



# Workers Compensation Third-Party Administration

# Why Utilize a TPA for Worker Compensation Claims?



- Delivers broader SME knowledge and experience
- Provides quality assurance metrics, key performances indicators, best practices, benchmark data, cost analysis and real-time analytics
- Eliminates potential conflicts of interests that may be created through working relationships
- Delivers best practices regarding new legislation, identity theft, cyber security, data compliance, data security and reporting responsibilities
- Potential to save significant dollars through expert handling of the claims process
- Competitively procured and negotiated utilizing appointing authorities throughout the process

# Price: TPA vs In-House Staff



FY22	FY23	FY24	FY25	FY26
County Price: in-House				
\$ 536,869	\$ 602,847	\$ 621,502	\$ 640,923	\$ 661,075
Price utilizing TPA				
\$ 590,650	\$ 606,395	\$ 625,776	\$ 646,255	\$ 667,898
Price Difference: TPA versus In-house Staff				
\$ 53,781	\$ 3,548	\$ 4,274	\$ 5,332	\$ 6,823

# Impacts



- Prices are based on approximately 70% of claims attributed to the Sheriff's Office and 30% of claims attributed to the remaining County departments/agencies, excluding the Clerk.
- Onboarding a TPA will provide the Sheriff's office the ability for autonomy in the handling of their claims directly with the TPA should they so desire.
- Johns Eastern (TPA) can typically save customers approx. 10% to 20% through reduction of indemnity claims and handling of medical only claims as well as a reduction of physician dispensing of medications. The savings from a third-party administrator would be realized by the reduction of the overall claims volume from the workers compensation claims budget.
- For example, County's has approx. \$5M in workers compensation claim payments each year, TPA can typically save clients approximately 10%, resulting in an overall claims reduction of \$.5M annually, for revised total claims payments of \$4.5M versus \$5M annually.