



2026 Medicare Updates: **The Inflation Reduction Act and What You Need to Know**

Licensed insurance agent

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OVERVIEW OF 2026 IRA CHANGES TO MEDICARE

Important changes continue for Medicare benefits in 2026, thanks to the Inflation Reduction Act (IRA). These affect most Medicare enrollees with prescription drug coverage.

Today we'll learn:

- ✓ Why these changes happened
- ✓ What they are and how they may affect you
- ✓ Next steps so you're ready



What Is the Inflation Reduction Act?



THE INFLATION REDUCTION ACT OF 2022

- ✓ President Biden signed the Inflation Reduction Act (IRA) into law on August 16, 2022.
- ✓ It was designed to help meet climate goals as well as to benefit many vulnerable populations — including Medicare beneficiaries.
- ✓ The goal for Medicare was to improve it in several ways, including lowering drug costs, expanding benefits and stabilizing prescription drug plan premiums.

SOURCES: Anniversary of the Inflation Reduction Act: Update on CMS Implementation, <https://www.cms.gov/newsroom/fact-sheets/anniversary-inflation-reduction-act-update-cms-implementation>

Summary: The Inflation Reduction Act of 2022, https://www.democrats.senate.gov/imo/media/doc/inflation_reduction_act_one_page_summary.pdf

IRA UPDATES AFFECTING PRESCRIPTION DRUG COVERAGE (PART D)

The Part D (prescription drug coverage) updates started in 2023 with a \$35 cap on monthly insulin copays among other changes. Changes for 2025 included a lower maximum out-of-pocket cap and the ability to spread out prescription drugs costs over the calendar year. These changes and those coming in 2026 and beyond can happen thanks to:

Part D Benefit Redesign	Drug Price Negotiating	Drug Price Inflation Limits
This updates Part D cost sharing for members, created an insulin copay cap in 2023 and expands eligibility for LIS (Extra Help) subsidies to 150% of the federal poverty line.	The federal Medicare program will work to lower prices for drugs with high consumer costs.	This limits Medicare drug price increases to the level of inflation.

What's Changing in Prescription Drug (Part D) Benefits?





PART D STRUCTURE CHANGES

Who pays what for prescription drugs has shifted:

- Drug manufacturers have to pay more
- Part D plans have to pay more
- ✓ Medicare beneficiary (member) drug costs decrease

SOURCES: Changes to Medicare Part D in 2024 and 2026 Under the Inflation Reduction Act and How Enrollees Will Benefit, KFF, <https://www.kff.org/medicare/issue-brief/changes-to-medicare-part-d-in-2024-and-2026-under-the-inflation-reduction-act-and-how-enrollees-will-benefit>.

Inflation Reduction Act and Medicare, CMS, <https://www.cms.gov/inflation-reduction-act-and-medicare>.

ADDITIONAL PART D CHANGES FOR 2026

Building on the changes from 2025, updates and new savings are added for 2026:



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

*SOURCES: Medicare & You 2026, <https://www.medicare.gov/publications/10050-medicare-and-you.pdf>

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

What's Next?
Be Informed to Be Ready.



WHAT'S NEXT FOR PART D AND MEDICARE ADVANTAGE PRESCRIPTION DRUG (MAPD) PLANS



Stand-alone Part D plans and MAPD coverage may see changes in 2026.

Here's what consumers should know:

- ! Medicare Advantage and Part D plans may have changes that affect your existing coverage or costs.
- ! **Watch for your Annual Notice of Change (ANOC) letter** by the end of September — this will outline any changes to your current plan, which may include:
 - Premium change
 - Updated copays on different tiers of drugs
 - Drugs changing tiers or being removed from the plan

Make sure to weigh the costs and benefits of MAPD plans compared to stand-alone Part D plans.

Summary of 2026 IRA Medicare Changes



RECAP OF 2026 IRA MEDICARE CHANGES



- ✓ Capping out-of-pocket drug spending at \$2,100 per year
- ✓ Negotiating lower prices for 10 common and costly medications, with more to follow
- ✓ Automatic renewal of participation in the Medicare Prescription Payment Plan



Carefully review your Annual Notice of Change (ANOC)!

The IRA could mean shifts in your plan — it's more important than ever to review your ANOC letter before making your 2026 plan decision.

SOURCES: How Drug Plans Work, <https://www.medicare.gov/health-drug-plans/part-d/what-drug-plans-cover/how-drug-plans-work>
What's the Medicare Prescription Payment Plan? <https://www.medicare.gov/prescription-payment-plan>



MY SERVICE TO YOU



WANT HELP NAVIGATING THESE CHANGES? I AM A LICENSED INSURANCE AGENT AND I'M HERE FOR YOU.

Or, if you are turning 65 and ready to find your first plan, call me to set up an appointment.

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By calling the number above, you will be directed to a licensed insurance agent.

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