

**TOPICS
OF
CONVERSATION
WHEN CONTEMPLATING
A CHANGE**



Choosing a TPA - What to look for when sending out an RFP

1. Timely response of the RFP – if a TPA is asking for an extension on new business, it is not a good sign.
2. Ask open-ended questions in an RFP – review the thoroughness of the answers and look for processes. Are you seeing depth or fluff?
3. How flexible does the TPA appear in their answer to your needs?
4. If the employer has multiple locations and multi-jurisdictions, are the TPA offices part of the service company or contracted? If the offices are regional – what qualifications do the adjusters have for which they are responsible?
5. What type of payment transaction/banking is being proposed as options? Is it an escrow account or a sweep account?
6. If there are national contracts with vendors, are they because of cost reduction. If yes, how are they measured? Many times the cost reduction does not outweigh the poor service.

When there is a commitment to the TPA

Problems that may develop:

Transition process:

1. How are the old files going to be handled? What reviews will occur to move the files toward closure?
2. Are banking arrangements in place to begin issuing indemnity and medical payments on the effective date?
3. If all files are being transferred over to the new TPA, what is the process for ongoing TTD during the transition period; vendor reports/billing notification; employee notification.

Communication Issues:

1. Are the expectations between the employer, its locations and the TPA/locations clearly defined?
2. Are the employer locations and the TPA locations aware of service level expectations?
3. What is included in TPA services?
4. What is outside of the TPA service levels?

Vendor Issues:

1. If the employer has requested particular vendors is there a smooth transition or is the TPA “at-odds” with the vendors?
2. Does the TPA try to “sell” their vendors or services on the employer citing cost reductions? How is quality of work measured? Will you be able to tell cost reductions versus quality of work?
3. The TPA needs to coordinate relationships with the vendors, whether it is managed care, legal or cost containment, and understand the need to work closely with all. The TPA needs to include all necessary parties in the decision making process.

4. It is advantageous to meet with all vendors and the TPA to discuss the flow of information and contacts for each. This resolves issues of the TPA/attorney or client/attorney discussing a plan of action and excluding the other party.
5. If the TPA directs defense counsel to proceed in a direction that is contra-indicated by the employer, it is a good idea for the defense counsel to suggest a conference call between all parties. In some instances the direction from the TPA may indicate this is not necessary. If this happens, it is the responsibility of the defense counsel, who has the employer as the client, to notify them of the exchange of information. Usually the employer can facilitate a call between all parties or facilitate a work-around solution so defense counsel is not at odds with the TPA.

How to Separate from the TPA:

1. When the situation arises, outline a corrective action plan and timeframe with the TPA to resolve issues.
2. If the situation does not resolve, review your contract for the termination clause. Determine how much notice is necessary to terminate the agreement.
3. Prior to notifying the TPA of the termination, be sure that due diligence has been completed and decisions have been made for the submission of a RFP to potential claim administrators.
4. Advise the TPA, in writing, of your intention to terminate the agreement and the effective date.
5. Have the TPA outline their transition plan for files, TTD payments, mail, etc.
6. Determine whether the contract is life of a claim or life of contract – what costs are associated with moving the files or having current TPA maintain until closure.
7. Remain cordial – remember, if it's unpredictable, how long you will need to interact with them. Adversarial relationships are hard to manage.

Tips:

1. Have the TPA and vendors visit the employer locations. How can the TPA know your facility and employment positions when they have not seen the organization at work.
2. Be sure that the TPA is not paying TTD or medical bills without appropriate documentation to support the payment. It is very difficult to recoup payments that have been erroneously made.
3. Expect and demand timely reviews, whether telephonically or in-person between the TPA and the locations. This allows claims to be discussed and a plan of action developed to move forward. Don't target "large" files, look at all of them. If you target larger reserved files, the smaller ones may go unchallenged until they are out of control.
4. Develop your own list of vendors. Be sure that they have your best interest in mind.