



Third Party Administrator Appointment Questionnaire

PART I - Entity, Location, Ownership, Affiliation

1. Name of Entity: \_\_\_\_\_

2. Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Web Site: \_\_\_\_\_

E-mail: \_\_\_\_\_

3. T.I.N. #: \_\_\_\_\_

Type of Business:  Corporation  Partnership  Sole Proprietor  LLC

4. List of Officers: Attach additional list if necessary. Submit resumes of Officers, Directors and Owners

President: \_\_\_\_\_ Secretary: \_\_\_\_\_

Vice Pres: \_\_\_\_\_ Treasurer: \_\_\_\_\_

Other Officers: \_\_\_\_\_

5. Please list other companies with whom you have financial interest greater than 10% (i.e. Insurance companies, PPOs, HMOs, MGUs, Brokerage operations, etc.)

\_\_\_\_\_

6. In the last five years, has your business entity ever been involved in a merger greater than 10%?

Yes  No

If yes, please describe: \_\_\_\_\_

7. In the last five years, has your business entity ever had a change in ownership of greater than 51%?

Yes  No

If yes, please describe: \_\_\_\_\_

8. Has your business entity had a change of name, and/or used a dba or is it operating under an assumed name?

Yes  No

If yes, previous names were: \_\_\_\_\_

9. Branch Offices:

Name of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Name of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

10. How do you produce business (clients)? *Check all those that apply*
- TPA Staff Direct
  - Independent Brokers/Agents
  - Other, define: \_\_\_\_\_
11. If you use independent brokers/agents to produce business, is their compensation for service paid by:
- Client?
  - TPA?
  - Other? Describe: \_\_\_\_\_
12. If you compensate brokers/agents or other service providers for business development, how do you disclose to client the amount of compensation paid?
- \_\_\_\_\_
13. When do you disclose fees, compensation, etc., to client? *Check all that apply.*
- In the initial proposal
  - In the service agreement
  - At time of 5500 filing
  - Other, explain: \_\_\_\_\_
14. How many years have you been in business? \_\_\_\_\_
15. How many clients do you have? \_\_\_\_\_
16. How many total employee lives are covered by your collective clientbase? \_\_\_\_\_

**PART II - Systems - Administration and Claims (Hardware and Software)**

	Administration	Claims
1. Is your system on-line or manual?	_____	_____
2. Version of the software system	_____	_____
3. Who developed the system?	_____	_____
4. Year it was developed?	_____	_____
5. Is your software leased, timeshared or owned?	_____	_____
6. If owned, year it was purchased.	_____	_____
7. Name of the hardware	_____	_____
8. Is the hardware leased, timeshared or owned?	_____	_____
9. Have you changed/upgraded systems within 12 months? If yes, please describe	_____	_____
a. Administration: _____		
b. Claims: _____		
c. Is conversion complete?		<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Is your system EDI compliant to HIPAA standards?		<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Is your system compliant to HIPAA security standards?		<input type="checkbox"/> Yes <input type="checkbox"/> No
12. Have you modified the standard system in any way? If yes, please describe:		<input type="checkbox"/> Yes <input type="checkbox"/> No
_____		

**PART III - Administrative Services (Financial, Eligibility, and Premium Accounting)**

1. Staff: Total number of employees in department: \_\_\_\_\_

Name/Job Title of Key Personnel and Managers	Years Experience	Years w/Current Employer
_____	_____	_____
_____	_____	_____
_____	_____	_____

If necessary, list additional names on a separate page and attach. Please attach resumes.

3. May clients have system access in their offices?  Yes  No  
If yes, which administrative functions can clients perform? \_\_\_\_\_

4. Can you provide census and premium funding data electronically?  Yes  No

5. Can you accept and send ACH financial transactions?  Yes  No

6. System(s) Security and Audit Procedures:

a. Describe security of master file (i.e., who can enter new groups, make changes, etc.):

\_\_\_\_\_

b. Describe security of client funds:

\_\_\_\_\_

c. Describe record retention program for enrollment cards, billing files, etc.:

\_\_\_\_\_

d. Describe your back-up system(s) in the event that the computer master file is destroyed:

\_\_\_\_\_

7. Does your system calculate individual or group premium for fully insured plans, or calculate levels of funding for self-funded plans?  Yes  No

8. How is eligibility determined for claims adjudication?

\_\_\_\_\_

9. Describe procedures for adding, deleting and changing plan participants and their benefits:

\_\_\_\_\_

10. What is your philosophy in serving a client's interest if the client asks you to accelerate claim payments in the last quarter or month of the plan year-end?

\_\_\_\_\_

11. Do you perform bank account reconciliation's on client accounts?  Yes  No  
If no, why not? \_\_\_\_\_

12. How often do you generate premium billings for insurance coverage? \_\_\_\_\_  
On what days? \_\_\_\_\_

13. When are premium reminder notices sent? \_\_\_\_\_

14. For non-payment of excess/stop loss premiums, how are lapse notices sent?

\_\_\_\_\_

15. On what date(s) are premium payments run for insurers and excess insurers?  
\_\_\_\_\_
16. Do you remit premiums to carriers on behalf of clients? \_\_\_\_\_
17. If yes, do you remit gross or net of commissions? \_\_\_\_\_
18. Do you audit your administration area?       Yes     No  
If yes, please describe: \_\_\_\_\_
19. Do you have a disaster recovery plan?       Yes     No  
If yes, please describe: \_\_\_\_\_
20. Provide a list of outside vendors contracted with your TPA and the services they perform. (Attach a separate sheet)

**PART IV - Claims Administration**

1. Staff: Total number of employees in:  
 Adjudication: \_\_\_\_\_  
 Support: \_\_\_\_\_  
 Managers: \_\_\_\_\_

Name/Job Title of Key Personnel and Managers	Years Experience	Years w/Current Employer
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

If necessary, list additional names on a separate page and attach. Please attach resumes.

2. How long is claim history maintained on-line? \_\_\_\_\_
3. Has the department been audited by a third party for accuracy/security?     Yes     No  
If yes, how recently? Please give name of audit firm: \_\_\_\_\_
- Name the type of audit performed: *Check all that apply, and note date.*
- CPA/5500 \_\_\_\_\_       CPA/Performance \_\_\_\_\_  
 Carrier/MGU \_\_\_\_\_       Independent Claims Audit \_\_\_\_\_  
 SAS 70 – Type 2 \_\_\_\_\_
4. What is the percent of auto adjudication? \_\_\_\_\_  
 a. What percent of claims are received electronically? \_\_\_\_\_
5. Based on the above definition, what is your average number of claims received daily: \_\_\_\_\_
6. What is your payment accuracy objective?  
 a. Procedural: Number of claims paid: \_\_\_\_\_  
 b. Financial: Dollar amount paid without error: \_\_\_\_\_

7. What procedures do you have in place for identifying and reporting potentially large claims (exceeding 50% of the specific deductible trigger diagnosis)?  
\_\_\_\_\_
8. What procedures do you have in place to detect and enforce reimbursement for subrogation, COB or workers' compensation?  
\_\_\_\_\_
9. What was your payment accuracy performance during the last twelve months?  
\_\_\_\_\_
10. Describe the payment authority limitation for the claims staff and describe the criteria for internal audits:  
\_\_\_\_\_
11. What is your average turnaround time from date of receipt to date of payment on a clean claim submission? \_\_\_\_\_
12. What is your source for determining R&C?  
 Surgical \_\_\_\_\_  
 Medical \_\_\_\_\_  
 Dental \_\_\_\_\_  
 If other, please describe:  
 \_\_\_\_\_
13. Is your R&C database on-line?       Yes     No
14. How often is R&C data updated? \_\_\_\_\_
15. Are the ICD-10 codes captured?       Yes     No
16. Are the CPT codes captured?       Yes     No
17. For what period of time are hard copy claims files retained?  
\_\_\_\_\_
18. Are separate bank accounts maintained for each client?       Yes     No  
 a. What is included in each account? \_\_\_\_\_  
 b. Who has disbursement authority? \_\_\_\_\_  
 c. Is there a trust established for funded plans?       Yes     No  
 Describe a "Typical" client fund transaction through your office:  
 \_\_\_\_\_
19. Do you subcontract any data processing activities?       Yes     No  
 If yes, please specify: \_\_\_\_\_
20. Do you utilize off-site or home claim processors?       Yes     No  
 If yes, please specify: \_\_\_\_\_
21. What services do you provide for COBRA administration?  
\_\_\_\_\_

22. What compliance services do you provide?

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23. What other services do you provide? Please list.

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24. What percentage of claims are audited? \_\_\_\_\_

a. How often? \_\_\_\_\_

b. Client specific or aggregated? \_\_\_\_\_

### PART V - Managed Care

1. Please list the PPOs you use for the majority of your cases:

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2. When there isn't a PPO in place, do you reprice hospital bills? If yes, what vendors do you use and at what claim level?

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3. Describe any other claim cost management providers and processes you may use (i.e., demand management, hospital bill audits, subrogation, fee negotiation, service, etc.):

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4. What level of utilization review services are performed?

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5. Are utilization review services performed in-house or through an outside vendor?

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6. Describe your procedures for professional medical and dental claims review:

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7. Describe your procedures for auditing and/or negotiating provider bills:

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8. Describe your procedures for using large case management (LCM):

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9. Describe the managed care procedures you are using:

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10. How are cases identified for possible case management?

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11. Please list the companies you use for Large Case Management services or describe your internal programs:

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a. Disease Management and Predictive Modeling Service:

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12. Is there a direct linkage between the UR/pre-cert process and case management?

Yes

No

If yes, please explain: \_\_\_\_\_

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**PART VI – Carriers (Insurers)**

1. Please list the excess/stop loss insurers (carriers) with which you have business:

Carrier Name	# of Cases	# of Lives	Estimated Annual Premium \$
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2. Has any carrier terminated their relationship with you in the last 5 years?  Yes  No  
 If yes, who and why? \_\_\_\_\_

**PART VII - Compliance/Legal/Licensing**

1. Describe any previous or pending material lawsuits in the last seven (7) years:  
 \_\_\_\_\_

2. Have any of the principals in your firm or any of your employees (former or current), ever been indicted or convicted of mishandling/misappropriating any insurance company or client funds?  Yes  No  
 If yes, please give details: \_\_\_\_\_

3. Describe your current procedures for handling client or insured complaints and State Insurance Department complaints:  
 \_\_\_\_\_

4. Has the company (TPA) or its principals ever been adjudged bankrupt?  Yes  No  
 If yes, please give details: \_\_\_\_\_

5. Have you ever been involved in an audit by the Department of Labor (DOL)?  Yes  No  
 If yes, please give details: \_\_\_\_\_

6. If your operating jurisdiction(s) requires licensing, are you licensed as a(n):  
List States/License Number  
 Third Party Administrator \_\_\_\_\_  
 Managing General Agent \_\_\_\_\_  
 Agent \_\_\_\_\_  
 Other, define: \_\_\_\_\_  
 Please provide a copy of current license(s) listed above.

7. How are you kept informed of changing legal requirements within your market area?  
 \_\_\_\_\_  
 How do you inform your clients of these changes?  
 \_\_\_\_\_

8. What membership(s) do you hold in professional and trade associations? *Check all that apply.*  
 SIIA       SPBA       RIMS       IFEBP       HCAA  
 NALU       NAHU       LIMRA       Other (please list): \_\_\_\_\_

**PART VIII - Insurance/Bonding**

1. Do you carry a TPA errors & omissions policy?  Yes  No  
If yes, who is the carrier? \_\_\_\_\_  
What is the expiration date of the policy? \_\_\_\_\_  
What are the limits of coverage for the policy? \_\_\_\_\_  
What is the deductible? \_\_\_\_\_  
Is contract a claims made policy?  Yes  No
2. Do you carry a comprehensive general liability policy?  Yes  No  
If yes, who is the carrier? \_\_\_\_\_  
What is the expiration date of the policy? \_\_\_\_\_  
What are the limits of coverage for the policy? \_\_\_\_\_  
What is the deductible? \_\_\_\_\_
3. Do you carry a professional liability policy for UR (Utilization Review) and/or other services?  Yes  No  
If yes, who is the carrier? \_\_\_\_\_  
What is the expiration date of the policy? \_\_\_\_\_  
What are the limits of coverage for the policy? \_\_\_\_\_  
What is the deductible? \_\_\_\_\_
4. Do you carry a fidelity bond?  Yes  No  
If yes, who is the carrier? \_\_\_\_\_  
What is the expiration date of the policy? \_\_\_\_\_  
What are the limits of coverage for the policy? \_\_\_\_\_  
What is the deductible? \_\_\_\_\_  
What are the total annual aggregate funds handled for all clients? \_\_\_\_\_
5. Do you purchase criminal liability insurance?  Yes  No  
If yes, on which employees? \_\_\_\_\_
6. Have claims been made against any of the above policies in the past two (2) years?  Yes  No  
If yes, please provide details: \_\_\_\_\_

**PART IX – Financial**

1. Principal banking relationship (to be used as a reference):
- Name of Bank: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact: \_\_\_\_\_ Contact Title: \_\_\_\_\_



**PART X - Attachments**

1. Please use this checklist and provide the following attachments. If any of these items cannot be provided, please explain:

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- Bios of officers, directors, owners and key claims personnel
- Certificate of Insurance for Errors and Omissions Policy, Professional Liability Policy, and/or Bond now in effect (declaration pages are sufficient)
- Copy of TPA, MGU, agency, broker and agent license for each applicable state
- Marketing proposal
- Marketing brochure
- Service agreement (sample of standard agreement used)
- Claim account flowchart/description
- Samples of administrative service reports for Stop Loss reporting
- Samples of aggregate claims reports available to insurers and/or reinsurers
- Sample plan document

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I certify that the information on this application is accurate to the best of my knowledge and belief. I also understand that routine inquiries, including credit inquiries, may be made of any or all of the individuals and firms noted herein as references.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_