Press Release

Assessing Medicare Part D 2027 Market Stability

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The Centers for Medicare & Medicaid Services (CMS) released key information regarding Medicare prescription drug coverage (Part D) availability and pricing for calendar year 2027 plans. In a new insight, Health Care Policy Analyst Nicolas Montenegro analyzes and reviews key data and provides an overview of Medicare Part D changes for 2027.

Key Points:

- *In the announcement, CMS characterized the market broadly as "stable," citing modest changes in average monthly premiums and widespread beneficiary access to lower-cost basic Part D plans.*
- *A closer examination of the Part D market reveals a more complicated outlook, including continued declines in the number of stand-alone prescription drug plans (PDPs) and conventional Medicare Advantage prescription drug plans nationally; assuming beneficiaries remain enrolled in continuing or newly corresponding plans, this analysis also estimates a substantial increase in average monthly premiums among PDPs in 2027, as well as higher annual deductibles across both plan types.*
- *These trends have occurred amid significant market and regulatory pressures, most notably provisions implemented under the Inflation Reduction Act – which increased plan sponsors' financial liability for prescription drug spending – as well as uncertainty about future drug utilization and costs; together with research documenting changes in drug formularies and cost-sharing arrangements, the findings in this analysis ultimately challenge CMS' characterization of a broadly "stable" Part D market.*

Read the analysis.