



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Labor and Workforce Development

Office of the Commissioner

PO Box 111149
Juneau, Alaska 99811
Main: 907.465.2700

August 20, 2025

Alaska Workers' Compensation Board
P.O. Box 115512
Juneau, AK 99811-5512

Dear Alaska Workers' Compensation Board,

Thank you for your continued service to the great State of Alaska. The commitment of board member volunteers is an inspiration and provides a critical function to the citizens of Alaska.

The report recommendations will maintain employee access to medical care provided through workers' compensation insurance, while improving medical cost stability and predictability to employers operating in Alaska. Thank you for taking up this important matter at your August 22, 2025, joint meeting with the Medical Services Review Committee (MSRC).

As required by AS 23.30.097(r), I formally approve the conversion factor adjustment recommendations contained in the MSRC report dated August 19, 2025.

Sincerely,

A handwritten signature in blue ink that reads "Catherine Muñoz".

Catherine Muñoz
Commissioner

cc: Charles Collins, Director Workers' Compensation



***ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT***

Workers' Compensation Medical Services Review Committee

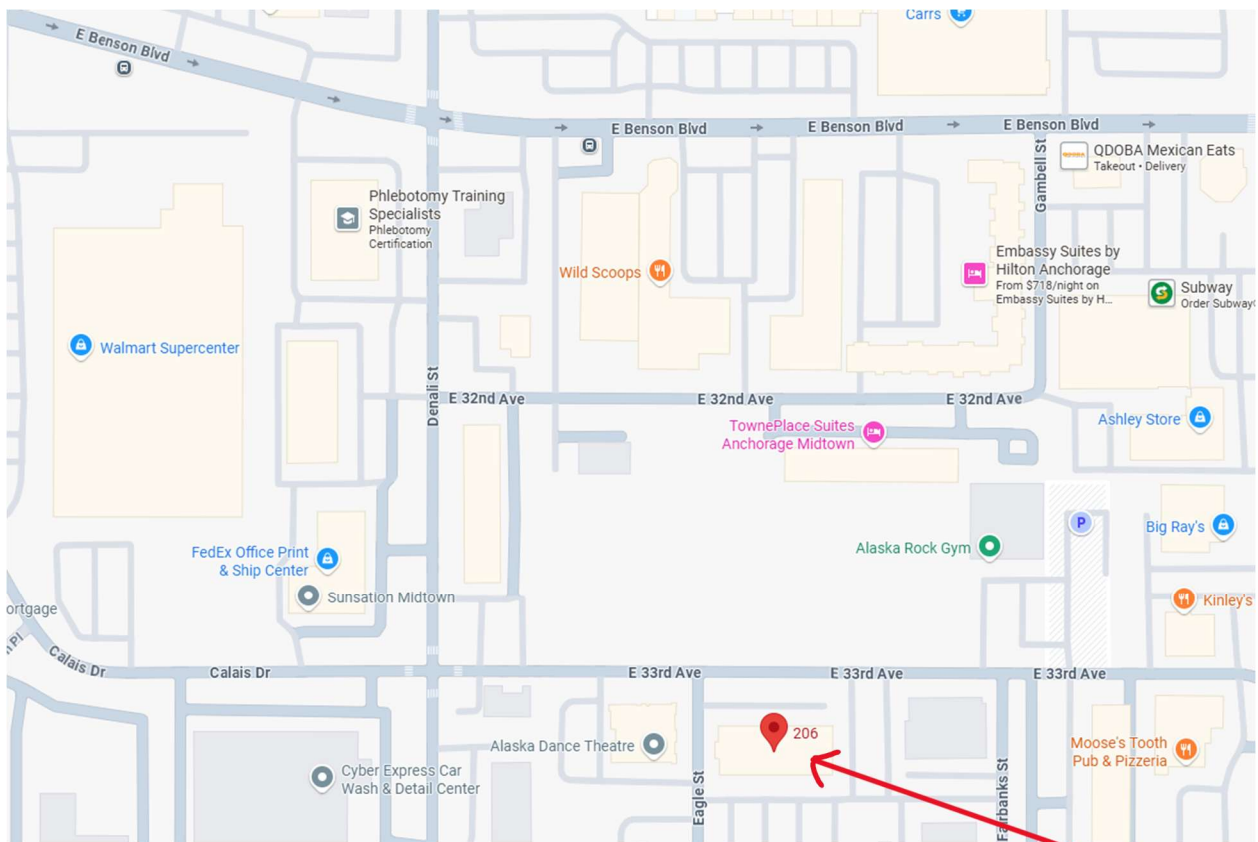
Medical Services Review Committee Members

Charles Collins, Chair
Jeff Moore, MD
Mason McCloskey, DC
Mary Ann Foland, MD
Jeff Gilbert
Misty Steed
Pam Scott
Valerie Mittelstead
Susan Kosinski

Special Joint Meeting with the Alaska Workers' Compensation Board

On August 22, 2025, the Medical Services Review Committee convenes in a special joint session with the Alaska Workers' Compensation Board to present its recommendations for the 2026 Medical Fee Schedule. This joint meeting represents not only the conclusion of our 2025 deliberations, but also the continuation of a long-standing partnership between the Committee and the Board to ensure Alaska's system remains efficient, fair, and sustainable.

The meeting will be held in-person at the Department of Labor and Workforce Development 3301 Eagle St., suite 208 Anchorage, AK 99503.



Front of the building is on Denali St, parking on both sides if attending in person.

Alaska Workers' Compensation Medical Services Review Committee

A few of our committee members have expressed their intentions of stepping down from the committee at the end of this service year. No doubt 2026 will bring some change into the work this committee has performed and as we begin to ponder on those future changes, I will include the guiding statute for the members of the committee.

AS 23.30.095(j)

The commissioner shall appoint a medical services review committee to assist and advise the department and the board in matters involving the appropriateness, necessity, and cost of medical and related services provided under this chapter. The medical services review committee shall consist of nine members to be appointed by the commissioner as follows:

- (1) one member who is a member of the Alaska State Medical Association;
- (2) one member who is a member of the Alaska Chiropractic Society;
- (3) one member who is a member of the Alaska State Hospital and Nursing Home Association;
- (4) one member who is a health care provider, as defined in AS 09.55.560;
- (5) four public members who are not within the definition of "health care provider" in AS 09.55.560; and
- (6) one member who is the designee of the commissioner and who shall serve as chair.

Committee Membership as of August 1, 2025

Seat	Last Name	First Name	Affiliation
Chairperson	Collins	Charles	Director, Division of Workers' Compensation
Alaska State Medical Association	Moore, MD	Jeff	Orthopedic Physicians Anchorage, Inc.
Alaska Chiropractic Society	McCloskey, DC	Mason	Kanady Chiropractic Center
Alaska State Hospital & Nursing Home Association	Gilbert	Jeff	St. Elias Specialty Hospital
Medical Care Provider	Foland, MD	Mary Ann	Primary Care Associates
Lay Member – Industry	Steed	Misty	PACBLU
Lay Member – Industry	Scott	Pam	Northern Adjusters, Inc.
Lay Member – Labor	Mittelstead	Valerie	IBEW
Lay Member – Industry	Kosinski	Susan	ARECA Insurance Exchange

2025 Medical Fee Schedule Changes

A historical table of adjustments included:

Alaska Conversion Factors and Multipliers for Medical Fee Schedule									
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Medicare Part B Average Sales Price	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375
Clinical Diagnostic Laboratory Fee Schedule	6.33	6.33	6.33	4.43	4.43	4.43	4.43	4.43	4.43
Durable Medical Equipment, Prosthetics, Orthotics, and Supplies	1.84	1.84	1.84	1.84	1.75	1.75	1.75	1.75	1.66
Surgery	205.00	174.00	165.00	132.00	125.00	119.00	119.00	119.00	119.00
Radiology	257.00	206.00	196.00	141.00	134.00	121.00	121.00	121.00	121.00
Pathology and Laboratory	142.00	142.00	135.00	122.00	122.00	122.00	122.00	122.00	122.00
Medicine	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
Evaluation and Management	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
Anesthesia	121.82	121.82	121.82	110.00	105.00	100.00	100.00	100.00	100.00
HCPSC (RBRVS) (relative values > 0 but no AK CF; defaults to 85% billed charges)									
Outpatient Facility	221.79	221.79	221.79	221.79	221.79	221.79	221.79	221.79	221.79
Ambulatory Surgical Center	221.79	221.79	221.79	177.00	168.00	168.00	168.00	168.00	168.00

After careful review, the Committee is not forwarding changes to multipliers or conversion factors for the coming year. Stability remains the guiding principle, particularly as the industry navigates economic uncertainty and inflationary pressures. The Committee acknowledges the Commissioner's letter regarding conversion factor considerations and has engaged in robust discussion of these concerns. While no adjustment is recommended at this time, the issue will remain under active review.

Employer and Independent Medical Evaluations

The Committee also recognizes the importance of addressing reimbursement for Employer Medical Evaluations (EME) and Second Independent Medical Evaluations (SIME). These evaluations are essential to the integrity of the adjudicatory process, and future refinement of billing and reimbursement methodologies will support consistency and fairness. Work is ongoing to review best practices from other states and adapt them to Alaska's framework.

Looking Ahead to 2026

Looking forward, 2026 will bring both continuity and transition. Several long-serving members have indicated their service may conclude, and with new members will come new perspectives. Yet the charge under AS 23.30.095(j) remains constant: to advise the Department and the Board on the appropriateness, necessity, and cost of medical services within our system.

Conclusion

In this spirit, the Committee presents the 2026 Medical Fee Schedule recommendations to the Board with full confidence that they uphold the mission of ensuring predictable, equitable, and cost-conscious delivery of medical benefits for Alaska's injured workers.

Proposed Schedule for 2026

AS 23.30.097(j) The board shall annually renew and adjust fees on the fee schedules established by the medical services review committee under (a)(1)(A) of this section by a conversion factor established by the medical services review committee and adopted by the board in regulation.

The 2026 Medical Services Review Committee will hold its inaugural meeting on June 5, followed by the dates of June 26, July 17 and final committee only meeting of August 7. The joint MSRC and AWCB meeting is tentatively scheduled for August 28, 2026.



NCCI MEDICAL INFLATION INSIGHTS

July 2025

Aggregate Measures of General and Medical Inflation Year-Over-Year Change, Percent



*Adjusted Medical CPI removes CPI Health Insurance from CPI Medical Care

Sources: US Bureau of Labor Statistics and NCCI's Medical Data Call; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point

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1 Some of the first signs of the impact of tariffs on the economy were apparent in the June inflation data. Both headline and core CPI ticked up from the previous month.

Prices for furniture, appliances, other household goods, sporting equipment, pet supplies, audio and video products, apparel, shoes, alcoholic beverages, and food all rose above recent averages, likely indicating that tariffs are beginning to lead to higher prices for consumers.

In contrast to other goods, new and used car prices fell over the quarter, thanks in part to high inventory levels and rising dealer incentives. Once inventories wind down and production costs rise, new and used car prices will likely begin rising later this year.

While we do expect overall inflation to continue increasing over the next several quarters, it is unlikely to rise to the extent seen in 2022.

2 Medical price increases remained subdued in the second quarter. We continue to expect a small increase in the pace of medical inflation through the remainder of the year from the current low.

Details on Page 2.



NCCI MEDICAL INFLATION INSIGHTS

Workers Compensation Weighted Medical Price Index (WCWMI)

Component Contributions to the Year-Over-Year Change, Percent



*Other is represented as long-term care (PPI Home and Hospice Care and PPI Nursing Home Care)

Sources: US Bureau of Labor Statistics and NCCI's Medical Data Call; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point

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1 The WCWMI remained near its recent lows in the second quarter due to moderating price growth for physician and hospital services.

2 Physician care price growth continued to moderate from last year's elevated levels. Fee schedules and Medicare-based pricing remained important factors. States without fee schedules may be experiencing higher price growth as physician care prices for private insurance and other payors have grown faster this year than those for Medicare and Medicaid.

3 Drugs and medical equipment, the two categories that will be directly impacted by tariffs, have yet to see any meaningful changes in price growth. Direct pharmaceutical tariffs have been announced but not yet implemented, potentially further delaying the impact to medical prices overall.

4 Long-term care price growth remained elevated and may continue to contribute to higher costs for longer-duration claims.

