



# How to Choose the Best TPA for Your Benefits Programs

**A third-party administrator (TPA) can help your benefits programs run smoothly and enhance participant satisfaction. If yours doesn't do both, find a TPA that meets your needs by conducting a thorough search.**

It's time to take a fresh look at the TPA marketplace if you're experiencing issues like these with your current TPA:

- Service issues, such as processing backlogs for healthcare claims, pension applications, poor reporting, unresponsiveness to you as a fiduciary or participants, or difficulty gaining access to plan data
- Outdated or missing technology tools that limit the service to your participants and reduces the quality of their experience.
- Difficulty implementing plan changes, complying with legal requirements or unreasonable money, time or effort allocation to your plan.
- Significant fee increase(s)
- Failure to meet contractual terms, including industry-standard performance levels

## **Conducting a thorough search starts with a comprehensive RFP**

A TPA search that's based on a request for proposal (RFP) enables you to accomplish several key goals:

- Conduct a meaningful review of TPAs that offer relevant services.
- Make an "apples to apples" comparison of responding TPAs.
- Evaluate each TPA's experience and capabilities, including its cybersecurity capabilities.
- Select the TPA that best meets your requirements and scope of services.
- Include the TPA's response to the RFP as part of the contract, especially any performance guarantees and service monitoring.

## Take advantage of our extensive RFP expertise

For more than 30 years, Segal's Administration and Technology Consulting (ATC) Practice has performed hundreds of TPA searches for health, pension, annuity, 401(k) and vacation plans. Our hands-on team will draw on their unparalleled knowledge of the TPA marketplace to help ensure the TPA you choose is able to deliver the high-quality services your plan requires. Our approach to competitive bidding is comprehensive and systematic.



Draft a thorough RFP based on your administrative requirements.



Evaluate TPAs' responses based on our knowledge of appropriate fees, service levels, performance guarantees and quality measures.



Benchmark proposed fees against the overall marketplace to make sure your plan is receiving the most competitive pricing for services.



Conduct finalist interviews.



Work with your legal counsel to include service-level and performance guarantees in your TPA contract.

We'll make sure your RFP covers:

- Information about the vendor, including ownership and financial structure, staffing levels, operational structure, years of experience, technology and security
- Service requirements and service deviations
- Experience with similar plans
- Start-up and ongoing fees, including the cost of optional or out-of-scope services
- Industry-standard performance levels, quality of service measures and performance guarantees for the foreseeable future
- Approach to compliance, such as HIPAA privacy and security requirements, as well as emerging regulatory issues
- Implementation and transition timelines
- References

Once you've selected a TPA, we can provide implementation oversight to ensure a smooth transition. We can also be retained to audit the TPA's performance to assess whether the TPA meeting to the performance levels established in the contract.

Learn more about conducting a thorough RFP to identify the right TPA for your business. We are ready to help.

### Contact



Jeff Mills  
VP, Practice Leader  
[jsmills@segalco.com](mailto:jsmills@segalco.com)  
301.908.3014



Miriann Yoo  
VP, Administration &  
Technology Consulting  
[myoo@segalco.com](mailto:myoo@segalco.com)  
212.251.5277

Segal is a leading global employee benefit and HR consulting firm delivering trusted advice that improves lives. Visit [segalco.com](https://segalco.com).

This is for informational purposes only and does not constitute legal, tax or investment advice. You are encouraged to discuss the issues raised here with your legal, tax and other advisors before determining how the issues apply to your specific situation(s).

© 2024 by The Segal Group, Inc.

