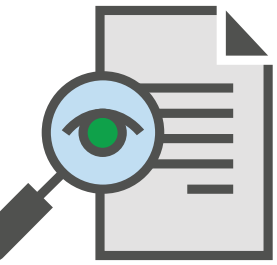
JUST THE FACTS

LCPS Retiree Health Benefits Proposed Updates



LCPS has proposed a transition to a new Retiree Health Reimbursement Arrangement (RHRA) plan that would take effect on 1/1/2026. This new approach will ensure long-term flexibility for retirees while keeping healthcare options affordable and sustainable, and providing retirees the ability to customize a plan that works best for them.

This change will not affect any retiree currently enrolled in the LCPS sponsored Medicare Advantage program unless they choose to opt in.

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 will 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)

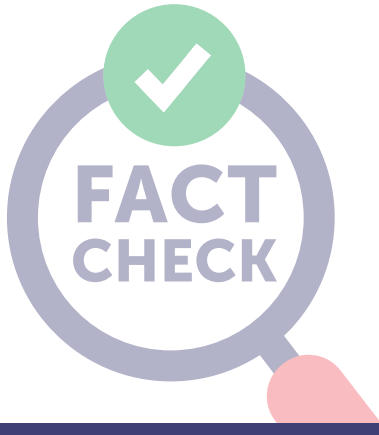
What Is the RHRA Plan?

The RHRA plan is an employer-funded benefit that provides $400 per month into an account that retirees can use for:

- Health insurance premiums (medical, vision, dental, pharmacy)
- Medical co-pays and co-insurance
- Other eligible healthcare expenses (e.g., medical equipment, OTC medications)

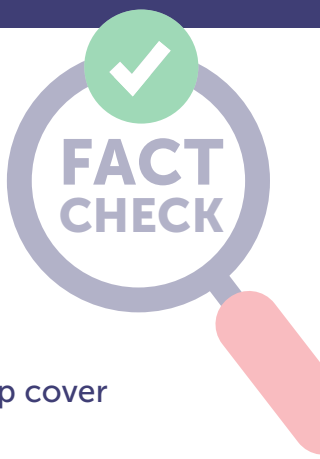
This flexible approach allows retirees to select a plan that best fits their needs, with options depending on location, age, and coverage preferences.

This plan is particularly beneficial for retirees who are Medicare-eligible and seeking more flexibility in their healthcare choices.



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How the RHRA Works



- LCPS contributes $400 per month into a retiree's RHRA account
- Funds can be used for health insurance, medical expenses, and dependent coverage
- Choose any healthcare plan that best fits your needs – Medigap, Medicare Advantage, Part D, vision, or dental
- If the selected plan costs less than $400 per month, remaining funds can help cover dependent healthcare expenses
- Unused funds roll over from month to month and year to year
- Non-taxable benefit – does not increase tax liability
- Managed by a third-party administrator with expertise in the plan

Where can I get support?

We understand that navigating these choices can feel overwhelming, but we want to assure you that you will have ample support throughout this process. Assistance in making these decisions is available to you at no cost from a variety of sources.

- In Loudoun, the Loudoun Area Agency on Aging/Virginia Insurance Counseling and Assistant Program (VICAP) has trained counselors available
- Medicare.gov has links to every State Health Insurance Assistance Program
- LCPS may provide additional resources after School Board action

Why Is the Retiree Health Benefits Plan Changing?

LCPS received feedback from retirees that some are dissatisfied with the Medicare Advantage network. Given the feedback and that the contract expires 12/31/2025, we explored alternatives. The Retiree Health Reimbursement Arrangement is a balanced solution, providing retirees flexibility and choice, while providing LCPS consistency and stability in our self-insurance funds and within the Other Post Employment Benefits liabilities.

School Board Oversight & Future Adjustments

- The School Board will likely take action on these proposed changes at its meeting scheduled for April 22, 2025.
- The School Board will review the RHRA contribution amount annually as part of the budget process
- Adjustments may be made to ensure the plan remains financially meaningful for retirees while maintaining cost predictability for LCPS

For more information on LCPS Comprehensive Benefits, visit lcps.org/benefits.

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