



2027 Medicare coverage updates: What to know

Learn about key updates for 2027

Each year, updates to Medicare and prescription drug coverage may affect your costs and coverage. Here's what to know for 2027.

Prescription drug coverage updates

Several prescription drug changes continue in 2027, with a continued focus on helping Medicare beneficiaries manage their medication costs.

Part D annual out-of-pocket limit increases

Medicare Part D (prescription drug coverage) continues to include a limit on what you'll pay out of pocket for covered prescription drugs. In 2027, that annual limit will increase to \$2,400, from \$2,100 in 2026. Once your spending on covered Part D drugs reaches that amount, you'll pay \$0 for covered prescriptions for the rest of the calendar year.

For retirees who take high-cost medications, this limit may provide greater predictability and protection from unexpected prescription drug expenses.

Changes to the Part D deductible

The standard Medicare Part D deductible will also increase, from \$615 in 2026 to \$700 in 2027. This is the maximum standard deductible a Part D plan can charge, but not all plans apply the full deductible. Some plans may have a lower deductible, and some may waive the deductible for certain drug tiers.

When comparing plans, look at whether the deductible applies to your medications and how it may affect your total yearly drug costs. Reviewing your plan details each year can help you understand how your costs may be affected.

Updates related to GLP-1 medications

GLP-1 medications continue to be an area of focus within Medicare. Coverage and eligibility requirements for these drugs may vary by plan and by the medical condition being treated. If you currently take a GLP-1 medication—or are considering one—review your plan's drug list carefully and talk with your health care provider about your treatment options. [Learn more about the Medicare GLP-1 program.](#)

Insulin cost protections continue

Medicare's insulin cost protections remain in place, helping many retirees access covered insulin products for no more than \$35 per month.

Changes to your out-of-pocket costs

Medicare updates certain premiums, deductibles, and cost-sharing amounts each year.

Depending on your coverage, you may see changes to:

- Monthly premiums
- Deductibles
- Copayments and coinsurance
- Prescription drug costs
- Medicare Advantage plan costs and benefits

If you're enrolled in a Medicare Advantage or Part D prescription drug plan, you'll receive an Annual Notice of Change from your plan outlining any changes that may affect your coverage or costs for the coming year.

What stays the same

Although Medicare evolves each year, many important benefits and protections remain unchanged.

For 2027:

- Medicare continues to provide coverage through Parts A, B, C (Medicare Advantage), and D.
- Preventive care services remain an important part of Medicare coverage.
- The annual cap on out-of-pocket Part D covered prescription drug spending continues to provide protection from very high drug costs.
- Medicare beneficiaries can continue to spread eligible prescription drug costs over the year through the Medicare Prescription Payment Plan rather than paying large amounts at the pharmacy all at once.

What to review during the annual enrollment period

The annual enrollment period runs from October 15 through December 7 each year. During this time, you can review your coverage and make changes that will take effect January 1.

Even if you're satisfied with your current plan, it's a good idea to compare your options each year because costs, provider networks, and prescription drug coverage can change.

Consider reviewing:

Your prescription drugs

- Are your medications still covered?
- Has the cost of any medications changed?
- Does the plan charge a deductible, and does it apply to your medications?
- Is there a different plan that may better meet your needs?

Your doctors and providers

- Are your preferred doctors still in the plan's network?
- Have any hospitals, specialists, or pharmacies changed?

Your overall health care costs

Look beyond monthly premiums and consider:

- Deductibles
- Copays and coinsurance
- Prescription drug expenses
- Expected health care usage in the coming year

Take time to review your options

A few minutes spent reviewing your coverage during the annual enrollment period may help you feel more confident about your health care decisions for the year ahead. By understanding what's changing—and what's staying the same—you can choose coverage that continues to support your health and your budget.

If you'd like help reviewing your options, contact Alight Retiree Health Solutions to make an appointment with a licensed Benefits Advisor.

More resources

[How a Licensed Benefits Advisor Can Help You](#)

[How to Compare Medicare Plans](#)

[How to Prepare for Medicare Annual Enrollment](#)
