



TPA Market Metrics

Integrated Casualty Consulting

Selection of the right third-party administrator (TPA) is one of the most critical decisions a company makes when retaining risk. The quality and efficacy of services a TPA provides will vary greatly depending on the states you operate in, the accessibility of the medical providers and vendors, and the level of customization you want for your program. Selecting the right TPA requires measures beyond a successful presentation and unit price fee comparison.

What is TPA Market Metrics?

When you engage with WTW to direct your workers compensation TPA selection process, you can choose to participate in the use of our proprietary outcome-based analytics tool, Market Metrics.

Market Metrics provides analysis of TPA outcomes by pulling from a benchmarking database that contains “book-of-business” medical bill and claim data from each TPA/carrier organization. Using this database for comparison with your own historical data, we have designed our analytical tool to evaluate your finalists in multiple ways.

WTW's new Market Metrics analysis levels the TPA playing field with a true comparison of claim outcomes that is unique to your corporation.

Market Metrics output

Medical cost comparison: One output of the Market Metrics analysis is a summarized comparison of the net outcomes of each competing finalist in the area of medical cost. We use a consistent methodology to define bill data and bill repricing fees to show you how much you should expect to pay with each competing vendor, based on their current network arrangements and access charges.

The tool is also designed to provide you with a deep dive into the individual medical bill types within each claim jurisdiction. This allows you to evaluate, by type of bill, where you have bill volume and which competing vendor can best support your specific network needs.

Allocated loss adjustment expense (ALAE) comparison: Included among the ALAE costs are bill review charges, attorney fees, surveillance and investigation charges and a host of other miscellaneous costs that TPAs will charge to a claim. Many employers try to curb these costs by managing defense council fees or using a different vendor from the standard program option. WTW's Market Metrics analysis will evaluate the cost and volume of ALAE expenses using a sliding scale to accommodate employers who do customize. Using the book of business database and methodology, WTW will provide you with an estimate of expense costs by TPA, so you can stop guessing and make an informed decision.

The benefit of Market Metrics

The benefit of having Market Metrics analysis in your toolbox is twofold. First, it supplements the RFP and oral responses to provide additional information your team can leverage in the decision-making process. Clients have found that being armed with this objective calculation of anticipated claim outcomes can be a very impactful consideration when making the final vendor choice. In addition, the Market Metrics tool provides valuable information relative to network strengths and weaknesses, which focuses and directs network development during implementation with the selected vendor — even when the incumbent vendor retains the business.

Partner with us

An effective business partner will help you design a TPA program that strengthens your organization. We are uniquely suited to help you design and implement TPA solutions that will strengthen your organization.

Are you contemplating changing your TPA? Engage WTW's TPA Selection Consulting for a comprehensive and innovative approach to selecting a TPA partner.



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