

A MEDICARE PART D UPDATE

for patients

In 2027, Medicare Part D prescription coverage will continue to offer a maximum payment amount for all of your Part D prescription drugs, along with the ability to pay on a monthly basis rather than all at once.¹

The Medicare Part D drug program covers many prescription medications. Below are the highlights of what you can expect with the 2027 Medicare Part D program:



Spending limit: The amount you will spend on your Medicare-covered prescriptions in 2027 will be capped at \$2,400 for the year.



Option to spread your out-of-pocket (OOP) costs over the entire calendar year:

If you sign up for the Medicare Prescription Payment Plan through your Medicare Part D plan, you will pay \$0 at the pharmacy. Instead, you will continue to pay your plan premium and will also get a monthly bill from your health or drug plan to pay for your prescription drugs over the course of the calendar year.²



Expansion of Medicare's "Extra Help" program: The Extra Help program (also called the Low-Income Subsidy – or LIS – program) offers cost-sharing assistance if you qualify based on having a limited income and modest resources.

Sign up for the Medicare Prescription Payment Plan through your Medicare Part D plan during open enrollment or as soon as needed during 2027 to help manage your monthly payments²:

- The Medicare Prescription Payment Plan will not reduce the total amount you owe for Part D out-of-pocket costs (a maximum of \$2,400 for the year), but it can help you to manage larger prescription-related bills for covered prescriptions at the beginning of the year
 - It does this by spreading out-of-pocket costs out over multiple months as lower, fixed payments
- The program is free
- To spread your costs as much as possible, you can sign up for the Medicare Prescription Payment Plan during Medicare's open enrollment from October 15 and December 7, 2026
 - This will allow you to stretch out your payments for as long as 12 months starting on January 1, 2027
 - You can sign up later in the year, but your monthly payment amounts may be higher, so you are able to pay in full by December 31, 2027



More about the capped limit on patient costs:

The 2027 out-of-pocket limit means you will have a \$0 copay at the pharmacy for any covered prescriptions if your total Part D costs (including deductible, copays, and co-insurance) reach \$2,400 at any point between January 1 and December 31, 2027.

How to sign up for the Medicare Prescription Payment Plan

You can opt into the Medicare Prescription Payment Plan through the following ways:

- 1** Review the Medicare Part D plan options available in your area to compare which one offers the best coverage for your prescription medications.
- 2** After you enroll in a Medicare Part D plan for 2027, you can find more information on opting into the Medicare Prescription Payment Plan by calling your Part D plan or going to its website.

 If you already have a Part D plan, check to make sure that your plan will still cover all your prescription medications in 2027.

 Your Part D plan's telephone number will be on the back of your 2027 Part D plan membership ID card.

 To compare Part D plans available where you live, visit the Medicare plan finder tool starting in October 2026: [Medicare.gov/plan-compare/](https://www.medicare.gov/plan-compare/)



For more information on the Medicare Prescription Payment Plan, visit [Medicare.gov/prescription-payment-plan](https://www.medicare.gov/prescription-payment-plan)

Expanded Medicare “Extra Help” Program:

Approximately 1 in 4 Part D enrollees are eligible for the Extra Help program.³

Benefits to Part D enrollees who qualify for the Extra Help program in 2027 include: \$0 deductible, \$0 premiums, \$12.65 copays for brand-name drugs, and \$5.10 copays for generic drugs.^{4,5}

Patients who qualify for Extra Help are likely to benefit more from this program, compared to the Medicare Prescription Payment Plan.

In 2025, the program expanded to include people with slightly higher incomes – up to 150% of the Federal Poverty Level – and with modest resources⁵:

Household Size	2026 Annual Income Limit*	2026 Resource Limit*
 Individual	\$23,940	\$18,090
 Couple	\$32,460	\$36,100

* Annual income and resource limits are updated in January/February.

Click the links below to learn more about the Medicare Extra Help program*:



- [Medicare.gov/basics/costs/help/medicare-savings-programs](https://www.medicare.gov/basics/costs/help/medicare-savings-programs)
- [Medicare.gov/basics/costs/help/drug-costs](https://www.medicare.gov/basics/costs/help/drug-costs)



Or call the Social Security Administration toll-free at **1-800-772-1213** to apply over the phone or to request an application.

* The SSA.gov website has an online tool that can tell you in minutes if you are likely to qualify for Extra Help. Submit an application in order to get an official determination of your eligibility. Once you apply, you'll receive mail letting you know whether you qualify for Extra Help. <https://www.ssa.gov/prepare/check-eligibility-for-benefits>

References: 1. Inflation Reduction Act, Pub. L. No. 117-169, 2022. 2. Medicare.gov. What's the Medicare Prescription Payment Plan? Accessed August 25, 2026. <https://www.medicare.gov/prescription-payment-plan> 3. Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. 2026 Annual Report. Accessed August 25, 2026. <https://www.cms.gov/oact/tr/2026> 4. Centers for Medicare & Medicaid Services. Announcement of Calendar Year (CY) 2027 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies. April 6, 2026. Accessed August 25, 2026. <https://www.cms.gov/files/document/2027-announcement.pdf> 5. Medicare.gov. Help with drug costs: What's extra help? Accessed August 25, 2026. <https://www.medicare.gov/basics/costs/help/drug-costs>

