Executive Summary	Licensed Massage Therapists (R035)
Health Plan Affected	Defined Benefit Retiree Plan
Proposed Effective Date	01/01/2027
Reviewed By	RHPAB Modernization Committee; RHPAB
Review Date	08/28/2026, 09/08/2026

1) Background

The AlaskaCare Retiree Health Plan (Plan) provides coverage for outpatient rehabilitative care, including massage therapy, designed to restore and improve bodily functions lost due to injury or illness. According to the terms of the Plan, rehabilitative care is only a covered Plan benefit when it's part of a formal written program of care and is considered medically necessary only if significant improvement in body function is occurring and is expected to continue.

The Plan utilizes the claim administrator's current medical clinical policy bulletins (CPB) to assess medical necessity for eligible services. For massage therapy, medical necessity is currently reviewed under the clinical policy bulletin for physical therapy[1], which states the following regarding massage therapy:

> Massage therapy is considered medically necessary as adjunctive treatment to another therapeutic procedure on the same day, which is designed to restore muscle function, reduce edema, improve joint motion, or for relief of muscle spasm. Massage therapy is not considered medically necessary for prolonged periods and should be limited to the initial or acute phase of an injury or illness (i.e., an initial 2-week period).

The AlaskaCare Retiree Insurance Information Booklet[2] (Booklet), under Section 3.3.3 Provider Services, lists the specific licensed provider types covered by the Plan. Massage therapists were not recognized providers requiring professional licensing in the State of Alaska at the time the Plan was established, and therefore, massage therapists were not listed as recognized providers in the Plan Booklet. Legislation[3] enacted in 2014 established the Alaska Board of Massage Therapists and required massage therapists to become licensed providers with the State in order to continue practicing, effective July 1, 2015. No changes were made to the Plan to add licensed massage therapists (LMTs) to the list of recognized providers following this change.

Members have access to massage therapy as a benefit available under the Rehabilitative Care provisions. However, the services must be billed under a provider type recognized by the Plan, which limits retiree access to medically necessary massage to services provided or billed by physical therapists, occupational therapists, chiropractors, and other recognized providers.

1 Aetna Clinical Policy Bulletin No. 0325: Physical Therapy
https://www.aetna.com/cpb/medical/data/300_399/0325.html
2 AlaskaCare Retiree Health Insurance Information Booklet
https://drb.alaska.gov/docs/booklets/DB-RetireeInsuranceBooklet_WEB.pdf
3 House Bill 328: Board/Licensing of Massage Therapists
https://www.akleg.gov/basis/Bill/Text/28?Hsid=HB0328A

2) Objectives

Update the Plan to include LMTs as recognized providers to modernize the Plan and increase member access to medically necessary massage therapy.

3) Summary of Proposed Change

This proposal seeks to add LMTs to the list of recognized providers under section 3.3.3 Provider Services of the Booklet to increase access to medically necessary massage therapy. Massage therapy services would continue to be evaluated for medical necessity in accordance with the Plan provisions regarding Medically Necessary Services and Supplies and Rehabilitative Care.

4) Impacts

Actuarial Impact to AlaskaCare | Neutral

Segal, the Division's contracted benefit consultants, indicate the addition would be considered an expansion of provider options, which does not impact the actuarial value of the Plan.

Financial Impact to AlaskaCare | Increase

Segal indicated the anticipated financial impact of this change, based on the most recent retiree medical and pharmacy claims projection of $912,500,000 for 2026 (dated September 24, 2025), and trended forward for a projected cost of $974,900,000 for 2027, equates to an annual cost increase to the Plan of less than 0.1%, or $650,000 - $750,000.

Member Impact | Enhancement

It's anticipated that members of the Plan would benefit from increased access to qualified providers.

Operational Impact (DRB) | Minimal

The Division anticipates minimal operational impacts. The Division will follow the standard process for making plan changes per 2 AAC 39.390 and provide directions to the Third-Party Administrator to implement the update. Once the implementation activities are complete the Division does not anticipate any additional operational impact.

Operational Impact (TPA) | Minimal

The impact to the Third-Party Administrator (TPA) is anticipated to be low. Aetna will need to update and test their internal claim processing workflows and systems to ensure the changes are appropriately applied and implemented. After implementation, the ongoing operational impacts are anticipated to be minimal, and will include preparing reporting, fiscal impact monitoring, and updates to communication materials as appropriate.

Provider Impact | Moderate

The impact to providers is expected to be positive, as this removes potential barriers to care for their patients. LMTs will be positively impacted by the ability to bill for medically necessary massage therapy provided to Plan members.

5) Considerations

This change is anticipated to result in members having increased access to medically necessary massage therapy due to increased provider options. Since Medicare does not recognize LMTs as an eligible provider type, the Plan will pay as primary payer for medically necessary massage received from an LMT.

6) Implementation and Communication Overview

Division staff will follow the standard process for making changes to the Plan, which includes completion of the following:

- Proposal analysis and stakeholder input
- Public comment period(s)
- Any needed language updates to the Retiree Insurance Information Booklet

7) Proposal Recommendations

DRB Recommendation

The Division recommends adopting the proposal to add LMTs to the list of recognized providers.

RHPAB Recommendation

The RHPAB voted on September 8, 2026, to recommend adopting the proposal.

Description	Date
Proposal Drafted	August 2026
Reviewed by Modernization Committee	August 28, 2026
Reviewed by RHPAB	September 8, 2026