

Notice to All Accredited Repair Shops

Update to Corrective Action Plan Process

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Following discussions with the Programs & Accreditation committee, MPI is updating its corrective action plan process. The changes will apply to any accredited light vehicle (LV) repair shop that is on a corrective action plan for realized parts saving (RPS) as of April. Beginning in July, MPI will validate the RPS variance for the previous 3 months of a failed CAP. Claims submitted for payment during this period will be audited. Referencing historical data feeds for pricing and availability of aftermarket and recycled parts dating back to the time of the shop's estimate submission, MPI will identify any additional RPS opportunities.

To summarize the corrective action plan process:

1. If a shop misses its three-month RPS target for the first time in a twelve-month rolling period, a Shop Relationship Advisor (SRA) will validate and provide one warning.
2. If the shop does not meet the second three-month target, the shop is placed on a Corrective Action Plan (CAP) and Earned Approval Limit (EAL) is removed. The CAP will last three months.
3. If the shop fails the CAP, the CAP period is audited for any additional RPS opportunities.
4. Following a review of the audit findings with the repair shop, MPI may withhold a portion of future payments up to the maximum of the RPS variance owing by the shop. Repair shops that are on a CAP are encouraged to document any reasons for not utilizing cost-effective parts. This information will be considered during the audit. Any adjustments will be supported by an updated final estimate and breakdown of the missed opportunities.
5. The RPS audit will continue until the shop has met its three-month target, or MPI has validated the reason for not meeting it.
6. If a shop passed its CAP and misses a three-month RPS target for a second time in a twelve-month rolling period, a Shop Relationship Advisor (SRA) will validate and provide one warning before claims audit resumes.

Insights gathered through this process will not only provide shops with additional coaching but will be leveraged to provide ongoing validation and support resetting of RPS targets in the future.

If you have any questions about this notice, please contact your Shop Relationship Advisor.