

Updates to Medicare Part D in 2026

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Key Updates to 2026



Key Changes To Look Out For

- Out of Pocket Cap increases
 - \$2100 increase due to inflation adjustments
- Annual Deductibles will Increase (Part D)
 - \$615 which is up from \$590
- Catastrophic Coverage
 - Cost sharing eliminated
- Insulin will continue to stay at \$35 per month of a covered insulin product or 25% of fair market price
- Free, permanent zero-cost sharing for all adult immunizations recommended by the Advisory Board on Immunizations Practices

Key Changes To Look Out For (Continued)

- Medicare Advantage plans are scaling back on extra perks, while Original Medicare is testing new prior-approval requirements, introducing new trade-offs.
- Original Medicare's prior approval requirements are expanding via the new Wasteful and Inappropriate Service Reduction (WISeR) Model, starting January 1, 2026, in Arizona, New Jersey, Ohio, Oklahoma, Texas, and Washington.
- This pilot program will run for the next six performance years (ending December 21, 2031) and will use technology to pre-screen if services are necessary for beneficiaries and those will be double-checked by a real person afterwards.

Key Changes To Look Out For (Continued)

Here is the list of services that will go through a prior authorization process in New Jersey, Ohio, Oklahoma, Texas, Arizona, and Washington, between January 1, 2026, and December 31, 2031.

- | | | |
|---|---|---|
| 1. Electrical nerve stimulators | 8. Percutaneous vertebral augmentation (PVA) for vertebral compression fracture | 13. Diagnosis and treatment of impotence |
| 2. Sacral nerve stimulation (for urinary incontinence) | 9. Cervical fusion (spine surgery) | 14. Percutaneous image-guided lumbar decompression (for spinal stenosis) |
| 3. Phrenic nerve stimulator | 10. Arthroscopic lavage and arthroscopic debridement for osteoarthritic knee | 15. Skin and tissue substitutes (general) |
| 4. Deep brain stimulation (for essential tremor / Parkinson's disease) | 11. Hypoglossal nerve stimulation (for obstructive sleep apnea) | 16. Application of bioengineered skin substitutes to lower extremity chronic non-healing wounds |
| 5. Vagus nerve stimulation | 12. Incontinence control devices | 17. Wound application of cellular and/or tissue-based products (CTPs), lower extremities |
| 6. Induced lesions of nerve tracts | | |
| 7. Epidural steroid injections for pain management (excluding facet joint injections) | | |



Changes to Medicare Advantage and Standalone Prescription Drug Plans

- The average stand-alone Part D plan total premium is projected to decrease to \$34.50 in 2026 (a decrease of \$3.81 from 2025).
- The average Part D total premium for Medicare Advantage plans with prescription drug coverage is projected to decrease to \$11.50 in 2026 (a decrease of \$1.82 from 2025).

Reducing Enhanced Support for Standalone PDPs

- Part D Premium Stabilization Demonstration Will continue
 - Reduced Support for PDP sponsors
 - Monthly Premium Subsidy is reduced from \$15 to \$10
 - Limit on Monthly Premium Cap Increases from \$35 to \$50
 - Elimination of system that shares aggregate costs and profits between Medicare and Part D plan sponsors
 - May result in higher costs for some plan sponsors, which then could get passed on.

Negotiated Drug Prices Go into Effect

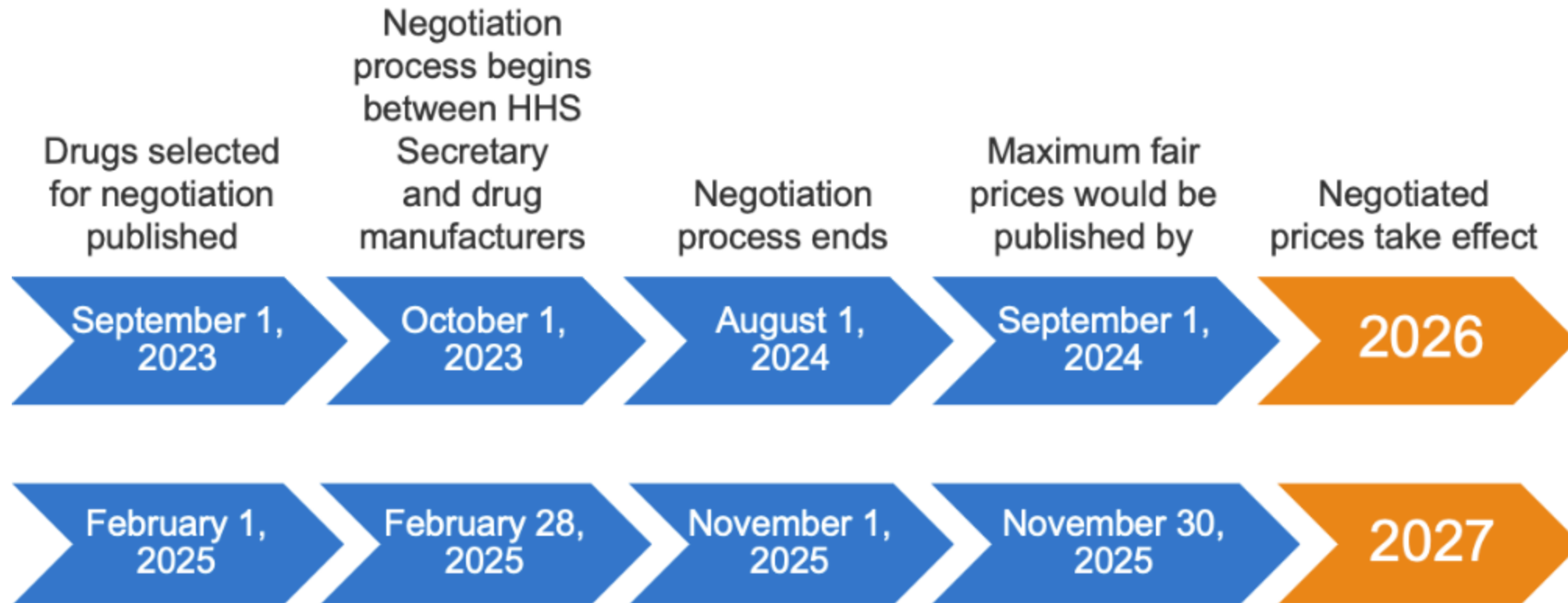
10 Medicare Part D Drugs Selected for Price Negotiation for 2026

The selected drugs include drugs used to treat cancer, diabetes, blood clots, asthma and COPD, and rheumatoid arthritis.

Drug name	Manufacturer	Used for
Eliquis	Bristol Myers Squibb	Anticoagulant
Enbrel	Amgen	Rheumatoid arthritis
Entresto	Novartis Pharmaceuticals Corp.	Heart failure
Farxiga	AstraZeneca	Diabetes, heart failure, chronic kidney disease
Fiasp	Novo Nordisk	Diabetes
Imbruvica	Pharmacyclics	Leukemia, lymphoma
Januvia	Merck	Type 2 diabetes
Jardiance	Boehringer Ingelheim	Type 2 diabetes, heart failure
Stelara	Janssen Biotech	Psoriasis, psoriatic arthritis, Crohn’s disease, ulcerative colitis
Xarelto	Janssen	Anticoagulant


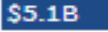








Drug Price Negotiation Timeline

Medicare Drug Price Negotiation Timeline for 2026 & 2027



SOURCE: KFF analysis of section 11001 of the Inflation Reduction Act of 2022.

New Partial List of Drugs for Price Negotiating

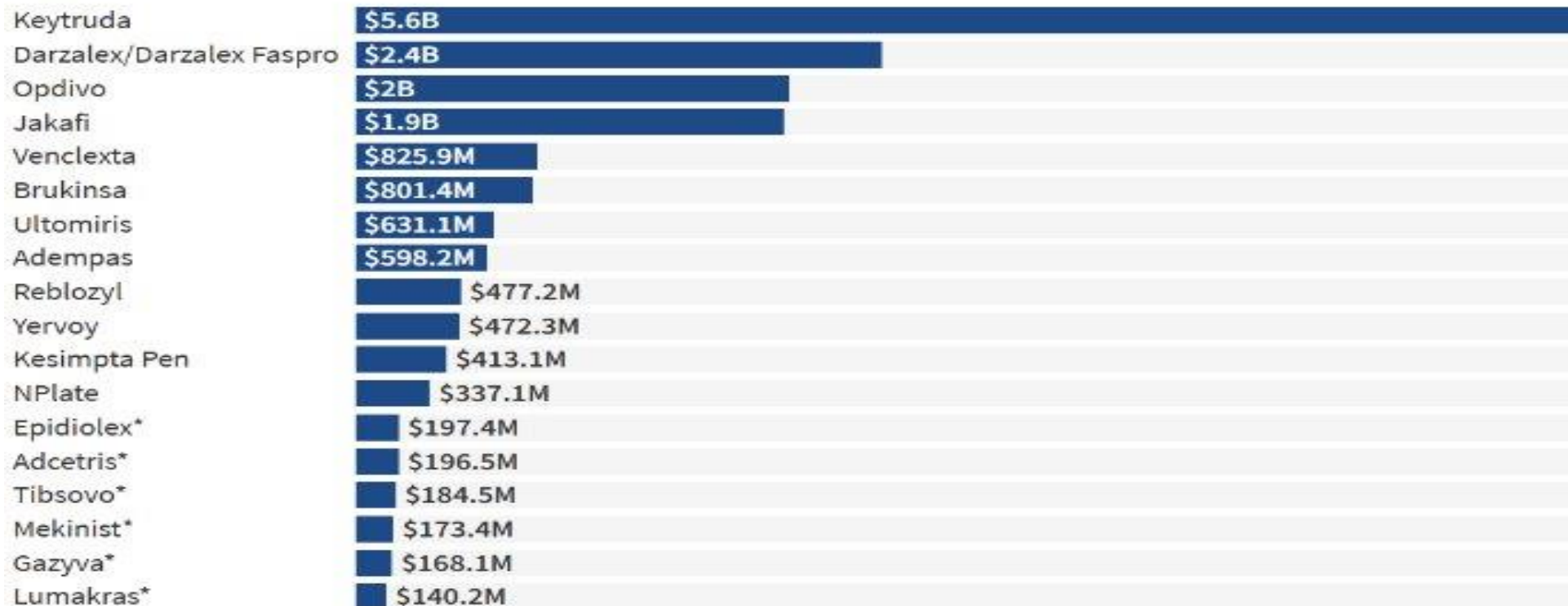
Drug name	Manufacturer	Used for	Total Gross Medicare Spending*	Number of Medicare Part D Users*
Ozempic; Rybelsus; Wegovy	Novo Nordisk	Type 2 diabetes; Type 2 diabetes and cardiovascular disease; Obesity/overweight and cardiovascular disease	 \$14.4B	2,287,000
Trelegy Ellipta	GlaxoSmithKline	Asthma; Chronic obstructive pulmonary disease	 \$5.1B	1,252,000
Xtandi	Astellas Pharma Inc.	Prostate cancer	 \$3.2B	35,000
Pomalyst	Bristol Myers Squibb	Kaposi sarcoma; Multiple myeloma	 \$2.1B	14,000
Ibrance	Pfizer	Breast cancer	 \$2B	16,000
Ofev	Boehringer Ingelheim	Idiopathic pulmonary fibrosis	 \$2B	24,000
Linzess	Ironwood Pharmaceuticals and AbbVie	Chronic idiopathic constipation; Irritable bowel syndrome with constipation	 \$1.9B	627,000
Calquence	AstraZeneca	Chronic lymphocytic leukemia/small lymphocytic lymphoma; Mantle cell lymphoma	 \$1.6B	15,000
Austedo; Austedo XR	Teva Pharmaceuticals	Chorea in Huntington's disease; Tardive dyskinesia	 \$1.5B	26,000
Breo Ellipta	GlaxoSmithKline and Theravance, Inc.	Asthma; Chronic obstructive pulmonary disease	 \$1.4B	634,000

Orphan Drug Provision

- What is an "orphan drug"
 - Status granted to drug or biological product intended to treat rare conditions or diseases
 - Affects fewer than 200,000
- In the latest omnibus bill, that provision has been adjusted to include treating multiple rare diseases.
- This means there will be a larger list of new drug or new uses exempted from future drug price negotiation.

Amount Spent on Potential Drugs Excluded

In 2023, Medicare Spent \$17.5 Billion on Several Drugs Likely to Be Delayed or Excluded from Selection for Drug Price Negotiation Due to Changes in the 2025 Tax and Budget Reconciliation Law



Note: Dollar amounts include Medicare and beneficiary spending, not accounting for rebates under Part D, where applicable. Amounts include Part D drug spending under both traditional Medicare and Medicare Advantage and Part B drug spending in traditional Medicare only since Medicare Advantage spending data are unavailable. *These drugs fell below the spending threshold of \$200 million in 2023, but would likely exceed the threshold based on more recent spending data and the inclusion of Medicare Advantage Part B spending data where applicable.

Source: KFF analysis of CMS Medicare Part B and Part D Drug Spending data, and orphan drug delays and exclusions from Martin et al (2025) and Chen and Kaltenboeck (2025). • [Get the data](#) • [Download PNG](#)

Manufacturer Discount Program

- Will continue in 2026
- The manufacturer will pay a discount on the cost of applicable drugs
- Applicable drugs are generally brand-name drugs covered by a manufacturer's agreement with CMS
- Discounts
 - Initial Coverage – 10% of drug's cost
 - Catastrophic Coverage – 20% of drug's cost

Medicare Prescription Payment Plan

- It is here to stay!
 - The MPPP allowed you to spread your costs out over calendar year
 - So, if you were on it in 2025, and want to renew, let your plan provider know
 - In 2026 if you enroll, you will be auto-enrolled the following year unless opting out
 - A renewal notice will be provided with updated terms and conditions
 - If you wish to leave, your request must be processed within 3 days.

Updates to Medicare Savings Program Final Rule

- Medicare Savings Program Final Rule
 - H.R. 1 Blocked Provisions in 2026 (optional for states)
 - Aligning LIS and MSP family size definitions and income counting rules
 - Accepting self-attestation for certain types of income and resources
 - Clarifying the effective date of QMB enrollment for certain individuals living in “group payer” states in regard to the Part A Premium
- Using Low-Income Subsidy (LIS) data for MSP applications
 - Underlying provision remains

PROJECTED AND UNOFFICIAL COST CHANGES FOR 2026

Medicare Cost Increases for 2026			
	2025 projected cost	2026 projected cost	Percent Increase
Part B premium	\$185	\$206.50	11.6%
Part D base beneficiary premium	\$36.78	\$38.99	6%
Part B deductible	\$257	\$288	12%
Part D deductible	\$590	\$615	4.2%
Part D catastrophic threshold	\$2,000	\$2,100	5%

Medicare Plan Finder Changes

- CMS confirmed that starting September 2025, when establishing new Medicare.gov accounts both an email address and multifactor authentication (MFA) are required.
- Existing account holders are not required to an email address at this time.

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Questions?





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