FACT SHEET
PART D RECONSIDERATION APPEALS DATA - 2008

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 Part D QIC reconsiderations during the third year of the Medicare prescription drug benefit program, January 1, 2008 – December 31, 2008.

Reconsideration Volume

The Part D QIC received 16,541 reconsideration requests during calendar year 2008. This represents a rate of 0.64 reconsiderations for each 1,000 Medicare beneficiaries enrolled.[1] It also represents a 50% increase in the aggregate number of appeals received in 2007.

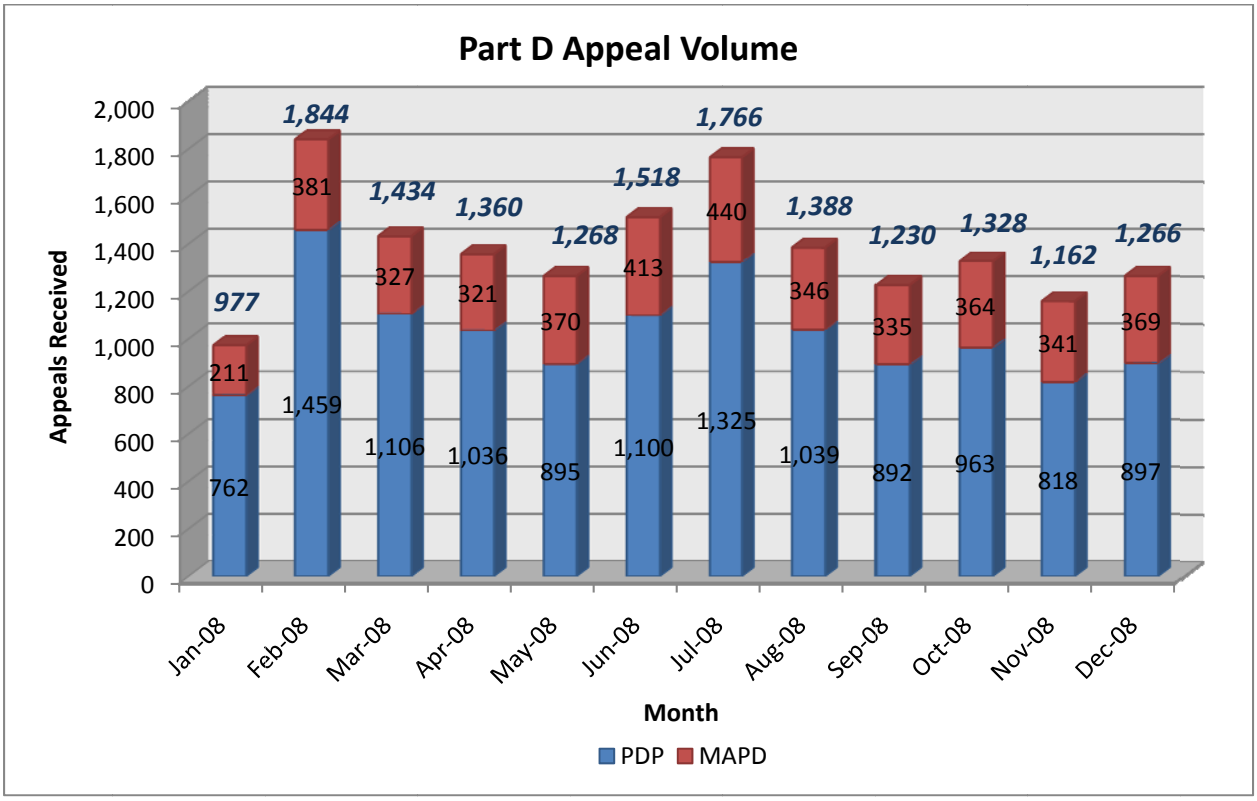
In 2007, the Part D QIC received 11,033 reconsideration requests, which represented a rate of 0.45 reconsiderations for each 1,000 Medicare beneficiaries enrolled.

Standard cases represented 83% of all appeals received and resulted in a rate of 0.53 standard cases for each 1,000 beneficiaries enrolled.

Expedited cases represented 17% of all appeals received and resulted in a rate of 0.11 expedited cases for each 1,000 beneficiaries enrolled.

[1] Annual volume, divided by mid-year enrollment (times 1,000) 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-08	762	211	977
Feb-08	1,459	381	1,844
Mar-08	1,106	327	1,434
Apr-08	1,036	321	1,360
May-08	895	370	1,268
Jun-08	1,100	413	1,518
Jul-08	1,325	440	1,766
Aug-08	1,039	346	1,388
Sep-08	892	335	1,230
Oct-08	963	364	1,328
Nov-08	818	341	1,162
Dec-08	897	369	1,266
Summary	**12,292**	**4,218**	**16,541**

Types of Appeals

Of the 16,456 appeals decided through December 31, 2008:

42% involved a drug utilization management tool dispute and represents 0.27 drug utilization appeals for each 1,000 beneficiaries enrolled.

11% involve an off-formulary exception request and represents 0.07 off-formulary exceptions appeals for each 1,000 beneficiaries enrolled.

26% involved a non-Part D drug (a drug that is statutorily excluded) request and represents 0.16 non-Part D drug requests for each 1,000 beneficiaries enrolled.

20% involved a cost-sharing dispute and represents 0.13 cost-sharing dispute appeals for each 1,000 beneficiaries enrolled.

<2% involved a tiering exception request and represents 0.01 tiering exceptions appeals for each 1,000 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 63% of cases. Inclusion of the non-Part D drugs reduces the overall reversal rate to 52%.

Reversal Rates by Appeal Type[2]

Drug utilization management tool dispute	67%
Out-of-network pharmacy coverage	58%
Off-formulary exception request	58%
Tiering exception request	32%
Cost-sharing dispute	59%
Non-Part D drug	19%

[2] Calculation of the reversal rate by appeal type excludes cases that were dismissed, withdrawn or remanded.

Timeliness of Reconsideration Cases, Calendar Year 2008