

**FACT SHEET**  
**PART D RECONSIDERATION APPEALS DATA - 2009**

**Part D 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 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 fourth year of the Medicare prescription drug benefit program, January 1, 2009 – December 31, 2009.

**Reconsideration Volume**

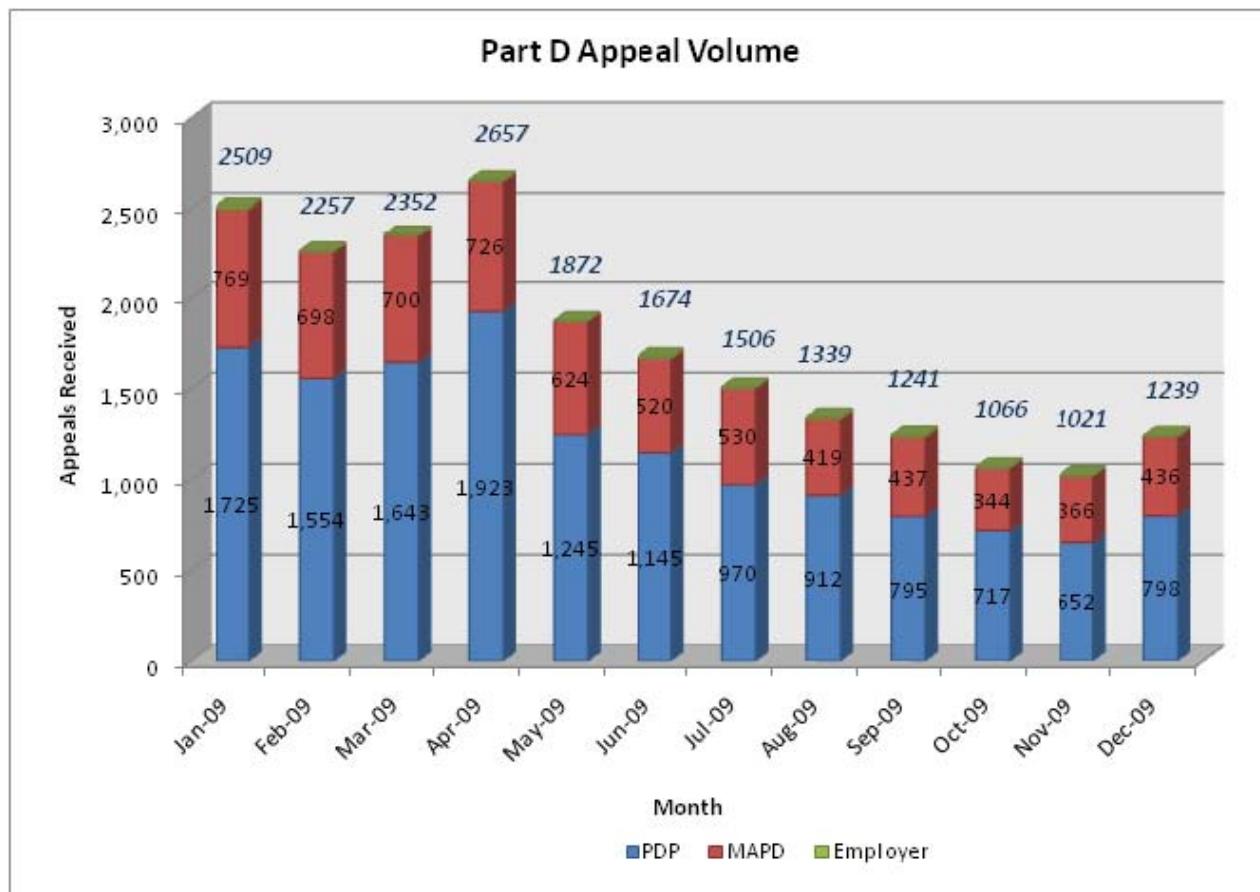
The Part D QIC received 20,733 reconsideration requests during calendar year 2009. This represents a rate of 0.77 reconsiderations for each 1,000 Medicare beneficiaries enrolled.<sup>1</sup> It also represents a 25% increase in the aggregate number of appeals received in 2008.

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

In 2008, the Part D QIC received 16,541 reconsideration requests, which represented a rate of 0.64 reconsiderations for each 1,000 Medicare beneficiaries enrolled.

In 2009, Standard cases represented 79% of all appeals received and resulted in a rate of 0.61 standard cases for each 1,000 beneficiaries enrolled.

In 2009, Expedited cases represented 21% of all appeals received and resulted in a rate of 0.16 expedited cases for each 1,000 beneficiaries enrolled.



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

Part D Appeal Contract Type	Month	PDP	MAPD	Employer	Total	<b>Volume by</b>
	Jan-09	1,725	769	15	2,509	
Feb-09	1,554	698	5		2,257	
Mar-09	1,643	700	9		2,352	
Apr-09	1,923	726	8		2,657	
May-09	1,245	624	3		1,872	
Jun-09	1,145	520	9		1,674	
Jul-09	970	530	6		1,506	
Aug-09	912	419	8		1,339	
Sep-09	795	437	9		1,241	
Oct-09	717	344	5		1,066	
Nov-09	652	366	3		1,021	
Dec-09	798	436	5		1,239	
<b>Summary</b>	<b>14,079</b>	<b>6,569</b>	<b>85</b>		<b>20,733</b>	

## Types of Appeals

Of the 20,733 appeals received through December 31, 2009:

37% involved a drug utilization management tool dispute and represents 0.29 drug utilization appeals for each 1,000 beneficiaries enrolled.

17% involve an off-formulary exception request and represents 0.13 off-formulary exceptions appeals for each 1,000 beneficiaries enrolled.

30% involved a non-Part D drug (a drug that is statutorily excluded) request and represents 0.23 non-Part D drug requests for each 1,000 beneficiaries enrolled.

12% involved a cost-sharing dispute and represents 0.09 cost-sharing dispute appeals for each 1,000 beneficiaries enrolled.

2% involved a tiering exception request and represents 0.02 tiering exceptions appeals for each 1,000 beneficiaries enrolled.

2% involved out-of-network pharmacy coverage and represents 0.01 out-of-network appeals for each 1,000 beneficiaries enrolled.

## 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 65% of cases. Inclusion of the non-Part D drugs reduces the overall reversal rate to 53%.

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

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

Drug utilization management tool dispute 71%

Out-of-network pharmacy coverage 67%

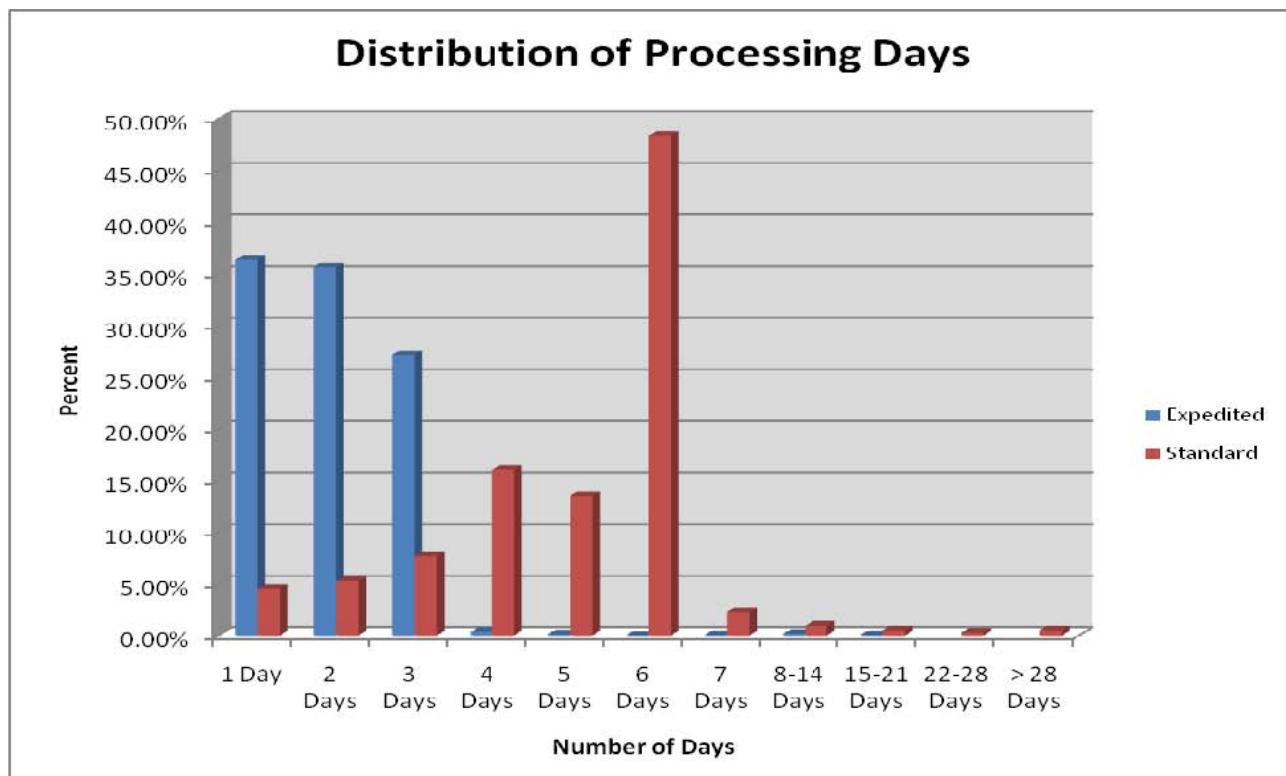
Off-formulary exception request 60%

Tiering exception request 41%

Cost-sharing dispute 63%

Non-Part D drug 21%

Timeliness of Part D QIC Reconsideration Cases, Calendar Year 2009



Note: Tolling is removed from the calculation of processing days.

***Processing of Part D Reconsiderations During 2009***  
***Percent Processed In Time, by Month Appeal Received***

