Medicare Changes in 2027

Public information summary | October 22, 2026 | Effective dates and estimates may change

Medicare changes in 2027 focus on prescription drug spending, negotiated drug prices, Medicare Advantage plans, quality measures, and care coordination. Some dollar figures below were projections in the prior summary and are not finalized federal rates.

1. Medicare costs: 2026 versus 2027

Expense	2026	2027
Part B monthly premium	$203	$210 projected
Part A hospital deductible	$1,736	$1,788 projected
Part D maximum deductible	$615	$700
Part D annual out-of-pocket cap	$2,100	$2,400
Average Medicare Advantage premium	$14.37/mo	$12.00/mo projected
Average stand-alone Part D premium	$35.09/mo	$36.00/mo projected

2. Prescription drug coverage

The Part D annual out-of-pocket limit increases from $2,100 to $2,400, a $300 (about 14.3%) increase. The maximum deductible increases to $700. After reaching the out-of-pocket cap, beneficiaries pay $0 for covered Part D medications for the rest of the year. The former coverage gap (donut hole) remains eliminated. Not all medication costs count toward this cap.

3. Medicare Advantage plans

CMS projected a decline in the national average Medicare Advantage monthly premium from $14.37 to approximately $12.00. About 99% of beneficiaries were expected to have access to at least one plan, and approximately 80% of current enrollees were projected to be able to remain in the same plan at the same or lower premium. Dental, vision, and hearing extras were expected to remain broadly available. Individual networks, copays, deductibles, prior authorizations, and formularies can still change.

4. Negotiated prices for 15 additional Part D drugs

Medicare-negotiated prices for a second group of 15 medications take effect January 1, 2027. Examples from the preceding summary:

Drug	Typical use	Reduction vs. 2024 list price
Ozempic / Rybelsus / Wegovy	Diabetes and other approved uses	71%
Trelegy Ellipta	COPD / asthma	73%
Breo Ellipta	COPD / asthma	83%

Drug	Typical use	Reduction vs. 2024 list price
Janumet	Type 2 diabetes	85%
Ibrance	Breast cancer	50%
Vraylar	Mental health	44%

CMS estimated approximately $685 million in beneficiary out-of-pocket savings in 2027. Listed percentages compare negotiated prices to historical list prices; they are not guaranteed individual copay reductions.

5. Plan quality and oversight

CMS is revising Medicare Advantage quality measurement, including removing 11 measures and revising quality bonus calculations. Supplemental benefits for chronically ill enrollees face increased transparency expectations. Depression-screening data collection begins in 2027 for later quality ratings.

6. Care coordination

The Long-term Enhanced ACO Design (LEAD) begins in 2027, aiming to improve coordination of care for people in Original Medicare, including chronic-disease management and provider communication. Availability depends on participating organizations.

7. Medicare versus Medicaid

Medicaid work or community-engagement requirements for certain adults beginning in 2027 are not Medicare work requirements. Some individuals qualify for both programs and may be indirectly affected by changes to Medicaid eligibility or financing.

8. Enrollment and practical guidance

Annual Medicare open enrollment for 2027 coverage runs October 15 through December 7, 2026. Coverage changes generally take effect January 1, 2027. Compare total annual cost, prescriptions, doctors, hospitals, and plan rules - not only monthly premiums. Visit medicare.gov/plan-compare or call 1-800-MEDICARE.

Bottom line

Medicare continues in 2027. Some negotiated medication prices and average Medicare Advantage premiums may decline, while the Part D deductible and spending cap rise. Part A and Part B estimates should be checked against finalized CMS announcements.

Reference points: CMS (cms.gov), Medicare.gov, Medicare Trustees reporting, and the CMS Medicare Drug Price Negotiation Program. This summary reproduces the earlier discussion and distinguishes projections from finalized amounts.