Proposed LCPS Retiree Health Benefit Update

Important Note: The proposed change will not affect any Medicare-eligible retiree or dependent already enrolled in the Medicare Advantage (MA) program unless they choose to opt in to the RHRA plan.

Wondering about the proposed RHRA plan?

Under the proposed Retiree Health Reimbursement Arrangement (RHRA) employer-funded benefit, LCPS would provide $400 per month into an account for retirees to use for health insurance, medical co-pays and co-insurance, and other eligible healthcare expenses.

Why is this change being proposed?

LCPS maintains self-insurance funding that must remain stable to take care of our retirees for many years to come. Since the existing Medicare Advantage (MA) contract expires at the end of 2025, LCPS is exploring alternatives to offer retirees flexibility and choice. LCPS also received feedback from retirees that they were dissatisfied with the MA network.

Can you give an example?

Some retirees have experienced difficulty finding services in their geographic area with the current LCPS Medicare Advantage network. LCPS wishes to support our retirees no matter where they choose to live in retirement. The proposed **RHRA plan** would offer retirees the flexibility to choose the plan that works best for them.

Who will this proposed change impact?

- Employees who are not yet retired as of 1/1/2026 but meet the eligibility requirements of LCPS Policy 7628 would retire under the proposed RHRA plan
- Retirees who are not yet Medicare-eligible but are enrolled in LCPS-sponsored OAP or OAP High plans will continue in those plans until they become Medicare-eligible. Once this occurs, they will be enrolled in the proposed RHRA plan. Dependents of these retirees will continue in the OAP or OAP High plan until they reach 26 or Medicare eligibility. If the dependent is Medicare-eligible when the retiree turns 65, the dependent will be disenrolled at that time. That said, the $400 received through the proposed RHRA plan can be put toward dependent benefits
- Retirees who are already enrolled in the LCPS-sponsored Medicare Advantage (MA) plan will not be dropped – they can remain in the LCPS-sponsored MA plan or switch to the proposed RHRA plan (switching may require medical underwriting under Medicare rules)
- As stated in policy 7628, this proposal would affect employees who were hired prior to 7/1/13 AND have 15 years of consecutive LCPS service AND have been on LCPS medical/prescription insurance for the three years immediately preceding retirement.

Is $400 per month enough to cover my health care costs?

Medigap Plan G BCBS	
- Male, 65	$ 178.00
Part D Pharmacy	$ 105.40
Dental	$ 52.00
Vision	$ 30.00
Total:	**$ 365.40**

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Current LCPS employees may participate in the LCPS-offered OAP or OAP High health plans.*
For these examples, pricing from the OAP is used.

Are you an LCPS retiree who has reached 65 (and/or is Medicare eligible) and is making choices about your health benefits?

Medicare Retiree Only

A retiree age 65 and/or eligible for Medicare currently enrolled in the LCPS-sponsored Medicare Advantage plan will still have an LCPS-sponsored MA or may opt-in to the proposed RHRA. (shown in example)

	Current Plan	RHRA**
Retiree Premium	$ -	$ (365.40)
VRS HI Credit	$ -	$ 45.00
RHRA LCPS Contribution	$ -	$ 400.00
	$ -	$ 79.60

Monthly Net: **$ 79.60**

Are you an LCPS retiree who has reached 65 (and/or is Medicare eligible) and is making choices about your health benefits with a spouse still covered by the LCPS health plan?

Retiree Medicare + Spouse OAP

A retiree age 65 and/or eligible for Medicare and their spouse who is covered by the LCPS OAP or OAP High health plan. Example shows OAP.

	Current Plan	RHRA**
Retiree Premium	$ -	$ (365.40)
Spouse Premium	$ (544.95)	$ (544.95)
VRS HI Credit	$ -	$ 45.00
RHRA LCPS Contribution	$ -	$ 400.00
	$ (544.95)	$ (465.35)

Monthly Net: **$ 79.60**

Are you a retiree who is NOT yet 65 (or not Medicare eligible) and who is covered by the LCPS health plan with a Medicare-eligible spouse or dependent?

Retiree + One (Retiree OAP + Spouse Medicare)

A retiree who is covered by the LCPS OAP or OAP High health plan and their Medicare-eligible spouse or other dependent. RHRA would not apply.

	Current Plan	RHRA**
Retiree Premium	$ -	$ -
Spouse Premium	$ (544.95)	$ (365.40)
VRS HI Credit	$ -	$ -
RHRA LCPS Contribution	$ -	$ -
	$ (544.95)	$ (365.40)

Monthly Net: **$ 179.55**

Black = LCPS VRS Contribution. **Red** = Participant Contribution.

***Proposed**

***What is OAP?** Current LCPS employees may participate in the LCPS-sponsored Open Access Plan (OAP) or Open Access Plan High (OAP High) health plans. LCPS pays a portion of the employee's insurance premiums, and the employee pays a portion deducted from each paycheck. Employees choose what level of coverage they purchase, and whether they wish to cover a spouse or dependents. The LCPS-sponsored plans include Pharmacy and Medical coverage. Vision and dental are additional enrollment options.

Numbers above offered as examples using current rates. Actual costs and saving will differ.

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