
Topic: TPA Scope Change Requests

Background:

Contractors, Third-Party Administrators (“TPAs”), and Insurance Carriers have developed mutually beneficial relationships over the years, and as with many relationships of this type, some areas of overlap and inconsistency have evolved.

One of these areas is in the file-review process, which is typically handled by a TPA staff member. TPA staff may request a revision, believing the request is based on contractual controlling documents, while the contractor is unaware if the controlling documents apply, or may disagree with the interpretation of them.

The Restoration Industry Association believes this Position Statement is important in clarifying some of the steps toward resolution of this type of issue, and in reducing the chance it will recur.

Issue:

Third-Party Administrator/Vendor Manager (TPA) estimate-review personnel may request adjustments to scopes/estimates, but the contractor finds no provision allowing such adjustment in carrier documentation or contractual agreements.

Position of Restoration Industry Association (RIA):

When TPA personnel request a change to a scope prepared by a program contractor and the program contractor disagrees with the request:

- If the requested change is required per the contract or a carrier program guideline, TPA staff should cite the specific provision where the requirement is outlined in the controlling documents. This will help educate the contractor further about the contractor requirements and reduce the potential for conflict on future claims and will help expedite resolution of the claim.
- If the requested change is not specifically required per the contract or carrier program guidelines, the contractor should respectfully request that the TPA personnel forward the estimate and request to the carrier adjuster for review.
- If the disagreement relates to a difference in the way a requirement is interpreted, the contractor should request that the issue be forwarded to the carrier adjuster for review and discussion with the contractor for final resolution.
- The contractor must always exercise common sense in executing the work and comply with industry standards of care, irrespective of opinions or interference from third parties.