

How Well Is Your TPA Meeting Your Expectations?

A third-party administrator (TPA) should help your benefits programs run smoothly and maintain participant satisfaction. If yours doesn't do both, it's probably time to evaluate your TPA's performance and seek improvements or find better alternatives.

It's time to put a performance management plan in place if you're experiencing issues like these with your TPA:

- Service issues, such as processing backlogs for health and pension benefits, unresponsiveness to you (as a fiduciary) or your participants, poor reporting or difficulty gaining access to plan data
- Outdated or missing technology tools that limit service to your participants and reduce the quality of their experience
- Difficulty implementing plan changes, complying with regulatory requirements or assessing unreasonable fees for these efforts
- Significant administrative fee increase(s)
- Failure to meet contractual terms, including industry-standard performance levels

How to effectively manage your TPA relationship

Following these five steps may help you get better service from your TPA:

1. Get to know your TPA better by examining its technology, security practices and workforce issues, as well as assessing its strengths and weaknesses.
2. Set expectations for service improvements and provide the TPA with clear, written policies.
3. Identify key performance metrics and monitor them.
4. Hold the TPA accountable for performance guarantees.
5. Meet regularly with the TPA to review progress and address any new issues as they arise.

Take advantage of our extensive experience in evaluating and working with TPAs

For more than 30 years, Segal's Administration and Technology Consulting (ATC) Practice has performed hundreds of TPA searches for clients, giving us unparalleled knowledge of the TPA marketplace and services offered.

Our ATC team includes consultants who have worked either for TPAs and/or with them for our clients. That means we understand both sides of the relationship, including their operations and typical challenges they face.

We can work directly with your TPA on your behalf to:



Conduct a Thorough Operational Review.

This detailed assessment against best practices covers technology, security practices, staffing and workflow processes.



Identify Performance Improvement Opportunities.

You'll get a report with our specific recommendations on what the TPA should be doing better.



Audit Performance Guarantees.

This assessment will determine whether the TPA is living up to the performance levels established in the contract.



Monitor Metrics.

Leave the data-crunching to us! We'll review the TPA's reported metrics, calculate penalties (if any), and tell you what we find.

If you're interested in a more hands-on management of your TPA relationship, our ATC team can train your team on how to monitor your TPA's reported metrics and conduct effective check-in meetings with the TPA to help ensure service levels continue to improve.

To learn more, get in touch.

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