types of Appeals

Of the 11,016 appeals decided through December 31, 2007:

38% involved a drug utilization management tool dispute and represents 0.17 drug utilization appeals for each 1000 beneficiaries enrolled.

16% involve an off-formulary exception request and represents 0.07 off-formulary exceptions appeals for each 1000 beneficiaries enrolled.

40% involved a non-Part D drug (a drug that is statutorily excluded) request and represents 0.18 non-Part D drug requests for each 1000 beneficiaries enrolled.

4% involved a cost-sharing dispute and represents .02 cost-sharing dispute appeals for each 1000 beneficiaries enrolled.

<2% involved a tiering exception request and represents .01 tiering exceptions appeals for each 1000 beneficiaries enrolled.

<1% involved out-of-network pharmacy coverage.

## Overall Reversal Rate

Excluding cases that were dismissed, withdrawn, or remanded (the Part D QIC did not have jurisdiction to make a substantive decision on the case) and cases involving non-Part D drugs, the Part D QIC reversed plan decisions in 53% of cases.

## Reversal Rates by Appeal Type<sup>2</sup>

|  |     |
|--|-----|
| Drug utilization management tool dispute | 59% |
| Out-of-network pharmacy coverage         | 47% |
| Off-formulary exception request          | 48% |
| Tiering exception request                | 26% |
| Cost-sharing dispute                     | 25% |
| Non-Part D drug                          | 28% |

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<sup>2</sup> Calculation of the reversal rate by appeal type excludes cases that were dismissed, withdrawn or remanded.

Timeliness of Reconsideration Cases

