Medicare 2026 Enrollment Period: Major Changes Coming

Description

As the **2026 Medicare enrollment period** approaches, beneficiaries should prepare for significant changes that could reshape coverage, costs, and plan availability. Thanks to recent legislation and finalized CMS rules, both **Medicare Part D** and **Medicare Advantage** are undergoing a notable reshaping.

Hereâ??s what to watchâ??and how to plan.

Part D Reform Under the Inflation Reduction Act (IRA)

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The **Inflation Reduction Act** gives Medicare unprecedented authority to negotiate drug pricesâ??set to go into full effect in 2026. The first wave of 10 high-cost drugs, including Eliquis, Jardiance, and others, will benefit from these negotiated prices. According to projections, beneficiaries may see cost reductions of **at least 38% per negotiated drug**, saving the program billions and cutting out-of-pocket costs substantially. (Verywell Health, Wikipedia)

Deductible, OOP Cap, and Insulin Cost



For 2026, expect changes to Part D cost structure:

- **Deductible increases** to **$615** (up from $590). (Kiplinger)
- **Out-of-pocket cap rises** to **$2,100** (from $2,000). (Kiplinger)
- **Insulin costs capped at $35/month**, now a permanent feature under Part D and B starting in 2026

Another consumer-friendly feature: expanded vaccine coverage at zero or reduced cost.

Additionally, the **Drug Price Negotiation Program** is rolling out and includes selected drug subsidiesâ??a portion of negotiated prices will be subsidized by CMS during the initial coverage phase, reducing sponsor liability. (Centers for Medicare & Medicaid Services)

Premium Trends and Subsidy Shifts

Despite these benefits, Part D premiums could climb due to plan design shifts and reduced federal subsidies. A recent Wall Street Journal report anticipates a riseâ??stemming from reduced insurer subsidies and tighter protections. (Wall Street Journal)

Finalized Guidance & Plan Design Overhaul

CMS has released the Final CY 2026 Part D Redesign Program Instructions, which codifies IRA provisions into plan structure changes. This includes updated cost-sharing phases and the mechanics for the new subsidy program. (Centers for Medicare & Medicaid Services, Medicare & Medicaid Portal)

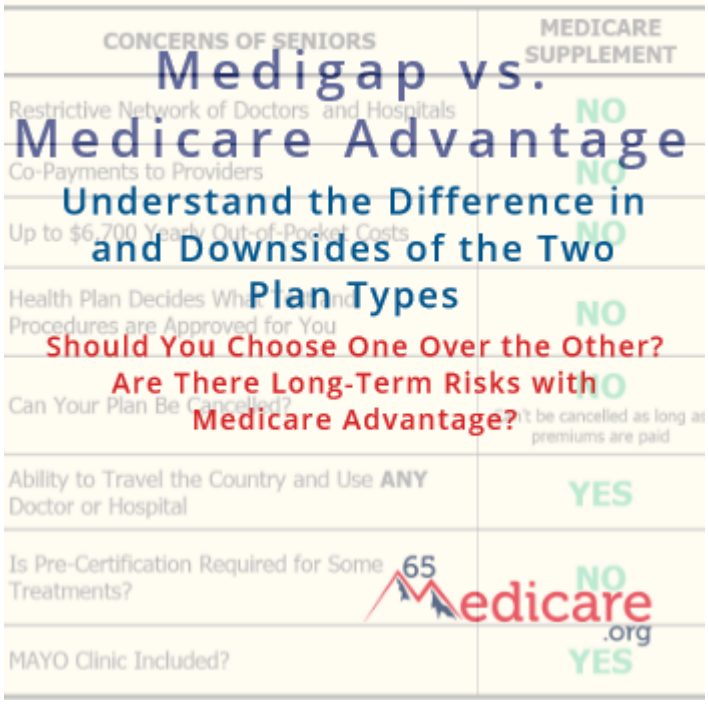
These updates aim to enhance affordability and reflect the richer benefit design. (Medicare & Medicaid Portal)

Changes in Medicare Advantage Plans

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Payment Rates and Risk Adjustments

CMS has also finalized 2026 changes affecting **Medicare Advantage (MA)**:



- MA plan payment rates are increasing by approximately **5.06%**, injecting new resources into plans.(MedStates)
- Risk adjustment models for both MA and Part D are being updated, refining how plans are paid based on patient acuity.(MedStates, Applied Policy)

These changes may influence service areas, benefit levels, and plan availability during open enrollment.

Final Rule and Consumer Protections

CMSâ??s final CY 2026 rule strengthens policies across MA and Part D, incorporating IRA mandates and codifying new protections, including those relating to insulin and vaccines.(Federal Register, Sheppard Health Law)

Additionally, proposed MA and Part D reformsâ??such as expanded access to anti-obesity medications, behavioral health services, and tighter marketing rules around AI and prior authorizationâ??were not all finalized.(Centers for Medicare & Medicaid Services, Sheppard Health Law)

What This Means for Beneficiaries During Open Enrollment (Oct 15â??Dec 7, 2025)

Part D: Evaluating Plans Under a New Structure

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With **Part Dâ??s new design** in effect beginning January 2026, beneficiaries may want to:

- Compare plans based on new deductibles and OOP caps
- Check if their prescriptions are on the negotiated drug list, which may reduce their costs
- Budget for potentially higher premiumsâ??but significant savings on medications may offset the increase

Medicare Advantage: Plan Choice and Benefit Design

If youâ??re using an MA plan:

- Check if your current planâ??s network and benefit structure remain stable given new CMS payment rules and risk scores
- Explore alternate MA plans that might offer lower cost-sharing or expanded benefits funded by the increased payments

Particularly Important for Dual-Eligibles and Low-Income Beneficiaries

- CMSâ??s updates could change benefit packages and enrollment rulesâ??especially for **D-SNPs (Dual-Eligible Special Needs Plans)** and those receiving low-income subsidies (LIS). The risk adjustment and subsidy changes may impact plan availability and cost-sharing.(Federal Register, MedStates)
- Keep an eye on modifications to **Low-Income Subsidy rules** and premium expectations.(Wikipedia)

Medigap and Other Supplemental Coverage Considerations



While much attention is on Medicare Advantage and Part D, and those are the plans that utilize this annual election period (When is Medicare Supplement Open Enrollment?), beneficiaries who are on Original Medicare must also prepare for 2026.

- **Medigap Availability:** Medigap (Medicare Supplement) plans remain standardized, but premiums may shift due to healthcare inflation and demographic changes. Beneficiaries should compare carriers and consider switching if premiums become unaffordable. **Get a list of current Medigap rates by email.**
- **Standalone Dental & Vision Plans:** Since Original Medicare generally does not cover routine dental or vision care, standalone policies are expected to remain an important option in 2026.

Summary Table: Major Changes for 2026 Enrollment Period

Benefit Area	Key Change in 2026
Part D	Deductible bump to $615; OOP cap to $2,100; insulin cost cap; negotiated drug prices; Part D redesign finalized
Premiums	Possible increase due to reduced subsidies and IRA-driven cost-shifts
MA Payments	~5% increase in plan payments; refined risk adjustments
Plan Landscape	Possible changes in plan offerings, service areas, and benefit design

Benefit Area	Key Change in 2026
Subsidies & LIS	Ongoing changes may shift availability and costs for low-income beneficiaries

Expert Perspective on 2026 Medicare Open Enrollment

Policy experts emphasize the significance of this upcoming period:

> *â??The 2026 Medicare Enrollment Period is not just another year of minor updatesâ??it represents a fundamental shift in how Medicare operates, particularly for prescription drug coverage,â?•* notes Tricia Neuman, Executive Director of the Medicare Policy Program at KFF.

Beneficiaries who are prepared will be best positioned to take advantage of these changes and avoid getting stuck in a plan that does not serve their needs due to increased premiums or reduced networks/coverage.

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Final Thoughts

The **2026 Medicare enrollment period**, running from **October 15 to December 7, 2025**, will be one of the most complex in recent years.

Thanks to the **Inflation Reduction Act**, prescription drugs are becoming more affordable for many Medicare Part D enrolleesâ??with caps on out-of-pocket costs, insulin price limits, and negotiated drug savings. However, this is also likely to lead to increased premiums. Medicare Advantage plans will also see funding boosts and structural changes that may benefit enrollees but could also lead to reduced service areas or other restrictions.

With change comes complexity:

- **Comparison shopping** is more important than everâ??donâ??t assume your current plan remains optimal. Be on the lookout for your Annual Notice of Change (ANOC) that will come in late September/early October.
- **Understand coverage phase changes.** New deductibles and negotiating savings will affect finances differently depending on medication usage.
- **Watch for changes in plan availability, benefit offerings, and provider networks** due to revised MA payments and risk scores.

Getting ahead by reviewing available options starting October 1â??and acting promptlyâ??can make a big difference in both coverage and cost.



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- Insurance Company of North America (INA) Medigap: What You Need to Know
- Medicareâ??s Hidden Costs (2026): The Bill You Never Saw Coming
- Pennsylvania Medigap Plans: A Complete Guide to Medicare Supplement Coverage in PA
- Wisconsin Plan G: Why Doesnâ??t It Exist?
- The Issue-Age Medigap Myth: Why â??Age Doesnâ??t Matterâ?• Isnâ??t the Whole Story

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1. Medicare current events

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