



Underwriting Management Experts

# Third Party Administrator Questionnaire

## Entity, Location, Ownership, Affiliation:

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

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

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

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

Tax I.D. # \_\_\_\_\_

Type of Business:

Corporation

Limited Liability Corp

Partnership

Subchapters S Corp

Sole Proprietor

List of Officers: (Please attach additional list if necessary Submit resumes of Officers, Directors and Owners)

President \_\_\_\_\_

Secretary \_\_\_\_\_

Vice Pres. \_\_\_\_\_

Treasure \_\_\_\_\_

Please list other companies with whom you have financial interest (i.e., insurance companies, PPO's, HMO's, MGU's Brokerage operations, etc.)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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In the last 5 years, has your business entity been involved in a merger?  Yes  No

If yes, please describe:

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In the last 5 years has your business entity had a change in ownership?  Yes  No

If yes, please describe:

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Has your business entity had a change of name, and/or use d.b.a or operated under an assumed name?

Yes  No; if yes, previous name was \_\_\_\_\_

How do you produce business? (Check all that apply).

TPA Staff Direct

Independent Brokers/Agents

Other, define \_\_\_\_\_

If you use independent brokers/agents to produce business, is their compensation for services paid by:

Client directly

TPA

Other, define \_\_\_\_\_

How do you disclose fees, compensation, to the client? (Check all that apply)

In the proposal offer

In the service agreement

At the time of 5500 filing

Other, define \_\_\_\_\_

Branch Offices: (attach additional list if necessary)

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NAME, ADDRESS, PHONE, FAX, CONTRACT)

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## **Part II- System/Administrators and Claims (Hardware & Software)**

|   | <b>Administration</b> | <b>Claims</b> |
|---|-----------------------|---------------|
| 1. Is system on-line or manual?                                     | _____                 | _____         |
| 2. What is the name of the software system?                         | _____                 | _____         |
| 3. Who developed the system?  | _____                 | _____         |
| 4. What is the year of development?                                 | _____                 | _____         |
| 5. Is software leased, or owned?                                    | _____                 | _____         |
| 6. If owned, what is the year purchased?                            | _____                 | _____         |
| 7. What is the Name/type of software?                               | _____                 | _____         |
| 8. Is hardware leased, or owned?                                    | _____                 | _____         |
| 9. Have you changed or upgraded systems?<br>If yes please describe: | _____                 | _____         |

## **Part III – Administrative Services (Financial, Eligibility, and Premium Accounting)**

Staff: Total number of employees in Department: \_\_\_\_\_

| Name and Title of Key Personnel & Managers | Job Title | Years Experience |
|--|-----------|------------------|
| _____                                      | _____     | _____            |
| _____                                      | _____     | _____            |
| _____                                      | _____     | _____            |

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

1. May clients have system access in their offices?  Yes  No  
If yes, which administrative functions can the client perform? \_\_\_\_\_
2. Can you provide census and premium data electronically?  Yes  No
3. System(s) security and Audit Procedures:
  - i. Describe security for master file (i.e. who can enter new groups, changes):

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ii. Describe security for client funds.

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

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iv. Describe back-up system/disaster recovery in the event the computer master file is destroyed:

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4. Does your system calculate individual or group premium?  Yes  No

5. Describe procedures for adding, deleting, and changing Plan Participants and their benefits:

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6. Do you perform bank account reconciliations on client accounts?  Yes  No

7. How often do you generate premium billings? \_\_\_\_\_ On what days? \_\_\_\_\_

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

9. When are lapse notices sent? \_\_\_\_\_

10. On what date(s) are premium payments run for insures and reinsures? \_\_\_\_\_

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11. Describe administrative procedures for COBRA.

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12. Do you prepare Plan Documents and Amendments in your office? \_\_\_\_\_

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Notes/Comments: \_\_\_\_\_

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**Part IV – Claims Administration**

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

| Name of key Personnel & Managers | Job Title | Years' Experience |
|----------------------------------|-----------|-------------------|
| _____                            | _____     | _____             |
| _____                            | _____     | _____             |
| _____                            | _____     | _____             |

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

1. How many terminals are in use? \_\_\_\_\_
2. Is eligibility determined on-line?  Yes  No
3. How long is claim history maintained on-line? \_\_\_\_\_
4. Has the department been audited by a third party for accuracy/security?  Yes  No  
If yes, how recently, and by what firm? \_\_\_\_\_  
And type of audit: (check all that apply).

CPA/550  CPA/Performance  Carrier/MGU  Independent Claims Audit

5. Can you provide claim data electronically?  Yes  No
6. Claims are largely (i.e.: +75%) a.) Processed:  Manually  On-Line  
b.) filed:  By family  By day batch

7. What does a claim represent? (Check one)  
 Line item  Check  EOB  other \_\_\_\_\_

Based on the above definition, what is the average number of claims processed by adjuster per hour \_\_\_\_\_?

8. What is your payment accuracy objective?  
a.) Statistical: Number of claims paid \_\_\_\_\_  
b.) Financial: Dollar amount paid without error \_\_\_\_\_

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9. Describe the payment authority limitation for the claims staff and describe the criteria for internal

Audits: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. What is your payment accuracy performance during the last 12 months? \_\_\_\_\_

11. What is your turnaround objective? \_\_\_\_\_

12. What is your turnaround time over the last 12 months? \_\_\_\_\_

13. Surgical R & C is based upon:  HIAA  Internal  Med-Index  MDR  Other;

If other, please describe:

Surgical: \_\_\_\_\_

Medical: \_\_\_\_\_

Dental: \_\_\_\_\_

14. Is your R&C database on-line?  Yes  No

15. How often is R&C data updated? \_\_\_\_\_

16. Are ICD-9/ICD-10 codes captured?  Yes  No

17. Are CPT codes captured?  Yes  No

18. For what period of time are hard copy claims files retained? \_\_\_\_\_

19. 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's funds transaction through your office: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

20. Do you subcontract any data processing activities?  Yes  No If yes, please explain:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

21. Do you utilize off site or home claim processors?  Yes  No If yes please explain:

22. Describe your procedures for professional Medical & Dental Claims review:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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24. Please list your Utilization Review and Case Management providers:

| Name  | Address | Phone# |
|-------|---------|--------|
| _____ | _____   | _____  |
| _____ | _____   | _____  |
| _____ | _____   | _____  |

25. Is (are) your utilization providers (s) URAC accredited?  Yes  No

26. Describe your procedure, format, and frequency for reporting large claims, utilization review, and Case Management activity:

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27. Describe the Managed Care Procedures you are using:

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28. Does your system handle duplicate claim checking? \_\_\_\_\_

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29. Does the system track benefit maximums? \_\_\_\_\_

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30. Does the system note possible COB and pre-existing claims? \_\_\_\_\_

a.)How are coordination of benefit issues investigated?

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b.)How are pre-existing claim issues investigated? \_\_\_\_\_

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31. Subrogation Claims are handled:  Internally  Externally

32. On subrogated claims, describe the system or procedure used to credit the carrier and to apply the savings to the appropriate loss reporting period.

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## **Part V- Carrier/MGU Information**

1. Please list the Stop-loss Carriers/MGU's with which you have business:

| Carrier / MGU Name | # of Accounts | # of lives | Est. Annual Premium |
|--------------------|---------------|------------|---------------------|
| _____              | _____         | _____      | _____               |
| _____              | _____         | _____      | _____               |
| _____              | _____         | _____      | _____               |
| _____              | _____         | _____      | _____               |

2. Has any Carrier/MGU terminated their relationship with you in the last 3 years?  Yes  No

3. Please give a breakout of groups you are presently administering:

# Of Accounts                      # of Covered EE's

- A) Fully insured \_\_\_\_\_
- B) Self-funded with stop loss \_\_\_\_\_
- C) Fully self-insured accounts \_\_\_\_\_
- D) MET's, Associations or Unions \_\_\_\_\_

4. Approximate Number of loss quotations you expect to request during the next 12 months:  
\_\_\_\_\_

5. Are all Stop-Loss Markets used in every situation?  Yes  No

6. How is New Business developed?  Internal Sales Reps  Principal  Brokers  Other

## **Part VI- Compliance/Legal/License Information**

1. Describe any previous or pending material lawsuits in the last 10 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. \_\_\_\_\_  
\_\_\_\_\_



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4. Has the TPA or its principals ever been adjudged bankrupt?  Yes  No if yes, please give details. \_\_\_\_\_  
\_\_\_\_\_
5. Have you been involved in an audit by the Department of Labor?  Yes  No; if yes, please give details. \_\_\_\_\_  
\_\_\_\_\_
6. If your operating jurisdiction(s) requires licensing, are you licensed as a:  
 Third Party Administrator  Managing General Agent  Agency  Broker  Agent  
*Please attach a copy of current license(s) listed above*
7. How are you kept informed of changing legal requirements with your market area?  
\_\_\_\_\_  
\_\_\_\_\_  
How do you inform your clients of these changes?
8. Are you HIPAA-EDI compliant?  Yes  No

## **Part VII – Insurance Bonds/Banking Information**

1. Do you carry an error and Omissions Policy?  Yes  No
2. Do you carry a Fidelity Bond?  Yes  No
3. Do you carry a Professional Liability Policy?  Yes  No
4. Do you require employee bonding?  Yes  No
5. Have claims been made against any of these policies in the past two years?  Yes  No
6. Principal banking relationship (to be used as a reference):  
Bank: \_\_\_\_\_ Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact: \_\_\_\_\_ Contact Title: \_\_\_\_\_



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## ATTACHMENTS

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

- Resumes of Officers, Directors, Owners, and Key Personnel
- Copy of each: E & O Policy, Professional Liability Policy, and/or Bond now in effect of
- Copy licenses for each applicable state – (Insurance and TPA Licenses)
- Marketing Brochure
- Literature on PPO and Managed Care
- Sample Service Agreement
- Disclosure Form
- Evidence of Good Health Form
- Samples of Claim Reports available to insurers and /or reinsurers
- Sample Plan Document
- Sample Enrollment Form
- Sample Claim Form
- Sample Premium Billing Form

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

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

NAME / TITLE \_\_\_\_\_