

Medicare Costs

National averages, federal charges, and what to budget

Consumer fact sheet | Reviewed October 19, 2026 | Each figure is labeled by year

Understand the numbers before comparing

- **Federal standard charges** are amounts set by Medicare, such as the standard Part B premium and deductible. They are not national averages.
- **National plan averages** describe a group of plans or policyholders. Your price depends on the coverage, location, age, income, and other factors.
- **Premiums are only part of the cost.** Also budget for deductibles, copays, coinsurance, prescriptions, and services your coverage does not pay for.
- This guide uses 2026 Part A and B charges, the latest cited 2026/2027 CMS plan benchmarks, and 2025 Medigap experience. It does not present a single blended amount as the average total cost of Medicare. [1-4]

National premium benchmarks

Item	Monthly amount	Year / meaning
Part A premium	\$0 for most people	2026 federal rule; enough qualifying Medicare-tax work history.
Part B standard premium	\$202.90	2026 federal standard before income adjustments or penalties.
Medicare Advantage plan premium	\$14.37	2026 average reported in CMS's September 2026 update. Part B is additional.
Medicare Advantage plan premium	\$12.00	2027 projected weighted national average. Part B is additional.
Stand-alone Part D premium	\$35.09	2026 national average cited by CMS in September 2026.
Stand-alone Part D premium	\$36.00	2027 projected national average.
Medigap - all policy types	\$244	2025 average among existing policyholders in KFF's analysis.
Medigap Plan G	\$194	2025 average among existing policyholders in KFF's analysis.

Sources: [1-4]. MA means Medicare Advantage. Averages include differing populations and benefits; they are not quotes. Medigap does not pay MA cost sharing. A renewing policyholder average is not an age-65 new-applicant price.

Annual premium equivalents

- **2026 standard Part B:** $\$202.90 \times 12 = \$2,434.80$ per person.
- **2027 projected stand-alone Part D average:** $\$36 \times 12 = \$432$, before income surcharges.
- **2025 Medigap G benchmark:** $\$194 \times 12 = \$2,328$ using the rounded monthly average. This is not a 2026 or 2027 quote.

Original Medicare Costs

2026 federal amounts for Parts A and B

Part A - Hospital premiums and deductible

- **Premium:** \$0 for most people who qualify through their own or a spouse's Medicare-covered work history.
- If you must buy Part A, the 2026 premium is **\$311 or \$565 per month**, depending on qualifying work history.
- **Inpatient hospital deductible:** \$1,736 per benefit period - not simply once per calendar year.
- A benefit period begins with inpatient hospital or skilled nursing facility care and generally ends after 60 consecutive days without inpatient hospital or skilled nursing facility care. More than one deductible can occur in a year. [1, 5]

Part A - Hospital and skilled nursing cost sharing

- **Hospital days 1-60:** \$0 daily coinsurance after the benefit-period deductible.
- **Hospital days 61-90:** \$434 per day.
- **Lifetime reserve days:** \$868 per day for days beyond 90 when reserve days are used. You have 60 reserve days over your lifetime; after available covered days are exhausted, you pay all costs.
- **Qualifying skilled nursing facility care:** Days 1-20 have \$0 daily coinsurance; days 21-100 cost \$217 per day. After day 100, Part A does not pay for the stay.
- The full 100 skilled nursing days are not guaranteed. Medicare eligibility and ongoing skilled-care requirements must be met. Doctor bills and other services can have separate Part B charges. [5, 6]

Part B - Doctors and outpatient care

- **Standard premium:** \$202.90 monthly in 2026, whether or not you receive services that month.
- **Annual deductible:** \$283.
- **Typical coinsurance:** 20% of the Medicare-approved amount for most covered services after the deductible, assuming the provider accepts assignment.
- Additional outpatient hospital copays or other payment rules can apply. Some covered preventive services have no cost sharing when requirements are met.
- **No annual Part A/B out-of-pocket limit under Original Medicare alone.** Eligible supplemental coverage can help with cost sharing. [1, 2]

Illustration - Why the 20% matters

- Assume you have already met the Part B deductible and receive a service with a **\$5,000 Medicare-approved amount**, subject to ordinary 20% coinsurance.
- Your share is **\$1,000** without another payer. An appropriate Medigap policy may pay eligible coinsurance.
- This is a calculation example, not a national average procedure price. Noncovered care and excess charges can create different expenses.

Medicare Advantage & Drug Costs

National plan benchmarks plus the cost of using coverage

Part C - Medicare Advantage

- **2026 average plan premium:** \$14.37 per month in CMS's September 2026 update. **2027 projected average:** \$12.00.
- The 2027 figure is an enrollment-weighted average across MA plans, including plans with drugs and Special Needs Plans. It is a projection, not your local quote.
- You generally continue paying the Part B premium. A \$0 MA premium does not make Medicare or medical services free.
- Office visits, hospital stays, outpatient procedures, equipment, and other services can have copays or coinsurance. Networks and authorization rules also affect coverage.
- MA plans have annual limits for covered Part A/B medical cost sharing. Check the specific plan's limit and network rules; premiums, Part D costs, and noncovered care are not all included.
- Most MA plans include Part D. **Do not automatically add a stand-alone drug-plan premium** to an MA plan that already includes drug coverage. [2, 3]

Part D - Prescription drug coverage

- **Stand-alone plan premium benchmark:** \$35.09 per month for 2026 and a projected \$36.00 for 2027, according to CMS's September 2026 update.
- **Maximum standard deductible:** \$615 in 2026; \$700 in 2027. A specific plan may have a lower deductible or exempt certain drugs.
- **Annual out-of-pocket threshold for covered Part D drugs:** \$2,100 in 2026; \$2,400 in 2027.
- After the threshold is met, you pay \$0 for covered Part D drugs for the rest of that calendar year. The deductible counts toward that threshold; it is not added on top of it.
- The cap does not include premiums, Part D IRMAA, or spending that does not qualify under Part D rules, such as many purchases of drugs outside the plan's coverage.
- Compare your exact drugs, dosages, formulary rules, and pharmacy. A low-premium plan can have higher overall annual costs for your medications. [2, 3, 7]

Avoid a misleading comparison

- Part D's **base beneficiary premium** is a technical amount used for calculations such as late penalties. It is different from the average premium of stand-alone plans.
- Part B medical drug costs are not part of the Part D drug cap.
- The Medicare Prescription Payment Plan spreads covered drug out-of-pocket costs across the year; it changes payment timing, not the total cost of the drugs. [7, 8]

Medigap, Income & Cost Assistance

Your personal circumstances can change the bill

Medicare Supplement national averages

- KFF's 2025 analysis found an average of **\$244 monthly across all Medigap policy types** and **\$194 for Plan G** among existing policyholders.
- These averages include policyholders of different ages and histories. They are not guaranteed rates for a new buyer in Alabama, Georgia, Florida, or any other state.
- Your actual premium can depend on plan letter, insurer, ZIP code, age, tobacco use, discounts, rating method, and underwriting where permitted.
- Medigap premiums are in addition to Part B and usually a separate Part D premium. Medigap works with Original Medicare; it does not pay MA copays. [2, 4, 9]

Plan G, Plan N, and High Deductible G

- **Standard G:** You pay the Part B deductible; it pays its standardized benefits for eligible Medicare cost sharing.
- **Plan N:** You pay the Part B deductible, up to \$20 for some office visits, up to \$50 for certain ER visits without inpatient admission, and any allowed Part B excess charges.
- **High Deductible G:** \$2,950 annual deductible in 2026; \$3,050 in 2027. Medicare pays its share before you reach this deductible.
- No national Plan N or High G premium estimate is supplied here without a directly verified comparable dataset. Obtain personalized quotes for all three. [9, 10]

Higher-income premiums - IRMAA

- IRMAA can increase Part B and Part D premiums. Social Security generally uses tax information from two years earlier.
- **2026 thresholds:** Higher premiums generally begin above modified adjusted gross income of \$109,000 for individual filers or \$218,000 for joint filers. Married filing separately can have different brackets.
- The first 2026 income tier raises the total Part B premium to **\$284.10 monthly** and adds **\$14.50 monthly** to the Part D plan premium.
- An eligible life-changing event, such as retirement with reduced income, may support a request for a new determination. These are 2026 figures, not confirmed 2027 income brackets. [1, 11]

Help paying costs

- Medicare Savings Programs may help eligible people with premiums and, depending on the program, other cost sharing.
- Extra Help may reduce Part D premiums, deductibles, and copays. Medicaid may provide additional assistance.
- Ask about eligibility before assuming that the standard or average figures reflect what you must pay. [12]

Build Your Medicare Budget

Use actual quotes for your final decision

Compare complete annual costs

- **Premium budget:** Part A if applicable + Part B + your chosen MA or Medigap premium + any separate Part D premium + IRMAA or penalties.
- **Care budget:** Deductibles, medical copays, prescription costs, and a reserve for an expensive year.
- **Uncovered needs:** Routine dental, vision, hearing, travel, and long-term custodial care may need separate funding.
- Price each person separately. Medicare does not have one family premium. [2, 13]

Illustrations - 2026 assumptions, not national total-cost averages

- **Example A - MA with drugs:** Assume premium-free A, standard B at \$202.90, and a locally quoted \$0 MA plan with Part D included. Premium subtotal: **\$202.90/month or \$2,434.80/year**, before medical and drug cost sharing.
- **Example B - Original Medicare with G and Part D:** Assume premium-free A, standard B at \$202.90, an illustrative G quote of \$200, and an illustrative drug-plan quote of \$35. Premium subtotal: **\$437.90/month or \$5,254.80/year**.
- In Example B, also allow for the \$283 Part B deductible, covered-drug cost sharing, and uncovered expenses. Both examples exclude IRMAA and penalties.
- These examples show how to add your costs. They are not a recommendation, guaranteed quote, or evidence that one option is cheaper for every person.

Request your personal cost comparison

- PrimeTime Health & Wealth can help compare premiums and expected annual costs using your doctors, medications, ZIP code, and coverage preferences.
- **Bob Crane, CFP** | [PrimeTimeHealthAndWealth.org](https://www.PrimeTimeHealthAndWealth.org)
- "Multilayered expertise to solve your Medicare and retirement needs."



Sources & Cost Notes

How to use the national benchmarks in this guide

- [1] CMS 2026 Part A/B premiums, deductibles, and IRMAA
- [2] Medicare.gov: Medicare costs
- [3] CMS September 28, 2026: 2027 plan premiums and updated 2026 benchmarks
- [4] KFF: Medigap enrollment and premiums, 2025 data
- [5] Medicare.gov: General cost overview
- [6] Medicare.gov: Skilled nursing facility care
- [7] CMS 2027 Rate Announcement, Part D benefit parameters
- [8] Medicare.gov: Prescription Payment Plan
- [9] Medicare.gov: Compare Medigap benefits
- [10] CMS: 2027 high deductible Medigap announcement
- [11] SSA: Life-changing events and IRMAA form SSA-44
- [12] Medicare.gov: Help with costs
- [13] Medicare.gov: Long-term care limits

2027 Part A/B premium and deductible figures are not substituted for the verified 2026 charges in this edition. Update this dated guide when new federal figures are confirmed. Rounded national averages are benchmarks, not local quotes or total spending forecasts. No automatic future update is implied.

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