

MEDICARE 2026:

## THE INFLATION REDUCTION ACT (IRA) BRINGS BIG CHANGES

This year's Medicare Advantage and Part D Annual Election Period (AEP) brings big changes thanks to the Inflation Reduction Act (IRA). Keep reading so you'll know what to watch for with your plan this fall.

### Medicare Enhancements in 2026

The IRA was passed in 2022 and was designed to help meet climate goals as well as to benefit many vulnerable populations — including Medicare beneficiaries. Changes to Prescription Drug Plans went into effect in 2023 with a cap of \$35 on Part D covered insulin. 2025 brought a much lower maximum out-of-pocket cap for prescription drugs, eliminated the coverage gap phase and allowed you to spread out prescription drug costs over the year. In 2026, more adjustments take effect to help Medicare beneficiaries:



#### Maximum annual out-of-pocket cost capped at \$2,100

- After reaching your Part D deductible, pay 25% cost sharing
- After \$2,100 out of pocket, you pay \$0 for prescription drugs for the rest of the year
- Excludes drugs covered by Part B



#### Lower negotiated prices on 10 brand-name prescription drugs

- 2026 brings the first 10 drugs negotiated to have lower pricing
- These include commonly used and costly medications for heart disease, diabetes, arthritis and cancer\*



#### Automatically renew your Medicare Prescription Payment Plan

- If you opted to spread out your prescription costs over the year in 2025, you will be reenrolled in 2026
- You can opt out of reenrollment and it will be processed within 3 calendar days

\*Source: <https://www.cms.gov/files/document/infographic-negotiated-prices-maximum-fair-prices.pdf> "New Lower Drug Prices Under the Medicare Drug Price Negotiation Program"

We do not offer every plan available in your area. Please contact Medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program (SHIP) to get information on all of your options.

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# MEDICARE 2026: THE INFLATION REDUCTION ACT (IRA) BRINGS BIG CHANGES *(cont.)*



## Prepare for Your Plan Updates — Next Steps

Now more than ever, it's important to watch for your plan's Annual Notice of Changes (ANOC) letter. If you haven't received this letter by the end of September, reach out to your plan.

Stand-alone Part D plans and MAPD prescription drug coverage may see changes in 2026. Plan adjustments may include:

- Premium changes
- Updated copays on different tiers of drugs
- Drugs changing tiers or being removed from the plan

Make sure to weigh costs and benefits of any plan that includes Part D coverage.

You can learn more about Medicare in 2026 from the official website:  
<https://www.medicare.gov/publications/10050-medicare-and-you.pdf>



**Want help understanding the IRA changes?  
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