THIRD PARTY CLAIMS ADMINISTRATION
WORKERS' COMPENSATION – UNDER CONTRACT

TPA CLAIMS HANDLING

Managing the professional liability, or errors and omissions, risk when an independent adjusting ("IA") company is operating as a third party claims administrator ("TPA") under contract or agreement presents significantly different dynamics and exposures than the same IA might face when completing task assignment oriented claims investigations. In the task assignment environment, the IA is in most jurisdictions considered the agent of the company that retained the IA for services, who serves as the principal. Where a situation arises that calls into question the actions or inactions of the IA (agent) and/or company (principal), in most cases the principal will provide defense and indemnification to the agent so long as the agent has not exceeded the authority granted in the principal / agent relationship. Essentially, the IA and the company that retained the IA for task work are on the "same team".

A significant dynamic that changes in the workers' compensation claims TPA environment is the relationship between the principal (client company) and the agent (TPA). For a TPA, the authorities granted to them by the client are almost always written in the contract, agreement and/or following claim procedures requested by the client company. While a principal / agent relationship exists, the client company, by virtue of hiring the IA under a contract to provide certain services, is granting far more authority than under in the task assignment context. And with additional authority comes significantly higher levels of service requirements and duties that must be completed with or on behalf of the client.

Another change from the task environment is the number of parties involved. Assisting the client in many cases is an insurance broker or consultant, or both, that helps oversee the operations of and results produced by the TPA. Not only must the relationship between the TPA and client be managed, the TPA must also manage the relationships with the insurance broker, excess carrier, claims consultant, risk management consultant, client staff claims management, client staff medical case managers (nurses), and so on. The straight line relationship that joins the IA with the principal in the task environment becomes a large number of overlapping circles in the TPA environment.

This distinction is important to consider because these overlapping areas of relationship and responsibility each poses its own exposure to a claim of professional liability (E&O).

CLIENT

The client company is typically an insurance company, self-insured company or organization, or Managing General Agency authorized to supervise management of claims subject to a written agreement or contract. While there may be only one "client" on the other side of the TPA claims handling contract, there are any number of informal "clients" that are routinely involved in the process of handling workers' compensations claims under a TPA contract.

Any professional liability under a TPA contract or agreement is typically based upon allegations that the TPA did something improper or did not do something that was expected. The key exposure in this context is that a duty is owed to the client to investigate, evaluate and process claims in a reasonable and legal manner at a level specified by the jurisdiction's statutes and case law. Usually, if the client is

going to make a claim for professional liability, it will involve payment of funds that should not have been paid, nonpayment of funds that should have been paid, failure to identify and pursue subrogation in jurisdictions that allow for recovery from a third party, or failure to report claims to excess / reinsurance resulting in an inability of the client to achieve recovery. Almost always, it involves the money that the TPA is responsible for in the handling of the client's claims. In the context of workers' compensation claims, because of the tight regulatory control and the statutory nature of benefits / entitlements, there is more oversight of the claims process (sometimes referred to as 20/20 hindsight) by the client. And in many cases, the client participates in programs involving oversight of claims by these informal "clients".

Each of these informal "clients" presents an exposure to professional liability and should be managed with similar intensity and professionalism as each individual claim. These parties can include, but are not limited to, an excess workers' compensation insurance provider, a reinsurance company, an insurance broker, a risk management company, an insurance claims consultant and external legal counsel. The TPA should have a program in place to coordinate the relationship management with each of these key process participants and, at the very least, have one person within the organization responsible to manage these relationships. As will be discussed more thoroughly in this document, the keys to mitigating professional liability exposure for a TPA handling claims under a contract are:

1. Observe and follow sound claims handling practices on each and every claim, lost time and medical only.
2. Actively supervise the claims handling process to ensure compliance with these claims handling practices.
3. Investigate and document each claim so that, upon external review or audit, the basic questions of who, what, when, where, how and why can be clearly answered.
4. Follow the law and statutes.
5. Document actions *and* inactions.
6. Train all TPA management and staff as to the content and requirements contained in the TPA contract. *Buy in* can only flow from staff who understand how the basic agreement controls what the TPA is required to do, when, and in some cases why.

The TPA should be ever thoughtful of the perspective that the client and its representatives have of the workers' compensation claims process and any business issues that the client may be confronted with during the TPA contract. Don't fall for the "best practices" trap. Just because you talk about "best practices" doesn't mean that the clients wants or needs are being fulfilled. Don't ignore what the client wants or needs. Address these wants and needs proactively. Management of the client relationship is in many cases as important as the individual claims management function. A client that is satisfied with their claims handling, where decisions, recommendations, reserves and payments are fully documented, will be far less likely to bring a claim of professional liability against the TPA.

ACKNOWLEDGEMENT

When receiving a First Report of Injury ("FROI"), acknowledgement of receipt should be returned to the client and an appropriate method of communication established to ensure that 1) claims sent by client are received and acknowledged, 2) TPA maintains a log for incoming claims that is regularly reconciled to 3) client's log of new FROIs sent to TPA. Reconciliation of the "received" and "sent" logs should take place regularly, depending upon the individual state of jurisdiction, recommended at weekly interval. (Example: Client thinks claim # 10 was sent, comm. failure, TPA doesn't know claim exists.)

Form and nature of the Acknowledgement is based upon the agreement between the client and TPA. Paper records, e-mail, spreadsheets or other documentation are typically part of an acceptable solution.

Acknowledgement and reconciliation records are to be retained perpetually, at a minimum 3 years following conclusion of the agreement. From a risk management standpoint, effective communication between the client and the TPA will be enhanced by this reconciliation process, receipt of claims transmitted to TPA, confirmation of receipt of such claims and reconciliation of the "sent" to "received" claims.

Due to short time requirements in many jurisdictions with respect to first claimant and physician contact, generation of first payment and acceptance/denial, effective communication between the TPA and client is of the utmost importance. Specifically, when the client "thinks" they have sent a FROI to the TPA, but the TPA (for whatever reason) does not receive the FROI, the initial investigatory process cannot begin. This can cause an initial delay and in some jurisdictions a deemed acceptance arising out of the failure to accept or deny. Mitigation of professional liability exposure calls for a timely, two-way communication of the FROI send/receive process.

INITIAL CONTACT

In the center of a WC TPA administration agreement, contact times and parties are many times specified in the agreement. Contact may be also specified in external claim handling guidelines or "best practices" guidelines. Additionally, the client or broker in many cases will use contact as an audit criterion.

It is commonly held that initial contact is a cornerstone of a timely, adequate investigation. However, each TPA and each claim is to be considered independently and actions taken (and not taken) documented as related to the fact pattern present. Unless documented in the agreement or otherwise, attempts to contact involved parties should be made within one business day from the receipt of the FROI. Involved parties may include the injured worker, the worker's family, the treating physician, the employer, the worker's supervisor, witnesses, and so on.

The manner of contact is not limited to, and in some cases controlled by, that which is specified in the TPA agreement. Contact by telephone, mail and in-person all have a place in an investigation, and should be evaluated based upon the goal of the contact and a determination made as to the most fruitful, efficient method to achieve the contact goal. In all cases, contact by any means should be documented as to date, time, place and information exchanged in the claim file (either paper or electronic). Documentation of contacts should be made with the knowledge that adjuster notes are generally discoverable in litigation. Care should be taken to address who, what, where, how and why, and to avoid discriminatory, negative, or slanderous comments. Document the facts . . . *just the facts*.

E-mail contact is an area of unfortunate danger from the perspective of adjuster professional liability. Because of the ease and immediacy of e-mail, people in some cases may be too informal, lax or free with comments. Each TPA should have a written policy for use of and contents contained within e-mail, that as a condition of employment, in jurisdictions that allow for such employment policies, specifies what the claim handler is allowed to use e-mail for and what can and cannot be communicated in e-mail.

INVESTIGATION

A primary exposure to retrospective claims of professional liability (errors and omissions) lies in the concept of failure to conduct a reasonable investigation. All too often, when settlement is made or judgment rendered against a Third Party Claims Administrator ("TPA"), the issue can be traced to the lack of facts necessary to make or recommend a reasonable claims decision. Insufficient or incorrect facts arise in many cases through an incomplete investigation.

In the context of a TPA relationship with its client, regardless if the client is an insurance company, self-insured or state owned/controlled organization, the TPA must be able to document the facts upon which their decisions and/or recommendations are made. While this is generally true for most independent adjusting operations, it is of critical importance for TPA operations. TPAs typically have some level of authority and control over the claims against and, very importantly, financial assets of its clients. To properly discharge these duties, responsibilities and obligations, the TPA must document the decisions and recommendations made and the facts which support such actions. To quote a relatively well known California attorney who specializes in commercial claim coverage matters,

". . . if it isn't documented, it didn't happen . . . "

The obligations of the TPA begin with the contract or agreement between the TPA and the client. There can be modifications during the tenure of the agreement, written or inferred. Also, new requirements can arise when the client, their agent or broker, performs an audit. For the TPA, these client expectations can be difficult to track and comply with. However, failing to meet client expectations in many cases is the trigger to the filing of a professional liability claim. The TPA must use caution when making an agreement to ensure that sufficient authority is conferred to allow the TPA to complete the necessary and reasonable investigation of the claim(s) within its control and sufficient income to allow for proper levels of qualified TPA staff to conduct such investigation.

STATEMENTS, SCOPE, PHOTOGRAPHS, SCENE DIAGRAM AND OTHER INVESTIGATION SPECIFICS

It is not the purpose of this risk management document to give every TPA a checklist for actions required in the reasonable investigation of workers compensation claims handled under a contract or agreement. It is noteworthy that very few professional liability claims have been put forward and prevailed where claims actions or inactions were backed up by detailed facts discovered during the claim investigation and documented in the claim record. TPAs are urged to have sufficiently trained/experienced individuals in positions to conduct and oversee claim investigations. Answers to "who, what, where, how and why" should be documented in each case and available for the client's review and review of their broker, excess carrier or auditor at all times. TPA should also take the necessary steps to secure such information to gain compliance with HIPAA and other federal and state-based privacy regulations and have ongoing supervision and audit processes in place to ensure ongoing compliance.

EXPERTS/CONSULTANTS

First, it is important that the TPA follow the authorities granted in the TPA agreement/contract and hire or retain experts and/or consultants in strict compliance with the agreement. Do not obligate the client company financially to the cost of services of an external person or company beyond the authority granted in the agreement.

If such services (beyond that allowed in the agreement) are reasonable and necessary for proper handling of the claim or issue at hand, obtain specific authority from the sufficiently authorized client representative, documenting in the claim file (paper or electronic) the recommendation, the authority and specific cost and scope estimates or limitations.

However addressed, the decision to retain an expert, consultant or other external vendor should be viewed as an important, non-routine, claims decision. Therefore, it is best in most situations for at least two (2) TPA representatives to concur on the following: company or individual to be utilized, scope of

services to be completed, claim purpose for retaining the external vendor and cost of requested services. This concurrence should also be documented in advance of hiring the expert/consultant.

REPORTING AND COMMUNICATION

In the context of a TPA, reporting and communication is significantly different than in the typical task oriented independent adjusting environment. In a typical IA, one claim is assigned, reports are sent on a regular basis and the claim is closed when the assigned tasks are completed. As a TPA , the frequency and scope of reporting is usually controlled by the agreement/contract, or in following client instructions or "best practices" guidelines. The client in many cases may not require regularly scheduled status reports, as they have access to the TPA's claim processing system's claim notes or the TPA processes the claims directly upon the client's claim processing system. This lack of regularly scheduled reporting creates an even higher priority for communications between the TPA and the client.

Proper communication is a key to minimizing and eliminating professional liability claims. There are two levels of communication: a) claim level and b) account level.

Claim Level Communication

Obviously, the TPA needs to address pertinent issues in a well-reasoned, timely manner with the client. These would include (but are not limited to) return to work options and physical restrictions, causation issues, witnesses, overlay (confluence of workers compensation claims and FMLA, short term or long term disability benefit programs), medical treatment, IME/CME/AME examinations, experts, subrogation and reserves/payments. Typically, on large and catastrophic claims, reinsurance and excess workers' compensation insurance transactions (reporting through billing) begin at the claim level. Include the client every step of the way. A claim of professional liability can be significantly defended when the client was involved in and agreed with the claims decisions.

Account Level Communication

There is a saying that begins ". . . at the 40,000 foot level . . .". Account level communication is at a high level and is to be approached with the same intensity, investigation, documentation and decorum as claim level communication. Not only is good communication at this level important to identify client needs and expectations, allowing the TPA to put people and processes in place to meet/exceed the expectations, it is key in reducing exposure to professional liability claims. Failed expectations are all too frequently the cause of E&O claims presented.

At least one person in the TPA should be responsible for account level communication. Where multiple books of business, multiple states (jurisdiction) or pure claim volume make it impractical for the TPA to have a single "account" point of contact, one individual should still supervise and centralize the information sharing process. The TPA should internally document all such account level discussions and contacts. For example, the broker for the self-insured client mentions in a claim review/audit that the TPA must follow "best practices" and make three-point contact on all claims (physician, injured worker and employer) within 24 hours. Shortly thereafter the client says to the TPA privately "we don't need you to contact us or the doctor on our claims." Subsequently the auditor "finds fault" with a claim, stating that the client was financially damaged because contact was not made with the employer as required on a claim. If a professional liability claim were to be made in this instance, documentation of the client's statement/expectations would serve as a potential defense.

In summary, communication is everything in the WC TPA environment. Communicate with the correct people, frequently, with facts, and document each step of the way. This is a key to avoiding professional liability claims and (better yet) makes for satisfied clients.

LITIGATED CLAIMS AND COUNSEL

Workers' compensation claims cannot, unfortunately, always be resolved prior to the involvement of an attorney or other person representing the interests of the injured worker. Claims which involve claimant legal counsel are typically referred to as "litigated" claims.

All claims, whether litigated or not, require a certain number of requirements to be met by the TPA, different for each jurisdiction. Professional liability claims in many cases flow from the TPA not meeting this baseline standard of care. Reasonable standard of care includes typically the duty to investigate the facts and circumstances resulting in the filing of the claim, timely communication of the acceptance or denial of the claim, timely payment of benefits due and fully documented refusal to make payments that are not justified under the claim. If a claim is litigated, these basic duties do not change or increase. What changes typically is the sophistication and training of the individual with whom the TPA must work and communicate with in the investigation and administration of the claim, that being the claimants attorney.

While in many jurisdictions the workers' compensation system is considered "no-fault" and non-confrontational, a different dynamic exists when the injured worker retains legal representation. The TPA's basic duties pursuant to the contract don't change. The law and statutes don't change. What changes is the loss of direct contact between the injured worker and the TPA. Care should be given by the TPA for proper training and administration of claims that become litigated to ensure that contact not be made directly with an injured worker who has retained counsel. In the context of mitigating professional liability exposure, even more care should be given to document in writing, paper or electronically, each claims decision, contact and payment.

Common professional liability exposures to the TPA that can be avoided, whether a claim is litigated or not:

1. Have no direct contact with a represented claimant or their family.
2. Document substantive claim developments to the claimant attorney in writing concurrent in time with such developments.
3. Document delays including the reason(s) to the claimant attorney in writing.
4. Don't let the case languish or go "off diary". Do not fail to continue to attempt to facilitate a case towards resolution, even if the claimant attorney is non-responsive or sluggish.
5. Ensure adequate case supervision and follow up audit and review to ensure the highest degree of consistency in procedures, investigation, decisions and payments.
6. Follow adequate evidence preservation procedures. This applies to injury causation, subrogation, claim file retention, electronic record retention and similar claim and account management issues.
7. Ensure adequate and trained staffing to address claims, inquiries, telephone calls and payments due in a timely manner.
8. Frequent communications with the client, without disclosing any attorney / client privileged information (talk to the defense attorney first) or information that is protected by a local, state or national medical confidentiality law or regulation.
9. Document the file, paper and/or electronic, with simply and solely the facts. Personnel should be trained to refrain from documenting personal opinion, assumption or biases in claims notes. Train

and provide continuing education to staff of the critical importance of claim notes and how the notes are one of the single most important pieces of evidence in the context of professional liability claims.

It is important to retain the highest level of professionalism when dealing directly with a claimant or a claimant attorney. Professional liability, and potentially claims of unfair claims practices, can arise when claims handlers allow frustration, personal bias or complacency to direct their actions in administrating claims.

On the other side of a litigated workers' compensation claim is the dynamic created when the claims professional must deal with counsel retained to defend the employer in a litigated claim. While some might think that involvement of defense counsel will shield the TPA from any professional liability claim, experience has shown that exposure exists on these claims as well. The TPA and its staff may be familiar and comfortable with the defense attorneys that are on their approved panel list. The panel list is typically created with the involvement and approval of the client. In some cases, the client provides the panel list to the TPA. In either scenario, the TPA must take the time and put forth the expense to nurture the relationship between their organization and staff and that of the defense firm.

One of the most common exposures to claims of professional liability in the context of having defense counsel involved in a case is the concept referred to as "abandoning a case to counsel". This is where the TPA claims handler ceases managing the claim, and allows the defense attorney to direct and lead the claim with little or no input from the claims handler. The TPA must be vigilant to consider legal recommendations made by defense counsel. However, allowing the defense attorney to manage the case from a purely legalistic perspective may in some cases ignore other issues of critical importance to the client, such as the overlay between workers' compensation and FMLA, short term and long term disability programs. Questions can arise when the client, particularly in the context of self-insured and governmental clients, becomes involved in non-workers' compensation legal action which results from the actions taken on the workers' compensation claim. Such questions can lead to claims of professional liability.

With respect to dealings with defense legal counsel, an effective approach is to look at the handling of a workers' compensation claim as one of teamwork. Each stakeholder and participant, such as the retained vendors and experts, in the claim each have a valid position on the team. At the center of the team, like a coach or coordinator, is the TPA claims handler. In this context, the defense counsel becomes yet another team member. As such, timely and rich communication is encouraged between the attorney and the claims handler, ensuring that both legal and claims actions are taken after discussion of the options and potential results. With the client involved in this process, little is left to question or assumption, which helps to mitigate professional liability exposure to the TPA.

Lastly, with respect to dealings with defense counsel, it is important for the TPA to review the defense attorney's billings and pass through expenses with the same intensity as used for other medical and vendor billings. In some cases, use of legal billing review services is appropriate. Whether bills are reviewed by external auditors or internal TPA staff, bills should be reviewed by competent staff to ensure that the appropriate legal staff are working on the case, that actions billed for were actually accomplished and that pass through expenses were necessary, reasonable and within the guidelines set by the client.

CONCLUSION OF CLAIM

At the conclusion of a workers' compensation claim, which in some cases can be more than two decades in length, care should be taken to communicate a summary of what happened during the claim and the

ultimate result to the client. In some cases, this is difficult because of file loads, flat rate billing pressures upon the TPA to focus on new cases and the focus of all stakeholders on newer cases and (sometimes) the distaste for claims that had negative financial developments. However, it is far better from a risk management standpoint for the TPA to proactively meet with or discuss the claim result with the client than to wait until the next audit or claim review. Not only is this an effective way to mitigate potential professional liability claims, it is a good tool for both the TPA and the client to learn from the experience and effect positive changes that may be beneficial on future claims.

FINANCIAL

Claims handled under a TPA claims contract or agreement typically put certain fiscal responsibilities upon the TPA that are not present in the task assignment claims environment. Monetary authority is sometimes granted, and authority to issue payments for or on behalf of the client given. It is possibly the highest duty of the TPA to guard and responsibly shepherd the financial resources of the client granted

TPAs should have processes and procedures that involve sufficiently trained individuals to conduct regularly scheduled internal financial audits. The goal is to discover and proactively correct:

1. Failure to follow published procedures in authorizing and issuing payments of client funds,
2. Confirm that payments issued have been sent to, received by and cashed by the intended recipient,
3. The payee is who they are supposed to be, that the payee is actually a valid stakeholder in the claim, and
4. Refunds and recoveries of all types are immediately credited and appropriately deposited.
5. Obtain initially and retrospectively audit FEIN and taxpayer information to ensure compliance with IRS 1099 reporting requirements.

Reserving

Case reserves are potentially one of the largest and yet unrecognized areas for potential professional liability claims against TPAs. Under-reserving and stair stepping of case reserves can have devastating financial consequences upon the client, just as systemic over-reserving and delayed case closure can have.

Case reserves should be established on a timely basis, based upon sufficient investigative information and documented in the claim (paper and/or electronic). Individual case reserves should not be established beyond the authority granted to the TPA, and large reserves should have explicit concurrence of the client prior to processing. The TPA should have sufficient supervision to ensure that reserves are set consistently, following the philosophy of the TPA and client. This applies to reserve increases as well as reserve decreases when indicated by the ever-changing facts of the claim.

Excess Workers' Compensation Insurance and Reinsurance

Where an individual claim exceeds a certain dollar amount or involves certain predefined types of injuries, reports to the excess or reinsurance company are routinely required of the TPA by the client. The TPA must become familiar with, provide continuing training to staff of, and strictly adhere to these reporting standards.

Many excess insurance policies allow the excess insurer or reinsurance company to reduce payments to the client if and when they are given delayed notice on a claim. In some cases, these reductions are as much as 50% off of the amounts that the client would expect to recover had the case been reported timely. Should the excess insurer attempt to levy a reduction because of delayed notice, and the notice responsibility is that of the TPA, an exposure to a claim of professional liability is evident in the amount of the reduction taken. This is of critical importance as such claims typically involve the hundreds of thousands or millions of dollars expended on a claim. While the frequency of professional liability claims in this area may be low, the exposure on each claim is substantial. The TPA should have manual and electronic processes in place to ensure that timely, well-documented notice be given on appropriate claims to the excess or reinsurance company on behalf of the client.

Where this process can become less clear for the TPA handling workers' compensation claims for a client is where the excess coverage includes coverage for aggregate amounts in excess of a retention amount, or where the coverage covers both direct workers' compensation claims and other claims arising out of the same incident. The TPA should work out a method of communications with the client to ensure that aggregate amounts are reported, and claims that might not otherwise break through a retention amount but fall into an aggregate for excess or reinsurance recovery purposes are identified in a timely manner and reported appropriately.

Beyond the reporting process, the TPA needs to identify at the beginning of any workers' compensation claims handling contract *who* is responsible for tracking excess or reinsurance recoverables, *who* is responsible for billing for these recoverable amounts and *who* is responsible for actually making collection and recording recovery of the amounts due to the client. Like the issue of reporting, the issues of excess or reinsurance billing, recovery and accounting are supremely important because the dollars involved are substantial. The TPA cannot afford to expose itself to potential liability of delayed billing, misplaced or misdirected funds or significantly delayed accounting for the billing, collection and accounting process for excess or reinsurance recoverable funds.

Loss Runs

Many TPAs are responsible for recording financial information for their clients' claims, and ultimately producing reports showing the gross and net of those financial transactions. It has been said that little else matters if it isn't reflected in the loss runs. While that may be an oversimplification, the content of reports provided to the client and their broker, excess carrier and loss control organization are extremely important.

Loss runs should be produced timely, on a regular and predictable schedule, and contain information sufficient to meet the management needs of the client.

Loss runs should be checked or audited before they are transmitted to the client. It is in the checking process that simple, avoidable issues can be identified and troubles averted. These issues include situations such as an insufficient claim reserve, trends of paying bills on closed claims (increasing gross incurred loss amounts), payments against unreserved coverage types, and open reserves on claims that "should have been closed" in a prior period. This is a good management technique for a TPA to employ, and it helps manage the client relationship.

The client doesn't like to be surprised with a large reserve increase, or an insufficient reserve condition. Pre-audit of loss runs before they are transmitted is an excellent tool to avoid these types of surprises.

FILE NOTATION

The last topic for this paper is on the process of making file notes, either in the paper file or electronic claims handling system, for actions taken during the handling of workers' compensation claims as a TPA. Simply stated, making timely, well-documented, non-biased, fact-based notations in each claim file is critical to the process of effective claims handling as well as defending a professional liability claim.

Each claim action should be noted, including date, time and factual content. This includes the action of inaction. When there is a conscious delay on a claim, the rationale for the delay and purpose should be noted. Newton's famous theory states that "*for every action there is an equal and opposite reaction*". In the profession of handling workers' compensation claims under contract as a TPA, procedures and training should be put in place that stress that "*in the handling of workers' compensation claims, for every action or inaction there is an equivalent, factual claim note made*". Anything less than notation of each action and rationale for inaction can lead to a question, which when it cannot be answered, can lead to exposure to professional liability.

Many TPAs make their case notes available to the client for review, typically by providing access via the internet directly to the claims management system or through a separate notes system. Care must be given to employ the highest available standards of electronic security to ensure that only those with the "need to know" can access the claims notes and that HIPAA and other state and federal medical privacy guidelines are followed and enforced. With respect to the client and HIPAA, it is in many cases advisable to obtain a signed, dated HIPAA partner agreement between the client and the TPA. The TPA should already have in place sufficient processes and procedures internally to ensure full compliance with HIPAA limitations, medical record availability and record privacy. The partner agreement allows the TPA to work with the client to ensure that these same processes and procedures are employed at the client site(s).