

In This Issue:

- Open Enrollment & CMS Letters
- Medicare Cost Increases for 2026
- 2026 LIS Copay Ranges for Dual-Eligible Residents
- No More Donut Hole
- Inflation Reduction Act Drugs
- 2026 Changes To Insulin Costs
- Medicare Prescription Payment Plan (MPPP or M3P) Automatic Renewal
- Medicare Part D Frequently Asked Questions

Open Enrollment & CMS Letters

Medicare's open enrollment for 2026 will take place from October 15th - December 7th.

CMS sends letters to beneficiaries from September through November regarding important changes for the next benefit year.

Gray Letter: This notice informs people that they no longer automatically qualify for Extra Help and encourages them to reapply.

Orange Letter: This notice informs people with Medicare who automatically qualify for Extra Help that their copayment level will change.

Blue Letter: This notice informs people with Medicare that they may be reassigned to a different drug plan.

Tan Letter: This notice informs people that their plan premium may no longer be \$0 and encourages them to choose a new plan if they don't want to pay a premium.

Medicare Cost Increases for 2026

The 2026 Medicare Part D base beneficiary premium has been set at \$38.99 by CMS. This amount serves as a starting point for private insurance companies to determine the actual monthly premiums for their individual Part D Plans. Some dual eligible, institutionalized Medicare members that qualify for Extra Help (LIS), may pay \$0 for their monthly premiums and \$0 for the plan deductible. Please encourage all Medicare members to contact Medicare directly or visit Medicare.gov to review all of their plan options for their location.

	2025 Projected Cost	2026 Projected Cost	Percent Increase
Part B Premium	\$185	\$206.50	11.6%
Part B Deductible	\$257	\$288	12%
Part D Base Premium	\$36.78	\$38.99	6%
Part D Deductible	\$590	\$615	4.2%
Part D Catastrophic Threshold	\$2,000	\$2,100	5%

Did You Know?

2026 Medicare Part-D Overview

2026 LIS Copay Ranges for Dual-Eligible Residents

The Centers for Medicare & Medicaid Services (CMS) automatically enrolls people with full Medicaid benefits in the Extra Help program, which covers their Part D premium, deductible, and catastrophic coverage cost-sharing.

LIS Category	2026 Generic Drug Copay	2026 Brand-Name Drug Copay
Dual-eligible, institutionalized	\$0 per prescription	\$0 per prescription
Dual-eligible, non-institutionalized, income at or below 100% FPL	\$1.60 per prescription	\$4.90 per prescription
Dual-eligible, non-institutionalized, income between 100% and 150% FPL	\$5.10 per prescription	\$12.65 per prescription

No More Donut Hole

Medicare eliminated the coverage gap in 2025 which simplified the prescription drug benefit structure. This change also implemented a new out of pocket cap. For 2026, after members have paid \$2,100 for medications (which includes their deductible), they move directly into the catastrophic phase where their plan covers all remaining covered medications for the remainder of the year.

Medicare Prescription Payment Plan (MPPP or M3P) Automatic Renewal

This plan allows members to spread the cost of their prescriptions over the plan year rather than paying in full when the prescription is filled. New for 2026, members already enrolled in the Medicare Prescription Payment Plan (MPPP or M3P) will be automatically re-enrolled for 2026 unless they choose to opt out of the program.

Please note: If a member switches to a different Medicare Part D plan in 2026, they will need to opt-in to M3P with their new plan.

Inflation Reduction Act Drugs

The Inflation Reduction Act of 2022 (IRA) aims to lower healthcare costs by allowing Medicare to negotiate prices for high cost Part D and Part B drugs. The first set of IRA drugs selected for Medicare price negotiations which will take effect in 2026 are as follows:

- | | |
|--------------|-------------------|
| 1. Eliquis | 6. Entresto |
| 2. Jardiance | 7. Enbrel |
| 3. Xarelto | 8. Imbruvica |
| 4. Januvia | 9. Stelara |
| 5. Farxiga | 10. Fiasp/NovoLog |

2026 Changes to Insulin Costs

The Medicare insulin cost cap of \$35 per month (or less) will continue for 2026 with a new cost calculation set to the lower of \$35 or 25% of the Maximum Fair Price (MFP).

Beneficiaries will not need to meet their Part D deductible to get this benefit.

Medicare Part D Frequently Asked Questions

What should members do during Open Enrollment?

- During the annual open enrollment period (October 15 to December 7), members should review their Annual Notice of Change (ANOC) letter from their plan.
- Check the plan's formulary and tier changes to see if any of their medications are affected.
- Compare their current plan's costs and coverage with other plans using [Medicare.gov/plan-compare](https://www.Medicare.gov/plan-compare).

What are the costs associated with Part D?

- **Premiums** - The monthly premium for a Part D plan varies by the insurance company and the specific plan members choose. Those with a higher income may pay a higher premium, known as the Income-Related Monthly Adjustment Amount (IRMAA).
- **Deductibles** - Some plans have an annual deductible, which is the amount a member pays out-of-pocket for covered drugs before the plan starts to pay.
- **Copays and Coinsurance** - After the deductible is met, members will pay a copayment (a set dollar amount) or coinsurance (a percentage of the drug's cost) for their prescriptions.
- **Coverage Phases** - members will typically move through a few payment phases as they meet their out-of-pocket spending limits. In 2026, once the out-of-pocket costs for covered drugs reach \$2,100, members will enter the catastrophic coverage phase and pay a \$0 copay or coinsurance for covered drugs for the remainder of the benefit year.

Is financial assistance available for Part D costs?

- Yes. Members that have a limited income and resources may qualify for the Extra Help program to assist with Part D premiums and costs. Medicare recipients can apply for Extra Help by applying online on the Social Security Administration (SSA) website, calling the SSA to request a paper application (Form SSA-1020), or by visiting a local Social Security office to apply in person.

Which plans cover prescription drugs?

- **Medicare Part D Plan** - this is a Medicare approved plan from a private company that helps cover only prescription drug costs.
- **Medicare Advantage Plan (Part C)** - this is a Medicare approved plan from a private company that offers an alternative to Original Medicare (Part A & B) for health and drug coverage. These plans are a good option if members prefer an "all-in-one" plan and usually include prescription drug coverage.

Medicare Part D Frequently Asked Questions (continued)

Who should use the Medicare Prescription Payment Plan (MPPP or M3P)?

- This voluntary program was implemented in 2025 by the Inflation Reduction Act. It spreads out the beneficiary's out-of-pocket costs over the calendar year. Members who have high drug costs may benefit from participating in this program. They can opt-in (or discontinue) the program at any time throughout the calendar year by contacting their Medicare Part D plan.
- Members who opt-in to this program will receive a monthly bill, separate from their monthly premium, which is calculated by the plan to spread out the expected total of out-of-pocket costs throughout the year.
- New for 2026, members already enrolled in the Medicare Prescription Payment Plan will automatically be re-enrolled the next benefit year unless they choose to opt out of the program. If a member switches to a different Part D plan, they will need to opt-in to the program with their new plan.

Why isn't HealthDirect showing up as a pharmacy when members are selecting a Medicare D plan?

- The specialized nature of LTC pharmacies is distinct from standard retail pharmacies in that they offer specialized services tailored to the needs of long-term care facilities. These services include specialized packaging (blister packs), and a delivery-based service model where medications are delivered directly to the facility on a scheduled basis. Because of these specialized services, long-term care facilities establish contracts with LTC pharmacies to service ALL of their residents. This makes the selection process different from the public-facing retail pharmacy search. Websites and online tools for Medicare plan selection are designed for the general public choosing retail pharmacies. Since LTC pharmacies are not open to the public, they are often not listed in these tools.

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Did You Know?

2026 Medicare Part-D Overview

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