QUICK-REFERENCE CARD · 2026 EDITION

Medicare Part D: What Changed

The $2,100 out-of-pocket cap and what it means for your prescriptions

OOP Cap: **$2,100/yr** Deductible: **$615** Base Premium: **$38.99/mo** Extra Help Income: **$23,940/yr**

1 The $2,100 Out-of-Pocket Cap

Starting in 2025, Medicare Part D has an annual out-of-pocket cap. In 2026, once you've spent $2,100 on covered drugs, you pay nothing more for the rest of the year. No more catastrophic phase cost-sharing. This is the biggest change to Part D since it launched.

This cap includes what you pay at the pharmacy — deductibles, copays, and coinsurance. It does NOT include your monthly premium.

DR. ED'S TIP: If you were paying thousands in the old 'donut hole' or catastrophic phase, this cap could save you hundreds or thousands per year. Review your current plan during AEP (Oct 15 – Dec 7).

2 Medicare Prescription Payment Plan

New in 2025: you can spread your out-of-pocket drug costs across the year in monthly installments instead of paying large amounts at the pharmacy. Your plan must offer this option. You can opt in at any time during the year.

This is NOT a loan. There's no interest and no credit check. It simply smooths your payments so you're not hit with a huge bill in January when you fill expensive prescriptions.

DR. ED'S TIP: If you take expensive medications early in the year, this payment plan can prevent the January shock. Ask your plan about opting in. You can start mid-year too.

3 Extra Help / Low-Income Subsidy (LIS)

If your income is under $23,940/year (individual) or $32,460/year (couple) and resources are limited, you may qualify for Extra Help. This program pays most of your Part D premiums, deductibles, and copays. If you qualify for a Medicare Savings Program (QMB, SLMB, QI), you automatically get Extra Help.

Apply at ssa.gov or call 1-800-772-1213. You don't need to be enrolled in Medicare first — you can apply for Extra Help before your Medicare starts.

DR. ED'S TIP: Extra Help is one of the most valuable and most underused programs in Medicare. If you're close to the income limit, apply anyway — the income calculation excludes certain things. Let SSA do the math.

4 How to Compare Part D Plans

Use Medicare.gov/plan-compare to enter your prescriptions and compare plans. Look at: total annual cost (not just premium), whether your pharmacy is in-network, tier placement for your specific drugs, and whether the plan offers the Medicare Prescription Payment Plan.

Plans change every year. Even if you're happy with your plan, check during AEP (October 15 – December 7) to make sure it's still the best deal for YOUR medications.

DR. ED'S TIP: The cheapest premium is NOT always the cheapest plan. A plan with a $0 premium but high copays on your specific drugs can cost more than a plan with a $40 premium and low copays. Always compare TOTAL annual cost.

5 Part D Late Enrollment Penalty

If you go 63+ days without Part D or other creditable drug coverage after you're first eligible, you'll pay a penalty. It's 1% of the national base premium ($38.99 in 2026) for every month you delayed. That's about $0.39/month per month of delay, and it's permanent.

Example: 24 months without coverage = 24% penalty = $9.36 extra per month for life. The penalty amount changes annually as the base premium changes.

DR. ED'S TIP: If you have coverage through an employer, VA, or TRICARE, make sure it's 'creditable' (as good as Part D). Ask your plan for a creditable coverage letter. Keep it — you may need it to prove you don't owe a penalty.

What's Next?

1. Call SSA at 1-800-772-1213 — protect your filing date
2. Run a free benefits check at 24help.org/screener — find programs you may be missing
3. Ask Virtual Dr. Ed (free, 24/7) at 24help.org/ask — personalized guidance

Over 2 million people turn to Dr. Ed every month.