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Workers' Compensation Program

Third Party Administrator Performance Standards

August 10, 2023

WC TPA Performance Standards Change Record	
Date	**Description of Change(s)**
April 21, 2016	• Revised language regarding timelines: caseload, reporting to ISO and EDEX and ICRMA's WCPM. • Added reference to Labor Code changes in effect 7/1/12 (15300(b)(1). • Addition of language cross-referencing MOC and LMPP. • Modernize the language and correct typographical errors.
April 9, 2020	• Addition of language regarding timeline to contact physician's office.
August 10, 2023	• Removed references to "AGREEMENT" • Clarified language that was outdated referring to paper files • Removed "electronic" from file notes • Changed examiner to adjuster throughout • Addition of language regarding Caseload Counts • Addition of language regarding compensability timeframe for presumptive injuries • Addition of language regarding Excess Allocation of Permanent Disability • Increased the amount to $175,000 for claims that need Supervisory Review • Addition of language regarding Excess reporting timeframes from Employer Contract to Excess Insurance • Cost of forms were removed because no longer applicable • Conflict of Interest updated

The following performance standards establish the minimum requirements and level of service to be provided by the third-party claims administrator (TPA) in delivering claims adjusting services and related activities to the Member. The TPA agrees that all duties and responsibilities contained within the performance standards will be provided to the ICRMA Member at no additional cost unless otherwise specifically noted herein and agreed to by both parties.

1. Caseload

   Each Indemnity Claims Adjuster shall have a caseload targeted at 150 and not to exceed 165 open indemnity claims and or future medical claims and medical only claims counted at 2:1 in the caseload limit. Each Future Medical Claims Adjuster, or Junior Adjuster shall have a caseload not to exceed three-hundred 300 open claims which may include future medical claims and medical only claims counted 2:1 in the caseload limit. The supervisor shall only handle a small caseload of conflict claims.

2. Claim File Set Up

   Upon receipt of the Employer's Report of Occupational Injury or Illness or Application for Adjudication of Claim, the TPA will prepare an individual claim file within two (2) business days for each claim. Preparation of the claim file shall include entering each new claim into the computer system and establishing appropriate initial reserves. Initial reserves will be set based on the facts known at the time the case is entered into the computer and clearly documented in the claim's file notes. The file shall be available to the Member, including, their representatives, claims auditors, and agents, for inspection and contain all medical and factual information on each reported claim. All Workers' Compensation files shall be electronic, no paper files should be kept.

3. Coverage

   The TPA shall verify coverage was provided to the Member on the date of injury or illness in accordance with Member program dates and governing documents. If applicable, the TPA shall exercise due diligence in joining applicable co-defendants. All activity to verify coverage and join co-defendants shall be clearly documented in the claim's file notes.

4. ISO and EDEX

   The TPA shall subscribe to the ISO, EDEX, and other recommended organizations in order to obtain background history on individual claims. Costs to subscribe to these services shall be included in the pricing structure. The adjuster shall request a report from ISO, EDEX, or other recommended organizations on all new indemnity claims within fourteen (14) days of receipt

of a new claim by any source. Subsequent requests should be made every six (6) to twelve (12) months thereafter on all active indemnity claims.

5. Employer Contact

The TPA shall request the Employer's Report of Occupational Injury or Illness form within two (2) business days when or if notification of any injury or illness by any source is received first.

If the DWC Form 1 has not been received by the TPA within two (2) business days after receiving the Employer's Report of Occupational Injury or Illness, the adjuster will contact the Member to ensure the DWC Form 1 was given to the employee within one (1) business day of knowledge of the injury. If a DWC Form 1 had not been given to the injured employee, the TPA shall immediately send the DWC Form 1 directly to the employee.

The TPA shall contact the Member within two (2) business days of receipt of notice of a claim by any source to conduct an initial and thorough investigation. Such contact with the Member shall be clearly documented in the claim's file notes.

The adjuster will provide on-site file reviews if requested by the Member. Other periodic on-site meetings will be scheduled based upon the needs of the Member.

Returned phone calls and e-mail to the Member will be accomplished within one (1) business day.

Upon notice of an injured worker's hospitalization as a result of the work injury. The TPA shall clearly document the claim file notes for OSHA purposes.

6. Employee Contact

In all non-litigated, lost time cases, where the employee has not returned to work, telephone, or personal contact will be established with the injured employee within two (2) business days of receipt of notice of claim. Such contact will continue as often as necessary, but at least monthly. Such contact with the employee shall be clearly documented in the claim's file notes.

Returned phone calls to employees will be accomplished within one (1) business day.

All written correspondence from employees will be responded to within five (5) calendar days of receipt.

7. Compensability

The compensability determination (accept claim, deny claim, or delay acceptance pending the results of additional investigation) and the reasons for such determination will be made and clearly documented in the file within fourteen (14) business days of the receipt of the notification of the loss. Delay of benefit notices shall be mailed in compliance with the Division

of Industrial Relations' guidelines. Copies of benefit notices will be maintained in the applicable claim file or stored in an electronic file. The TPA shall obtain authority from the Member to delay or deny a claim. The Member's authorization shall be clearly documented in the applicable claim file or in the claim's file notes.

In no case shall a final compensability decision be extended beyond ninety (90) calendar days from the Member's knowledge of the claim and or (75) calendar days for presumptive injuries.

8. Investigations

The TPA shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for an outside investigation as soon as possible and the adjuster shall appoint an investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of all investigations. All activities shall be clearly documented in the claim's file notes.

9. Reserves

Reserves shall be established based on the facts of the claim and the ultimate probable cost of each claim. A reserve rational for each reserve change shall be clearly documented in the file notes. All reserve categories shall be reviewed by the adjuster on a regular basis but not less than at least every forty-five (45) calendar days. The use of a paper or electronic reserve worksheet is required on all claims and a hard copy shall be maintained in the applicable claim file.

10. Provision of Benefits

The TPA shall provide all compensation and medical benefits in a timely manner and in compliance with the statutory requirements of the California Labor Code. The TPA shall compute and pay temporary disability benefits to injured employees based upon earnings information and authorized disability periods. The TPA shall review, compute, and pay all informal ratings, death benefits, Findings and Awards, life pensions, or Compromise and Release settlements. Copies of all benefit notices shall be sent to the Member.

11. Initial Indemnity Payment

The initial indemnity payment or voucher will be issued and mailed to the injured employee together with a properly completed DWC benefit notices within fourteen (14) calendar days of the first day of disability. Copies of benefit notices will be maintained in the applicable claim file.

Late payments must include the self-imposed 10% penalty in accordance with Labor Code Section 4650.

12. Subsequent Indemnity Payments

All indemnity payments or vouchers subsequent to the first payment will be verified, except for those payments where disability is expected beyond ninety (90) calendar days in which case payments will be verified in ninety (90) day increments. All disability payments will be issued in compliance with Labor Code Section 4651.

Late payments must include the self-imposed 10% penalty in accordance with Labor Code Section 4650.

Copies of benefit notices issued with subsequent benefits will be maintained in the applicable claim file.

13. Medical Administration

The TPA, absent a Medical Provider Network (MPN) and/or a pre-designated doctor, shall select a panel of general practitioners, specialists, hospitals, and emergency treatment facilities to which injured employees should be referred and regularly review and update the panel.

The physician's office will be contacted within two (2) calendar days of notice of all new claims to conduct an initial investigation as to the medical aspects of the claim and discuss the Member's return-to-work goals. Such contact will continue as needed during the continuation of temporary disability to assure that treatment is related to a compensable claim and clearly documented in the claim's file notes.

The TPA shall maintain contact with treating physicians to ensure employees receive proper medical treatment and are returned to full or modified employment at the earliest possible date.

The TPA shall contact the physician's office at least every 30 days to verify injured worker's current work status and any applicable work restrictions; or, contact the physician's office no more than 2 days after the next office visit has taken place to verify the current work status and work restrictions (whichever comes first). If the doctor has not outlined any work restrictions, ask the physician to provide specific work restrictions.

The TPA shall maintain direct contact with medical providers to ensure their reports are received in a timely manner.

The TPA shall arrange medical evaluations when needed, reasonable, and/or requested in compliance with the current California Labor Code.

14. Medical Payments

Medical bills will be reviewed by the assigned claims adjuster, assistant, or supervisor for correctness, approved for payment, and paid within time limits established by Labor Code Section 4603.2. If all or part of the bill is being disputed, the TPA will notify the medical

provider, on the appropriate form letter, within time limits established by Labor Code Section 4603.2.

The TPA shall ensure that medical bills are reduced to the Official Medical Fee Schedule (OMFS) and recommended rates established by the Administrative Director of Workers' Compensation. The use of a service contractor is acceptable provided approval is first obtained from the Member. The Member shall pay for the use and benefits of the services provided; however, fees charged by the service contractor shall have been approved by the Member prior to the provision of and payment for services. Such fees will be charged to the applicable claim file and will be paid as an allocated loss adjustment expense per California Code of Regulation Section 15300 (b) (1).

15. Transportation Expense

Transportation reimbursement will be mailed within fifteen (15) calendar days of the receipt of the claim for reimbursement. Advance travel expense payments will be mailed to the injured employee at least ten (10) calendar days prior to the anticipated date of travel.

16. Return-to-Work

The TPA shall provide assistance to the Member in establishing a modified work program that is appropriate for injured employees while recovering and prior to their return to regular duties.

The TPA shall consult with the Member within two (2) business days of becoming aware of work restrictions and shall remain in contact with the Member bi-weekly until such time as return to work is achieved or vacated.

Should the Member contract with a vendor to assist with return-to-work, the TPA shall cooperate with the assignment of cases or the provision of information in order to help facilitate a successful return-to-work program.

17. Permanent Disability

The TPA shall provide information and assistance to injured employees in completing the necessary forms to obtain a permanent disability rating.

The TPA shall determine the nature and extent of permanent disability and arrange for an informal disability rating whenever possible to avoid Workers' Compensation Appeals Board (WCAB) litigation. The TPA shall take advantage of any potential apportionment to prior claims, disabilities, and impairments and determine the appropriate Excess Allocation between claim files. The TPA shall also advise the Member of potential credits and penalties to permanent disability benefits should the Member accommodate permanent/alternative work for at least twelve (12) months.

All permanent disability benefit notices shall be sent to the employee as required by the California Labor Code. Copies of benefit notices will be maintained in the applicable claim file.

18. Vocational Rehabilitation/Supplemental Job Displacement (SJD)

In accordance with all applicable California laws in place at the date of injury, the TPA shall:

A. Determine the Qualified Injured Worker/Non-Qualified Injured Worker status;
B. Advise the injured worker of his/her right to rehabilitation or SJD benefits;
C. Provide appropriate vocational rehabilitation/SJD benefits;
D. Control rehabilitation and SJD costs;
E. Attempt to secure the prompt conclusion of vocational rehabilitation benefits/SJD; and
F. Provide notification to the Member should work restrictions require a permanent or modified accommodation.

19. Diary Review

All claim files shall be reviewed at least every forty-five (45) calendar days for active claims and at least every six (6) months for claims that have settled but are open to monitor future medical care. The adjuster shall distinguish the regular diary review from routine file documentation in the claim's file notes. A plan of action will be included and separately labeled in the file notes during a diary review. The plan of action shall include, but not limited to, the employee's current work status, medical status, review of reserves, and future activity to move the claim towards resolution. The TPA shall monitor the diary reviews by printing a "No Activity" report each month to identify any files that have fallen off the diary system.

20. Plan of Action

Each claim file shall contain the adjuster's plan of action for the future handling of that claim. Such plan of action shall be clearly stated including the reasoning for the plan. The plan of action will be updated at least every ninety (90) calendar days and clearly identified in the claim's file notes. The initial plan of action will be clearly documented in the claim's file notes within fourteen (14) calendar days of the initial claim set-up.

21. Claim Supervision

The TPA shall provide supervisory staff that will regularly review the work product of the adjusters. The supervisor shall review at least ten percent (10%) of each adjuster's caseload each month to ensure each adjuster is following the performance standards. In addition, the supervisor shall conduct a regular quarterly review of all open indemnity claims with reserves in excess of $175,000 and all complex claims. Such reviews shall be labeled as "Supervisor Review" and clearly documented in the claim's file notes.

22. Status Reports

Other than the reports identified in Section 37, "Loss Runs" of this document, claim status reports requested by the Member, in addition to the regular ninety (90) day status reports referenced in Section 5, "Employer Contact" of this document, shall be provided by the TPA to the respective Member within ten (10) business days. Verbal status reports requested by the Member shall be provided by the TPA to the respective Member within two (2) business days. Computer generated loss data reports requested by the Member shall be provided within twenty (20) business days.

23. Claim Reconciliation

All claim files shall be reconciled to ensure all indemnity payments have been made correctly. The reconciliation should verify that payments were made in the correct amount and from the correct claim file. All open claim files shall be reconciled at the time of a request for settlement authorization and at the time of submission for closure. Proof of the reconciliation should remain in the claim file and clearly documented in the claim's file notes.

24. Settlements

The TPA shall obtain the Member's authorization on all settlements. The TPA or defense counsel shall forward settlement proposals to the Member in a format acceptable to the Member. All requests for settlement authority shall be clear and concise and include a written claim analysis, estimate of permanent disability, and the defense counsel's comments and recommendations. If the settlement exceeds the Member's self-insured retention, the written settlement proposal shall also be directed to the Excess carrier or designated representative to provide authority in addition to the Member's authority.

Settlement considerations shall include an evaluation of the need for a Medicare Set Aside (MSA). Any referral for MSA evaluation must have the prior approval of the Member and ICRMA's WCPM if the total incurred amount exceeds the Entity's retention.

25. Award Payment

Payments on Awards, computations, or Compromise and Release agreements will be issued within ten (10) business days or sooner if necessary to ensure payment within twenty (20) calendar days of the WCAB approval date, following receipt of the appropriate document.

The TPA shall document the claim's file notes with the date of WCAB approval, the amount of the settlement, and type and duration of future medical care recommended by the applicable medical provider. The TPA shall also document the reason(s) for any late payment of the Award.

26. Future Medical Claims

Claims that remain open to monitor future medical care shall remain open for two (2) years from the last payment of benefit. Reviews shall be documented in the claim notes to include settlement information, future medical care outline, last date and type of treatment, name of excess carrier, excess carrier reporting level, and excess carrier reporting history. Reserves for future medical treatment will be reviewed every six (6) months and adjusted for use over a three (3) year average and the injured employee's life expectancy based on the latest version of the U.S. Life Table. The reason(s) and calculation(s) for the adjustment(s) shall be clearly documented in the claim's file notes.

The TPA shall evaluate the claim at least once per calendar year to determine a reasonable amount for settlement of future medical benefits and any remaining benefits due. The reason(s) and calculation(s) for the recommended settlement amount shall be clearly documented in the claim's file notes within one (1) business day. The TPA shall clearly document the claim's file notes with the outcome of the settlement negotiations with the employee/claimant or applicant's attorney. All such evaluations shall include an evaluation of the need for an MSA pursuant to Item 24 herein.

Should active litigation develop after the claim has been settled, the claim will be considered active and no longer be considered a future medical claim. All appropriate performance standards contained in this document pertaining to active claims shall apply.

27. Subrogation

In all cases where a third party is responsible for the injury to the employee, the TPA will send a letter to the Member indicating they will pursue subrogation unless instructed otherwise by the Member. When the responsible party has been identified, the responsible party shall be contacted within twenty (20) business days with notification of the Member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental Entity, a claim shall be filed with the governing Entity within six (6) months of the injury or notice of injury.

Periodic contact shall be made with the responsible third party and/or insurer to provide notification of the amount of the estimated recovery to which the Member will be entitled.

If the injured worker brings a civil action against the party responsible for the injury, the TPA shall consult with the Member about the value of the subrogation claim and other considerations. If subrogation rights are waived, the TPA shall obtain written authority from the Member or Excess carrier, if applicable. Upon the Member's authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action. Upon assignment of the case to an authorized subrogation attorney, the TPA shall request a "not to exceed" estimate of fees for such representation. The fees shall be authorized by the Member prior to commencement of work by counsel. Should the "not to exceed" fees be reached, the TPA shall be responsible for obtaining continuing authority prior to incurring additional costs. Such contact with the Member shall be documented in the claim's file notes. Should the costs

exceed the estimated fees without proper verbal authority from the Member, the TPA may be responsible for reimbursement the Member for the additional cost(s).

Whenever practical, the TPA should take advantage of any settlement in a civil action by attempting to settle the workers' compensation claim by means of a Third Party Compromise and Release. If such attempt is not successful, every effort should be made through the WCAB to offset claim expenses through a credit against the proceeds from the employee's civil action.

28. Litigated Cases

The TPA shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for an outside investigation as soon as possible and the adjuster shall appoint an investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of all investigations.

When defense counsel is not necessary, the TPA shall work closely with the applicant's attorney in informal disposition of litigated cases. All assignments to outside counsel on ICRMA's approved Workers' Compensation Attorney Panel will be done with the Member's authorization and consent. The TPA shall prepare clear and concise litigation referrals to outside counsel outlining the issues of the claim and duties that will be handled by defense counsel. Such referral will be documented in the TPA's claim's file notes. In conjunction with the Member, the TPA shall monitor the outside counsel's progress. The TPA shall audit all defense counsel's bills before payment is authorized. Defense Counsel will comply with the Worker's Compensation Litigation Management Policies and Procedures to ensure professional, competent, and cost-effective handling of litigation. Defense counsel shall provide to the TPA, with a copy to the Member, an initial case analysis and a plan of action within ten (10) business days of the assignment.

All preparation for a trial shall involve the Member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense.

The manager, supervisor, or the adjuster shall attend WCAB hearings, rehabilitation hearings, other court proceedings, meetings with defense counsel, and meetings with the Member's staff, departments, and employee groups as necessary and as requested to do so.

29. Fraudulent Claims

Any claim believed to be fraudulent shall be referred to the TPA's in-house special investigation unit for further investigation and potential referral to the District Attorney. If the TPA does not have an in-house special investigation unit, the claim will be referred to an investigator, with the Member's prior approval, to conduct further investigation.

30. Excess Insurance

Cases that have the potential to exceed or have reached one half the Member's self-insured retention shall be reported to the Workers' Compensation Program Manager. All cases that meet the established reporting criteria in the Coverage Document are to be reported within five

(5) business days of the day on which it is known the criterion is met. Such reports shall include a current status of the claim, the adjuster's plan of action for the future handling of the claim, and the current paid to date and total incurred amounts listed by reserve bucket (i.e. indemnity, medical, expense, legal).

Supplemental Reports shall be submitted every ninety (90) calendar days (Indemnity Claims) and every 180 calendar days (Future Medical Claims), unless indicated otherwise by the excess carrier or Workers' Compensation Program Manager. Such reports shall be documented in the claim's file notes.

The TPA shall be responsible for collecting reimbursements and recoveries from the excess carrier or third party if applicable on a quarterly basis. The requests will be made based on the paid-to-date amount as of March 31, June 30, September 30, and December 31 and issued within thirty (30) calendar days after the quarter ends. Such requests shall be documented in the claim's file notes within one (1) business day.

31. Penalties

Late payment of all benefits must include the self-imposed penalty in accordance with California Labor Code. The TPA will provide the Member a quarterly listing of any administrative penalties paid the quarters ending March 31, June 30, September 30, and December 31, which were the responsibility of the TPA, and a check from the TPA payable to the Member for reimbursement. The check and report shall be submitted to the Member by the twentieth (20^{th}) of the following month after the quarter ends.

32. Case Closure

The supervisor shall review all inactive medical only files open beyond ninety (90) days from the date of entry by the TPA for potential closure or conversion to indemnity status. Inactive is defined as those claims with no payment, reserve, or file note activity during the prior sixty (60) days. Claims with $5,000 or more paid-to-date on any medical only claim open beyond one-hundred-eighty (180) calendar days from the date of TPA entry shall be converted to indemnity status and a reasonable, precautionary indemnity reserve placed on the claim. All indemnity cases, where permanent disability is not an issue, will be closed within sixty (60) calendar days of the final financial transaction or final correspondence to the injured worker as required by law. All indemnity claims, where permanent disability is an issue, will remain open for two (2) years from the last payment of benefit and then closed within sixty (60) calendar days of that date.

33. Forms

The TPA shall provide all forms necessary for the processing of benefits or claims information including the Employer's Report of Occupational Injury or Illness, DWC Form 1, medical service orders, return-to-work slips, lost time information reports, vouchers, checks, and other related forms.

34. Claims Reporting

The TPA shall, at its expense, provide to the Member by the tenth (10^{th}) of each month a written summary report showing the number of claims reported during the prior month, separated by category (i.e. indemnity or medical only), the number of claims closed during the prior month, separated by category, and any medical cost savings. This report shall show a comparison of the same information for the same month for the prior year.

The TPA shall maintain all loss information as required by the Workers' Compensation Insurance Rating Bureau.

The TPA shall assist in the preparation of all reports that are now, or will be required by the State of California or other government agencies with respect to self-insurance programs. The TPA will also assist in the preparation of all reports or databases required by the California Institute for Public Risk Analysis (CIPRA) or other statistical database organizations.

35. Record Retention

All claim files shall be maintained in accordance with statutory time requirements and the Member's Record Retention Policy. The Member shall be notified prior to any destruction of files to determine if the Member wishes to retain the claim file.

36. Computer Access

The TPA shall provide online access at no additional charge to the Member and/or designated representatives. Such data shall be in a format accessible from the parties' computers and will permit the parties to print copies of the data on its printers. The TPA shall provide training for use of the computer system at no additional charge.

37. Loss Runs

The TPA shall, at its expense, by the tenth (10^{th}) calendar day of the following month, unless otherwise specified below:

A. Provide electronically to ICRMA loss data as required in the Universal Electronic Loss Data Submission, and

B. Provide the following information monthly to the Member, as it pertains to their respective claims, electronically, on diskette, or in written format:

   i. A listing of all open claims showing the employee's name, claim number, date of injury, paid amount, future liability, total incurred, and any amounts recovered;

   ii. OSHA 300 and 300A logs or a listing of all information needed the Member to complete the OSHA 300 and 300A logs. The logs or report shall include claims where temporary disability benefits were paid during the applicable month showing the paid-

to-date amounts, from and through dates of temporary disability benefits paid, claim number, and date of injury; and

iii. A summary listing by fiscal year to include, but not limited to, paid to date amounts, future liability or reserve amounts, total incurred amounts, number of open claims, number of closed claims, and average cost per claim.

Provide other special reports required of the Member including, but not limited to, loss trend reports, claim abstract reports, reports required by actuaries, excess insurance carriers, etc., provided that such reports do not require data elements that have not previously been collected by the TPA. If new programming is required in order to provide such reports, the TPA shall pay at its own expense for new or special programming costs.

Any corrections to the loss runs shall be made within thirty (30) calendar days of the request for correction.

38. Availability of Personnel

The TPA shall maintain at all times, one (1) or more of the adjusters assigned to the Member's claims, or in their absence, the supervisor or management above the supervisory level, to be available by telephone for emergencies through a 24-hour emergency telephone number. The TPA shall provide a toll free telephone number at no additional charge to the Member.

39. Member Services

The TPA shall provide special on-site training services annually to the Member's staff to ensure that the Member's staff that process workers' compensation claims are effectively carrying out the procedures required for a successful program.

The TPA shall consult annually with the Member on the establishment and coordination of necessary procedures and practices to meet the needs of the Member with respect to the administration and processing of claims.

The TPA shall require an adjuster to be available and readily respond to a Member's request for assistance with problem cases, including on-site visits to the Member.

The TPA shall provide the Member with information regarding statutes, proposed changes to statutes, and changes to the rules and regulations affecting the Member and its responsibility as a legally uninsured workers' compensation authority.

40. Adjuster Training

The TPA shall annually certify to the Member that each claims adjuster handling the Member's claims is in compliance with all legal and regulatory licensing and continuing educational requirements as presently or in the future shall be promulgated and required by the State of

California. Such certification for the prior year shall be in the form of a letter to be received no later than April 1 of each year.

41. Right to Audit or Review

The Member or its designated representative is authorized to visit the TPA's processing and/or storage premises, for purpose of performing an annual claims audit or quarterly file reviews, and have access to all data, including paper documents, microfilm, microfiche, and magnetically stored data which relate to payments or non-payments made by the Member. The Member or its designated representative will provide the TPA with at least thirty (30) days advance notice. Any assistance or service provided in response to a claims audit described above will be rendered at no additional cost to the Member.

Within thirty (30) days of each audit or review, the Members and the TPA shall receive a letter from the auditor or the reviewer which summarizes the outcome of each audit or review. Should the TPA fail to meet the minimum acceptable audit score, based on an overall total score versus individual category scores, the outcome letter will suggest that the Members and TPA discuss the results and develop as performance improvement plan. Should two (2) consecutive audits or reviews results in a less than satisfactory score, the auditor or reviewer shall arrange a meeting with the Members involved and the TPA within thirty (30) days of the second audit or review to discuss the audit results and outline a plan for performance improvement.

42. Conflict of Interest

The TPA shall avoid all conflicts of interest or appearance of conflicts of interest in performance of these standards.