Expectations for your TPA
What an employer should expect from their third party administrator

Companies rely on third party administrators (TPAs) to be their experts, analyzing and quickly grasping the implication of new workers’ compensation rules, regulations and programs.

“Your third party administrator should be viewed as part of your team, which comes with the same expectations for performance, quality and results that exist for any of your direct reports,” says Scott Weisend, client services representative at CompManagement. “Use appropriate due diligence when making your selection, comparing not only price, but reputation, history, types of services and their results.”

Smart Business spoke with Weisend about what to expect from your TPA and what to consider when making a selection.

What type of TPA should an employer partner with?
First and foremost, ensure that the TPA is full service. There are a fair number of organizations that refer to themselves as full service that are not. A true full-service firm provides claims management, cost containment solutions, administration of alternative rating/premium discount programs, safety consulting services, rating and actuarial services as well as hearing representation for the employer before the Ohio Industrial Commission and Bureau of Workers’ Compensation. None of these services should be outsourced to another organization.

What is the reputation of the TPA and how can it be validated?
You can learn a lot about a TPA from the references that they provide, but there are other ways to learn about their services. Ask for information on their results such as settlements obtained, handicap reimbursements awarded, refunds generated from group performance, etc. Also, speak to their business partners. In particular in Ohio, many TPAs work with trade associations, chambers of commerce and other entities that could provide a tremendous amount of feedback about their products and services. Your peers in the industry could also be a valuable resource. Ask which TPA their organization has selected and the reasons for their choice.

Should a TPA need to have industry-specific experience?
Yes. Every employer should be represented by an organization that understands its business and the risks that the company faces each day. If you are a public employer, you should consider a TPA with experience working with municipalities, school districts, counties, etc. Likewise on the private side, if you are in the construction industry, it’s fair to ask a TPA what kind of experience it has in your field. It is also fair to inquire into its results. It’s also important to make sure that the individuals you are working with daily are knowledgeable and have the experience, training and expertise to assist you.

What type of training and educational opportunities might a TPA offer?
A full-service organization should offer training opportunities in the area of workers’ compensation and safety. Look for topics related to the management of claims, return-to-work strategies, premium rate calculation and programs impacting premium, safety best practices and current trends, as well as legislative and industry issues so that you and your team are kept abreast of all matters impacting workers’ compensation today. Ideally, training should also be offered via different media, and cover multiple positions such as employee level, supervisor and management training.

Should a TPA have the personnel to offer consultative support?
If your company is like many today, the person in charge of workers’ compensation most likely wears many other hats. It’s not realistic to be an expert in all matters concerning workers’ compensation if this is the case. This is where a full-service TPA can assist your business and bring an overall peace of mind that they are always a step ahead on making the right decision for both your injured workers as well as your company’s bottom line. Consultative support should come from all levels of the TPA: claims, hearing representation, rates, program participation and safety, and be consistent and thorough.

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