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Huge Medicare Changes Coming in 2026

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You won't want to miss these changes announced by CMS. Plus, insights from Marcia Mantell.

Medicare beneficiaries will see several key changes in 2026 as the Centers for Medicare & Medicaid Services continues to implement Inflation Reduction Act (IRA) provisions and adjusts various program parameters.

Among the most significant changes, according to Marcia Mantell, the president of Mantell Retirement Consulting, the annual out-of-pocket threshold for Part D prescription drugs will increase to $2,100 in 2026, up from the $2,000 cap implemented in 2025. Read https://www.cms.gov/newsroom/fact-sheets/final-cy-2026-part-d-redesign-program-instructions. This adjustment follows the IRA's provision to index the cap for covered prescriptions based on inflation rates, she noted.

In addition, Mantell said the Part D annual deductible will jump 4.2% from $590 in 2025 to $615 in 2026, continuing an upward trend from $545 in 2024.

Other anticipated changes include continued implementation of Part D drug benefit reforms, annual increases to Medicare Advantage payment rates, and potential adjustments to risk assessment models.

CMS is also proposing strengthened protections for beneficiaries, particularly in areas of behavioral health coverage and regulations governing artificial intelligence use in insurance practices.