


Executive Summary	Virtual Physical Therapy and Musculoskeletal Care Program (R027)	
Health Plan Affected	Defined Benefit Retiree Plan	
Proposed Effective Date	Target: 2024	
Reviewed By	Public Review	
Review Date	May 12, 2023 – June 16, 2023	

1) Background

The AlaskaCare Defined Benefit Retiree Health Plan (Plan) currently provides coverage for physical therapy (PT) and other outpatient rehabilitative care services designed to restore and improve bodily functions lost due to injury or illness. Most rehabilitative care services are commonly delivered in person; however, some rehabilitative care services can be delivered remotely, via telemedicine by providers practicing within the scope of their license.

Virtual PT is a method of providing physical therapy or musculoskeletal (MSK) care services where instead of traveling to a provider for an in-person visit, patients communicate with a provider via phone call or videoconference and attend the appointment from home. Telehealth can be a good fit for members who do not necessarily require physical touch from the therapist. For example, virtual sessions might be used to help educate patients, or to supplement in-person sessions.

2) Objectives

- a) Offer members a cost-effective, easy-to-access, highly personalized MSK care and treatment option.
- b) Support members in achieving MSK condition prevention, surgical avoidance, and better outcomes.
- c) Facilitate access to a wider range of MSK care and support services.
- d) Drive value through cost-effective care

3) Summary of Proposed Change

This proposal considers providing Plan members with access to a virtual MSK care and support program as an additional care and treatment option for MSK conditions. This proposal does not contemplate changing or updating the Plan’s current rehabilitative care benefits. The proposed program would be supplemental to all existing benefits.

The program would focus on prevention, acute care for members experiencing an acute MSK condition, such as a pulled muscle or sprained ankle, chronic care designed to treat ongoing MSK conditions, such as arthritis or chronic back pain, and rehabilitative care after a procedure.

4) Actuarial and Financial Impacts of Proposed Change

This proposal would result in enhancements to the plan that are favorable for members and promote efficient utilization of services but would not result in a change to how a member’s cost share for medical services is calculated. Therefore, the impact on the actuarial value of the Plan will be neutral.

The financial impact of this proposal will vary depending on the number of members who choose to engage with the program and whether those members are eligible for Medicare or not. Offset by administrative fees, it is estimated the proposed program will result in approximately \$1.4 million in near-term annual savings to the Plan.

Implementation of this proposal may have long-term impacts on the healthcare Accrued Actuarial Liability (AAL) associated with the plan (\$9,117.7 million as of the 6/30/2022 valuation). The potential impact on the AAL could range from an increase of \$27 million to a decrease of \$500k. This represents a .30% to -0.01% impact on the overall AAL.