

Medicare 2027 Quick Guide

Parts A, B, C & D explained Plus IRMAA and Social Security benchmarks

Prepared October 19, 2026 | Early edition for 2027 planning

Read the year beside every number. Confirmed 2027 figures appear below. Final 2027 Part A and Part B cost amounts and the complete 2027 IRMAA schedule were not verified in the official sources reviewed for this edition. They are marked pending, rather than presented as estimates.

Part	What it does
A Hospital	Helps cover inpatient hospital care, qualifying skilled nursing facility care, hospice and certain home health services.
B Medical	Helps cover doctors, outpatient services, preventive care and durable medical equipment.
C Medicare Advantage	An alternative way to receive A and B through a Medicare-approved private plan; usually includes D.
D Prescription drugs	Private-plan coverage for covered outpatient prescription drugs.

Confirmed 2027 highlights

Benchmark	2027
Part D maximum deductible	\$700; a plan can charge less
Part D covered-drug out-of-pocket threshold	\$2,400; premiums and noncovered drugs excluded
Social Security cost-of-living adjustment	3.6%

Sources: [1], [3], [7]. Plan premiums, networks, covered drugs and benefits must be checked for your ZIP code.

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Part A & Part B

Part A: hospital and facility care

Part A generally covers the facility portion of a medically necessary inpatient stay. Physician services during that stay generally fall under Part B. Staying overnight does not, by itself, make you an inpatient. Ask whether you are admitted or under outpatient observation. [1, 10]

Cost item	2027 status	2026 reference only
Part A monthly premium	Pending final verification	\$0 for most; if purchased, \$311 or \$565
Hospital deductible per benefit period	Pending final verification	\$1,736
Hospital days 61-90, per day	Pending final verification	\$434
Lifetime reserve days, per day	Pending final verification	\$868
Covered SNF days 21-100, per day	Pending final verification	\$217

Under Original Medicare, covered hospital days 1-60 have \$0 daily coinsurance after the deductible; covered SNF days 1-20 have \$0 daily coinsurance. A benefit period ends after 60 consecutive days without inpatient hospital care or skilled care in a skilled nursing facility. A new period can mean another hospital deductible. There are 60 lifetime reserve days in total, not 60 each year. [2, 10, 11]

SNF caution: Coverage is conditional, generally requires a qualifying three-day inpatient hospital stay and a need for skilled care, and is limited to up to 100 days per benefit period. Observation time does not count toward the three days. Medicare generally does not cover long-term custodial care. [11]

Part B: doctors and outpatient care

Part B covers eligible medical visits, outpatient treatment, equipment and many preventive services. Under Original Medicare, you usually pay 20% of the Medicare-approved amount after the annual deductible; some services have different rules. [1, 2]

Part B amount	2027 status	2026 reference only
Standard monthly premium	Pending final verification	\$202.90
Annual deductible	Pending final verification	\$283

Budget beyond the premium. Original Medicare has no annual Part A/B out-of-pocket ceiling. Medigap, retiree insurance or Medicaid may help with eligible cost sharing. Medigap works with Original Medicare and cannot pay Medicare Advantage cost sharing. [2, 12]

Part C & Part D

Part C: Medicare Advantage

You receive your Medicare A/B benefits through a private plan, usually with drug coverage included. You must have A and B and keep paying the Part B premium. A \$0 plan premium does not mean \$0 health care. [1, 2]

Compare the plan's doctors and hospitals, referrals, prior authorization, travel rules, medical out-of-pocket limit and total yearly costs. Dental, vision and hearing benefits may have dollar limits and restrictions. Drug costs have a separate Part D spending threshold. [1, 2]

Two coverage routes:
Original Medicare A + B, with a separate D plan if needed, and optional Medigap.
OR Medicare Advantage C, usually including D.
Medigap is not an extra layer for a Medicare Advantage plan. [1, 12]

Part D: prescription drug coverage

2027 confirmed amount	What it means
Maximum deductible: \$700	Some plans have a smaller deductible or exclude certain drug tiers from it.
Covered-drug threshold: \$2,400	After qualifying out-of-pocket spending reaches this amount, you pay \$0 for covered Part D drugs for the rest of the calendar year.

The threshold is not a cap on all health expenses. Premiums, IRMAA, noncovered medicines and Part B drugs do not count toward the Part D limit. Certain payments made on your behalf can count. Check formulary coverage, tiers, pharmacy networks and restrictions for every medication. [3, 4]

The Medicare Prescription Payment Plan spreads covered out-of-pocket drug payments across the calendar year. It changes payment timing, not the total cost. Extra Help can reduce eligible beneficiaries' costs. [3]

Avoid a drug-coverage penalty

After your initial enrollment opportunity, going 63 consecutive days or more without Part D or other creditable drug coverage can create a continuing late penalty. Keep annual creditable-coverage notices from an employer or VA. [3]

Sources: [1-4], [12]. Always use the plan's 2027 Evidence of Coverage and formulary for a personal comparison.

Understanding IRMAA

IRMAA means Income-Related Monthly Adjustment Amount. Higher-income beneficiaries can pay extra for Part B and Part D, including drug coverage inside a Medicare Advantage plan. It is assessed per person. [5]

Which income and which year?

For Medicare IRMAA, modified adjusted gross income (MAGI) generally equals adjusted gross income plus tax-exempt interest. SSA usually uses tax information from two years earlier: 2027 premiums generally look to 2025 income. A newer determination may apply after an approved life-changing event. [5, 6]

Premium year	Usual income year	Planning meaning
2027	2025	Review the 2025 tax return and the SSA notice.
2028	2026	A taxable 2026 transaction can affect later premiums.
2029	2027	Include future Medicare costs when planning 2027 income.

2027 IRMAA brackets and final surcharges: pending verification. Do not use a projected table as an official bill. For context only, 2026 IRMAA generally begins above \$109,000 for individual filers or \$218,000 for joint filers. Married-filing-separately rules differ. These are **2026** thresholds. [5]

What can change the result?

Taxable IRA or TSP distributions, Roth conversions and realized capital gains can raise AGI and therefore IRMAA MAGI. Tax-exempt municipal-bond interest is added back. The effect depends on the whole return, filing status and the applicable year's income bands. [5]

IRMAA uses income bands, so a small increase over a boundary can trigger a larger premium step. Model the tax cost and potential Medicare cost together before a large withdrawal or conversion. This is a planning consideration, not a reason to reject every conversion.

Income fell after retirement?

Work stoppage or reduced hours, marriage, divorce, death of a spouse and certain other qualifying events may support a new decision. Form SSA-44 requests review after a qualifying life-changing event; provide evidence of the event and lower income. A lower income year by itself does not guarantee relief. [6]

Review the SSA determination promptly. Tax-data errors, amended returns and disagreements with an IRMAA decision have their own correction or appeal procedures. [5]

Social Security in 2027

Confirmed benchmark	2027 amount or rule
Cost-of-living adjustment (COLA)	3.6%; Social Security payments increase starting January 2027
Estimated average retired-worker benefit	\$2,170/month; an average, not your personal benefit
Earnings limit: under full retirement age all year	\$25,560/year; \$1 withheld for each \$2 above the limit
Year you reach full retirement age	\$67,920; counts earnings before the FRA month; \$1 withheld for each \$3 above the limit
Beginning with the FRA month	No retirement earnings-test limit
Maximum earnings subject to Social Security tax	\$192,300; Medicare payroll tax has no wage ceiling
Earnings required for one Social Security credit	\$1,970; at most four credits per year
Maximum worker benefit at full retirement age	\$4,188/month; not a typical benefit or the maximum at every claiming age

Source: SSA's official 2027 fact sheet [7]. The retirement earnings test generally concerns wages and net self-employment earnings, rather than pensions or IRA withdrawals. Special first-year monthly rules may apply. At FRA, SSA adjusts the benefit for months benefits were withheld. [13]

Ages that matter

Milestone	Explanation
62	Earliest usual retirement claiming age; an early claim reduces the monthly benefit.
65	Usual Medicare eligibility age, even if you delay Social Security.
67	Full retirement age for people born in 1960 or later.
70	Delayed retirement credits stop increasing the worker's retirement benefit.

For a worker with FRA 67, claiming at 62 generally pays 70% of the full-retirement benefit; claiming at 67 pays 100%; waiting to 70 pays 124%, before subsequent COLAs. Spousal and survivor rules differ. [8]

Gross benefit is not the deposit. Medicare premiums, any IRMAA and elected tax withholding can reduce your net Social Security payment. A 3.6% COLA does not necessarily mean your bank deposit rises by 3.6%.

Dates, taxes & next steps

Enrollment windows

Window	What it generally allows
Initial enrollment	Seven months around age 65: three before, your birthday month and three after.
Oct. 15-Dec. 7, 2026	Review and change Medicare Advantage or Part D coverage for Jan. 1, 2027.
Jan. 1-March 31, 2027	If already in Medicare Advantage, generally make one switch to another MA plan or return to Original Medicare and add a drug plan.
Employer-related Part B special enrollment	Generally while covered through current employment or within eight months after employment or that coverage ends, whichever comes first. COBRA does not extend this deadline.

Sources: [9, 14]. Annual plan enrollment does not create a universal right to buy Medigap without underwriting. The federal Medigap open enrollment period generally lasts six months starting when you are 65 or older and enrolled in B; other protections depend on circumstances and state law. [12]

Social Security taxation is different from IRMAA

Combined income for federal Social Security taxation generally equals AGI before taxable Social Security, plus tax-exempt interest, plus half of Social Security benefits. Single filers can have taxable benefits above \$25,000; the upper threshold is \$34,000. Joint thresholds are \$32,000 and \$44,000. Up to 85% of benefits can be taxable; this is **not an 85% tax rate**. Separate-filer rules differ. [15]

Bring these to your annual review

Your doctors and hospitals; medication names, doses and pharmacies; current plan notices; Medicare card; SSA benefit estimate and premium notice; 2025 tax return; employer or retiree coverage documents; and any VA, TRICARE or CHAMPVA information.

Review total annual premiums, likely medical and drug spending, a high-use medical scenario, IRMAA exposure and enrollment deadlines together. Confirm replacement coverage before canceling an existing policy.

Schedule a coordinated Medicare and retirement review.

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Official sources & notes

Sources reviewed October 19, 2026. Bracketed numbers throughout the guide point to these official resources. Links are clickable.

- [1] [Parts of Medicare](#)
- [2] [Medicare costs \(2026 reference amounts\)](#)
- [3] [Part D costs, 2027 deductible and threshold](#)
- [4] [CMS final CY 2027 payment policies and benefit parameters](#)
- [5] [SSA Medicare premiums, MAGI and IRMAA](#)
- [6] [SSA: request lower IRMAA / Form SSA-44](#)
- [7] [SSA official 2027 COLA and benchmark fact sheet](#)
- [8] [SSA early and delayed retirement percentages](#)
- [9] [When to sign up for Medicare](#)
- [10] [Medicare inpatient hospital care](#)
- [11] [Medicare skilled nursing facility coverage](#)
- [12] [Medigap enrollment rights](#)
- [13] [SSA: working while receiving retirement benefits](#)
- [14] [Medicare plan enrollment periods](#)
- [15] [IRS: Social Security benefit taxation](#)

How to use this early edition

The 2027 Part D and Social Security figures shown are confirmed in the cited sources. The Part A/B dollar amounts shown are explicitly 2026 references. This edition does not publish a final 2027 IRMAA dollar table. Replace pending items only after CMS/SSA release and verification. No projected premium is presented as final.

This guide is general education, not a complete description of Medicare, an insurance policy or individual tax advice. Coverage, eligibility and costs depend on individual circumstances and plan documents. PrimeTime Health & Wealth is not connected with or endorsed by the U.S. government or the federal Medicare program.

For official help: Medicare.gov or 1-800-MEDICARE (1-800-633-4227); SSA.gov or 1-800-772-1213. State Health Insurance Assistance Programs provide Medicare counseling.