

State of Alaska
RETIREE HEALTH PLAN ADVISORY BOARD
Related to the addition of Medically Necessary Acupuncture and Licensed Acupuncturists
under the AlaskaCare Defined Benefit Retiree Health Plan

Resolution 2024-01

WHEREAS, the Retiree Health Plan Advisory Board (Board) is authorized by Administrative Order No. 336 to facilitate engagement and coordination between the State of Alaska's retirement systems' members, the Alaska Retirement Management Board, and the Commissioner of Administration regarding the administration of the retiree health plan; and

WHEREAS, the Alaska retiree health care trusts provide health coverage through the AlaskaCare Defined Benefit Retiree Health Plan (Plan) to retirees and their dependents; and

WHEREAS, the Plan currently provides members with limited coverage for acupuncture services, specifically when performed by a physician as a form of anesthesia in connection with surgery eligible for coverage under the Plan; and

WHEREAS, acupuncture is a long-existing practice of inserting fine needles into the skin, which has been clinically recognized to treat certain health conditions; and

WHEREAS, the Division has contracted with a third-party vendor to administer acupuncture benefits for active employee plan members, with the option to expand coverage to the Retiree Plan; and

WHEREAS, the Division's contracted third-party vendor has developed and is committed to appropriately maintaining medical clinical policy bulletins to document medical necessity standards to administer acupuncture benefits; and

WHEREAS, the Division may contract with a different third-party vendor in the future to provide similar services; and

WHEREAS, the Division has proposed adding to the Plan the option to obtain medically necessary acupuncture services, including those services provided by a licensed acupuncturist, as outlined in detail in the Program Proposal presented to the Retiree Health Plan Advisory Board on August 8, 2024 (Program Proposal); and

WHEREAS, for non-Medicare members and Medicare members receiving services not covered by Medicare, eligible medical services provided as part of an ongoing written plan of care, when administered by an eligible health care provider practicing within the scope of their license, are included benefits, and

WHEREAS, for Medicare-eligible members, all medical services eligible for coverage by Medicare will be first considered by Medicare, then by AlaskaCare's standard medical coverage; and

WHEREAS, the Division has solicited public comments on the Program Proposal to consider adding medically necessary acupuncture and licensed acupuncturists, which resulted in 97% of public comments in favor of implementation of the Program Proposal and 3% of public comments opposed to implementation of the Program Proposal; and

WHEREAS, the Program Proposal has been evaluated by an independent certified Fellow of the Society of Actuaries, who found that the proposed change would result in enhancements to the Plan that are favorable for members and would have an actuarial value increase of 0.07 percent, but would not result in a change to how a member's cost share for medical services is calculated; and

WHEREAS, the Program Proposal has been evaluated by an independent certified Fellow of the Society of Actuaries, who found that the proposed change is anticipated to result in approximately \$500,000 in additional annual costs to the Plan; and

WHEREAS, the Division's analysis has included: evaluation of the need and rationale for the proposed change, data analysis based on actual experience, evaluation of the impact of the changes to the current benefits; evaluation of any gaps, restrictions, reductions, eliminations, expansions, or additions to the current benefits; the number of members potentially impacted by changes and the seriousness of any impacts;

NOW THEREFORE, BE IT RESOLVED THAT THE RETIREE HEALTH PLAN ADVISORY BOARD recommends the AlaskaCare Defined Benefit Retiree Health Plan adopt and implement coverage for medically necessary acupuncture services, including those services provided by licensed acupuncturists, to the Plan's benefits as outlined in the Program Proposal submitted to the Board on August 8, 2024, to be effective January 1, 2025.

DATED this 3rd day of October 2024.