



# Medicare Part D - 2026

Medicare Part D is an optional insurance that adds prescription drug coverage to Medicare health coverage. This prescription benefit is offered by private insurance companies and is available to all Medicare beneficiaries, regardless of income. A person must have Medicare Part A and/or Part B and live in a Part D plan service area to join a plan.

- There is a choice between prescription drug plans. In 2026, Michigan Medicare beneficiaries continue to have a wide selection of stand-alone Prescription Drug Plans and Medicare Advantage plans.
- Plans **vary**; each plan has a different formulary (list of covered medications), pharmacy network, and geographic service area.
- Individuals must voluntarily choose to enroll in a plan; enrollment is not automatic.
- Deductibles, co-pays or co-insurance amounts, and premiums vary between plans and may change each year. Premium penalties can be assessed if a beneficiary chooses not to enroll and does not have prescription coverage at least as good as Medicare’s plan (called *creditable coverage*).

**Enrollment:** Beneficiaries can join, drop, or switch plans at the following times:

Initial Enrollment Period	7 months: <ul style="list-style-type: none"> <li>• 3 months before Medicare begins</li> <li>• The month that Medicare begins</li> <li>• 3 months after beginning Medicare</li> </ul>
Annual Open Enrollment Period	October 15 <sup>th</sup> to December 7 <sup>th</sup>
Special Enrollment Period	60 days after the qualifying event. For example: <ul style="list-style-type: none"> <li>• Moving outside of plan’s service area</li> <li>• Loss of creditable coverage</li> </ul>

**Penalty:** If a person does not have prescription coverage, at least as good as Medicare Part D called creditable coverage—a premium penalty is assessed. The penalty is 1% of the National Base Beneficiary Premium for every month the person was eligible but did not join a Part D plan.

The penalty is permanent and added to the premium each month.

## HOW THE PLANS WORK (2026)

**Monthly Premium** - In 2026, stand-alone Part D premiums vary by plan, with an average of **about \$34.50 per month**, and a Part D base beneficiary premium of **\$38.99**. Actual premiums may range from low-cost options to more than \$100 depending on the plan.

**Annual Deductible** - In 2024, beneficiaries may have to pay the first \$615 of annual prescription costs before receiving coverage through Medicare Part D. Some plans have a lower deductible; \$615 is the maximum.

**Initial Coverage Period** - After meeting the deductible, beneficiaries pay **25%** of prescription costs until they reach the **\$2,100** out-of-pocket limit.

**Coverage Gap** - The “Donut Hole”/Coverage Gap was **eliminated** beginning in 2025.

**Catastrophic Coverage** - After a beneficiary reaches **\$2,100 in out-of-pocket spending**, they pay **\$0** for all covered medications for the rest of the year.

## **COMPARING, CHANGING AND ENROLLING INTO PLANS**

Beneficiaries are encouraged to make sure their plan meets their prescription drugs needs by comparing plans each year.

- Compare Part D plans on [www.medicare.gov](http://www.medicare.gov). Be sure to have your Medicare number and prescription information available.
- **Region 9 AAA SHIP Medicare Counseling** at 1-800-803-7174, can assist in finding a plan that best meets your needs.
- Medicare beneficiaries can enroll by calling a plan directly or by calling 1-800-MEDICARE.

## **EXTRA HELP**

Medicare beneficiaries with limited income and resources may qualify for Extra Help to pay for Part D costs. Applying is the first step; beneficiaries must still enroll in a Part D plan for Medicare to pay drug costs.

### **Partial Extra Help no longer exists.**

Beginning January 1, 2024, the Inflation Reduction Act expanded Full Extra Help (LIS) to individuals with income up to 150% of the Federal Poverty Level (FPL) who meet the resource limits. CMS confirms that beneficiaries who previously qualified only for *partial* Extra Help are now eligible for the full LIS benefit.

In addition, CMS formally states that the partial LIS category (Category 4) was sunset effective January 1, 2024, meaning CMS no longer makes partial LIS determinations.

## **Unified Full LIS Structure**

Because partial LIS has been eliminated, CMS now operates a single unified Full LIS program. All beneficiaries approved for Extra Help receive full premium and deductible subsidies, with copayment levels determined solely by income tier, specifically whether income is:

- ≤100% FPL, or
- 100%–150% FPL

CMS publishes separate Full LIS copay maximums for these two groups in its annual LIS Resource & Cost-Sharing Limits memo linked here - [CMS Memo October 31, 2025](#)

**Applying** - To apply for extra help, call the Social Security Administration at 1-800-772-1213, or visit [www.socialsecurity.gov](http://www.socialsecurity.gov) on the web. TTY users should call 1-800-325-0778.

## Three levels of extra help

### 1. For those with annual income at or below 100% Federal Poverty Line (FPL)

#### Income limits (effective Jan 15, 2026):

- **Single:** \$15,960/year
- **Couple:** \$21,640/year

#### Asset limits (2026):

- **Single:** \$9,950 (or \$11,160 with burial allowance)
- **Couple:** \$14,910 (or \$17,910 with burial allowance)

#### 2026 Costs:

- **No annual deductible or premium**
- **Co-pay: \$1.60 generic / \$4.90 brand**
- **After reaching catastrophic threshold, \$0 for all medications**

### 2. For those with income between 100% and 135% FPL (FULL LIS)

#### Income limits:

- **Single:** \$21,546/year
- **Couple:** \$29,214/year

#### Asset limits:

(Same as above – full LIS applies.)

- **Single:** \$9,950 (or \$11,160 with burial allowance)
- **Couple:** \$14,910 (or \$17,910 with burial allowance)

#### 2026 Costs:

- **No annual deductible or premium**
- **Co-pay: \$5.10 generic / \$12.65 brand name**
- **After catastrophic threshold, \$0 for all medications**

### 3. For those with income between 135% and 150% FPL (FULL LIS)

#### Income limits:

- **Single:** \$23,940/year
- **Couple:** \$32,460/year

#### Asset limits:

(This tier uses the *expanded* full LIS resource limit range.)

- **Single:** \$18,090 (burial allowance included)
- **Couple:** \$36,100 (burial allowance included)

#### 2026 Costs:

- **No annual deductible or premium**
- **Co-pay: \$5.10 generic / \$12.65 brand name**
- **After catastrophic threshold, \$0 for all medications**

\*\*Assets include \$1,500 per person for burial expenses