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 medically necessary 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, 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 (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 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.

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) Impact Analysis

The addition would be considered an expansion of provider options, which does not impact the actuarial value of the Plan. Segal, the Division's contracted benefit consultants, indicate the financial impact of this change is projected to result in a cost increase of $650,000 - $750,000 annually. 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.