

Buyers Guide, Part 2:

How to Shop and Buy a Third-Party Administrator

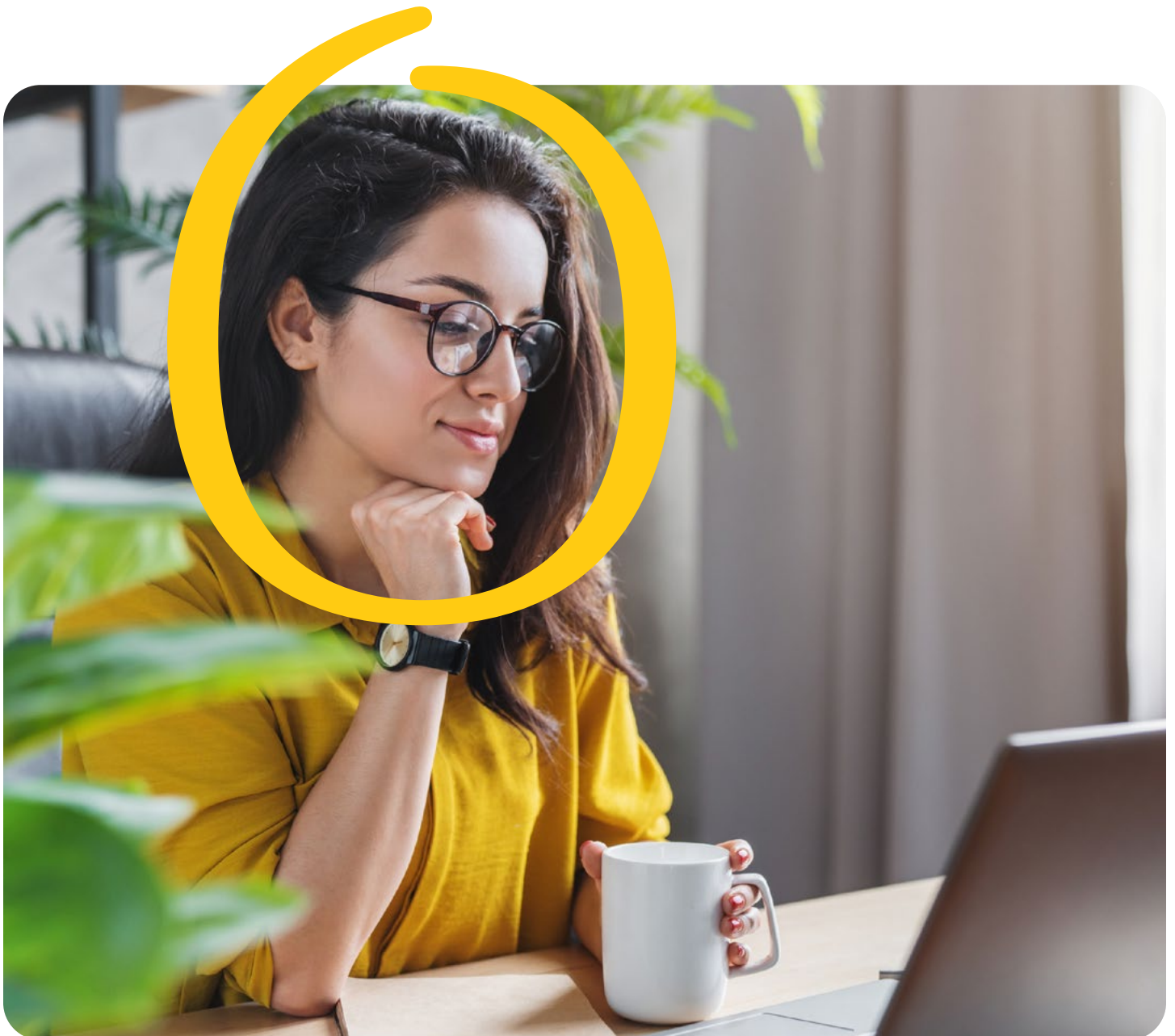


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In the initial segment of our comprehensive series delving into Third-Party Administration (TPA) and self-funded insurance, we uncovered the transformative benefits of teaming up with a TPA for administering self-funded benefits.

Greater Control



Advanced analytics

Diminish Burdens

This strategic partnership empowers companies to take the reins on their benefits packages, streamline operations, and harness cutting-edge analytics to enhance healthcare offerings.

TPAs are champions in not just saving valuable time and resources through efficient administration and compliance acumen but also in elevating employee wellbeing via personalized health programs and meticulous clinical care management. For companies striving to craft resilient, impactful, and cost-effective healthcare

solutions for their employees, a TPA collaboration is pivotal.

Once you've recognized the value of self-funded plan administration with a TPA, the next step is crucial—it's about charting the course to identify and engage with a TPA.

In the upcoming continuation of this series, we'll navigate the journey of transitioning to a self-funded plan, understanding how to collaborate effectively with your chosen TPA, recognizing the pivotal role of brokers and consultants in the TPA relationship, and making informed decisions when it's time to switch to a TPA-administered self-funded plan or alter your current TPA partnership.

Healthcare expenses can be a major burden for employers. Costs seem to only go one way – up!

Employers capable of handling the financial responsibility are turning to self-funded plans as a strategic option to manage these expenses. This approach often proves to be the best choice for controlling costs and enhancing the affordability of health plans for employees.

When contemplating a shift to a self-funded model, collaborating with a broker, consultant, and TPA can be highly beneficial in ensuring the timing is right for the transition.

Among other critical factors, employers should consider:

- Assessing claims data to gain insights into overall expenses and the patterns of payments for both current and historical claims.
- Evaluating the age range and overall health status of the employee population.
- Analyzing the utilization of benefits to determine which are most and least utilized. Employers may discover opportunities to streamline offerings, explore more cost-effective options, or bolster benefits in areas with high utilization.

Self-funded plans could help employers tame rising costs, creating a win-win scenario where employer expenses are managed smartly, and health plans become more affordable for employees. But before taking the plunge into self-funded waters, partner with a trusted broker, consultant, and TPA to determine the opportune moment for the switch.

How to work with a TPA

Let's explore how TPAs can be a game-changer for HR leaders in crafting top-notch benefits plans.

Think of TPAs as your HR Department's trusty sidekick, swooping in to handle all the nitty-gritty administrative tasks and claims management. This move frees up time for HR to focus on what truly matters—nurturing a thriving workplace culture, attracting top talent, and acing those C-Suite priorities.

Here's the scoop: TPAs don't just offer a one-size-fits-all solution. They work hand in hand with clients, brokers, and consultants to craft a benefits plan from scratch, catering to each organization's unique needs. Once the plan is in place, TPAs work their magic to fine-tune and optimize it, ensuring it hits its financial targets through smart cost management strategies.

To make sure your team gets the best care possible, TPAs use data-driven insights from utilization reports and clinical care programs to steer employees toward top-notch care and streamline claims processing.

Let's touch on five steps employers can take to supercharge their partnership with a TPA



01 Define goals and expectations

First up, set clear goals and expectations – think cost control, employee happiness, high quality care, and staying compliant with the rules.

02 Choose the right TPA

Next, pick the perfect TPA partner by looking at their experience, reputation, and ability to meet your needs. You want a trusty ally for your benefits battle!

03 Establish a partnership

Once you've found your match, build a robust partnership based on open communication, teamwork, and trust. It's all about working together towards those healthcare goals!

04 Develop a customized plan

Collaborate with your TPA to craft a custom healthcare plan suited to your team's needs. Think quality care, budget-friendly options, and perks for healthy habits. It's like tailoring a suit – only this time, it's for your benefits plan!

05 Monitor and evaluate performance.

Remember to monitor your plan's performance by tracking data, gathering feedback, and staying current on regulations. It's all about fine-tuning and making the necessary tweaks for a top-tier healthcare offering.

By teaming up with a TPA and following these steps, employers can ace the healthcare game, ensuring their employees have access to quality care without breaking the bank.



What is the Role of the Broker and Consultant?

Ah, the unsung heroes of the benefits realm – the broker and consultant. These savvy professionals are like the fairy godparents of the insurance world, weaving their magic to connect employers with the perfect TPA to bring their dream benefits plan to life.

Picture this: brokers and consultants are the ultimate matchmakers, uniting employers with the ideal TPA to safeguard and elevate their benefits plan. They're armed with a treasure trove of knowledge about products, trends, and offerings, ready to customize the perfect solution for each client.

These pros team up with TPAs to ensure benefits are not only administered flawlessly but also provide maximum perks and flexibility at the lowest cost for their clients. By working with TPAs, brokers and consultants can unbundle their clients' benefits, unlocking the power to cherry-pick from a bouquet of vendors to match their unique needs and preferred solutions.

TPAs aren't just sidekicks in this adventure – they're nourishing this alliance with the right blend of financial insights, healthcare data, and innovative offerings, revolutionizing the game with abilities that typical insurance companies can only dream of.

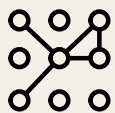
And here's the clincher: TPAs are reliable, flexible partners that can adapt and shift with employers' changing needs without the hassle of a complete overhaul, giving brokers and consultants a cutting-edge advantage in an evolving industry.

By harnessing the prowess of TPAs, brokers and consultants are navigating these uncharted waters with confidence, ushering their clients into a brighter, more responsive future. They're harnessing the power of innovation and adaptability to carve a path toward unparalleled success.

What Type of Employer Should Brokers and Consultants be Introducing to TPAs?

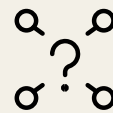
Matching the right employer with a top-tier TPA can be a game-changer

Here are some ideas on the types of employers that brokers and consultants should be introducing to TPAs for a winning partnership.



Employers with complicated benefits design

A TPA can help manage health plans that offer a range of tiered multi-plan options while also helping members navigate their choices. Complex programs could include standard PPO solutions, high-deductible plan options, reference-based pricing, unbundled solutions with many different vendors, or any plan the account needs to best meet the individual needs of the plan members.



Employers looking for help with administration

Most employers juggling self-funded plans need expert help balancing the administrative act. Enter TPAs – armed with a powerhouse team ready to take the reins and manage every detail with finesse and expertise.



Employers seeking cost-containment strategies

TPAs are savvy cost-sleuths, uncovering savings strategies like utilization management, clinical care management, claims review, and pharmacy benefits management. These tools aren't just cost-cutters; they're superchargers for improving health outcomes while keeping the wallet happy.



Employers looking to expand their network

Think big. Employers opting for a self-funded journey alongside a TPA like Personify Health gain access to an arsenal of networks and insurers. With Personify Health's web of relationships, employers aren't confined to one vendor; they can tap into multiple networks and vendors to craft a health plan that's tailor-made for their employees.

With Personify Health as your guide, transitioning from a fully funded model to a self-funded setup becomes a breeze.

Imagine – brokers, consultants, clients, and Personify Health working together to fine-tune health plans, ensuring employees reap the greatest benefits at the best bang for the buck.

And here's the cherry on top—Personify Health believes your data should always be yours. We offer a portal where clients, brokers, and consultants can access on-demand reports to gain deep insights into plan performance.

We believe in building a future where transparency, collaboration, and insight lead to better, smarter healthcare decisions.

The Key to a Sustainable Self-Funded Future

Fostering transparent conversations and seeking clarity on these vital points, as well as partnering with a knowledgeable broker and consultant, can help you make informed decisions about moving to a self-funded model. This proactive approach empowers you to make informed choices and sets the stage for a smarter, more sustainable future in your benefits management.

Working with a Broker and Consultant to Assess a TPA

When an employer decides to make changes to their health plan, considering a TPA switch or a new administrator is a common next step.

But before jumping into an exclusive partnership or making a move, team up with a broker and consultant to issue a request for proposal (RFP). This step allows you to weigh multiple TPAs and decide on the best fit.

This collaborative effort involves the employer, broker, and consultant crafting the RFP and distributing it through their network or a public bid platform. Once this process is complete, the employer has a range of options to consider before choosing the ideal TPA.

It's worth noting that an RFP can also be shared for various types of benefits vendors and administrators, not just TPAs.

In the decision-making process, engage your broker and consultant in a constructive dialogue about their history with the TPA in question. Here are some key questions to ask:

- Have they seen success with this TPA and other clients?
- Can they share data on cost savings and plan efficiency achieved with this TPA?
- Can they provide references or case studies from working with this TPA?
- How long has the partnership been in place, and do they actively seek out other solutions to ensure they're providing the best offerings on the market?



Evaluating TPAs and Making a Change

Partnering with a TPA can bring numerous advantages when it comes to managing benefits plans and HR departments.

But how do you know if a TPA is the right fit for your company?

Whether you're new to the TPA scene or considering a change, understanding your company's unique needs and expectations can help you find the right partner.

What matters most in a strong TPA partnership? Look for a TPA who:

- Goes above and beyond to help you understand your health plan options.
- Provides options that are high-quality, flexible, and tailored to your current needs.
- Is an agile partner that offers detailed, accurate, insightful, and helpful reports.

Once you've teamed up with a TPA, you'll start to see the rewards: cost savings and greater employee satisfaction.

Although results won't happen overnight, transitioning to a self-funded, TPA-administered plan will start to show benefits in a few years.

To evaluate how this change is impacting your organization, consider asking yourself these questions annually:

- Have I seen meaningful impact on my healthcare spend, or an overall trend in lowered healthcare expenses?
- Does my TPA have an actionable plan to help reduce costs?
- Am I receiving real-time data to optimize my plan before open enrollment?
- Are my employees receiving timely payments or reimbursements?
- How is the care management at my current TPA? Are employees being directed to the most effective care setting, helping lower costs and improve overall health outcomes?
- Are my employees satisfied with their experience and coverage?

Making a Change

When it's time to fine-tune your benefits plan and budget, connect with a TPA that truly gets your HR, C-Suite, and, above all, your employees.

That initial conversation is the foundation for a solid benefits plan - whether you're considering a shift from fully funded to self-funded, talking through the implementation process with your chosen TPA, or diving into their cost management strategies and wins.

It's all about forging a shared path, making sure both sides understand each other's needs, and crafting a benefits plan that will fit and edify your organization.

Closing

In wrapping up this guide on choosing and teaming up with a TPA for self-funded insurance management, it's evident that a TPA offers far more than just administrative assistance—it delivers a strategic advantage.

For companies eyeing a transition to self-funded healthcare, recognizing the value TPAs bring in terms of cost control, employee contentment, and comprehensive benefits administration is paramount. The process of selecting the right TPA involves deeply understanding your company's unique needs, collaborating with seasoned brokers or consultants, and conducting thorough assessments through RFPs.

Deciding to engage with a TPA like Personify Health should be viewed as a proactive move towards optimizing healthcare benefits while harmonizing costs and employee well-being.



This goes beyond mere contractual obligations; it's a strategic partnership that adapts to your company's evolving demands, ensuring that the benefits plan aligns with the company's financial objectives and the health requirements of its workforce.

As this series has illustrated, the path toward a self-funded plan administered by a TPA involves meticulous deliberation, informed choices, and strategic foresight, ultimately culminating in a more managed, responsive, and efficient approach to employee healthcare.

About Personify Health



Virgin Pulse and HealthComp have merged to become Personify Health, the company driven to engage and empower people to live healthier lives. By bringing industry-leading health plan administration, holistic wellbeing, and navigation solutions together, all in one place, we have created the industry's first and only personalized health platform. With decades of experience and global operations, we empower diverse and unique businesses – and diverse and unique people – to engage more deeply in health at a lower cost. Through our proprietary combination of data-driven personalization, science-backed methodology, and concierge-level clinical expertise, our end-to-end platform makes it easier to proactively address people's needs across their lives. With a personalized, holistic, and powerfully simple experience, we are redefining industry expectations and what it means to manage health.

Let's talk