

WSJ Print Edition

Some Pitfalls to Avoid

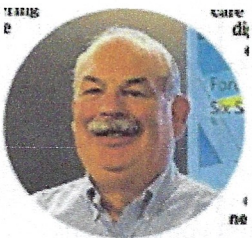
Scan this QR code for five things to look at when deciding whether to switch Medicare plans.



CLOCKWISE FROM TOP: ALEXANDRA CITRIN- SAFADI/ WSJ; KIM RUOZZO; WADE HARPER; KATHY COWIE



Kathy Cowie says she will likely change her coverage in 2026.



Matt Bommarito says the hospital system he prefers keeps dropping out of his insurers' networks.



Dom Ruozzo, pictured with his wife, Kim, says his current plan is ending a \$50-a-month benefit for healthy groceries.

Watch for Big Changes To Medicare Coverage

Enrollees likely will see fewer benefits and higher premiums

BY ANNA WILDE MATHEWS

Last year, seniors picking Medicare coverage faced some tough choices. This year might be even worse. The enrollment period for 2026 Medicare coverage started Wednesday, and it is likely to be a difficult one for many enrollees. For the second year in a row, big Medicare insurers are getting rid of some plans, trimming popular benefits and increasing out-of-pocket costs such as deductibles.

The upshot: Seniors have to be careful, or they might end up with higher drug costs or the loss of a favorite doctor.

"This year is a nightmare," said Marcia Mantell, a retirement-planning consultant. Medicare enrollees "have to know more than they ever have had to know...it's all the hidden stuff," she said.

Behind the turmoil are business realities. Medicare insurers have seen their profits squeezed by higher-than-expected medical spending and regulatory changes. Now, some of the biggest are trying to improve their margins by dumping unprofitable products and by controlling costs better.

The moves might make their products less appealing. The industry is projecting that enrollment in private Medicare plans, known as Medicare Advantage, will shrink in 2026. That would be the first time in 15 years, according to health researcher KFF.

"What many of the companies have talked about is really pricing for profitability rather than for growth," said Lisa Gill, a senior analyst at J.P. Morgan.

Here's what you need to know about navigating this year's Medicare enrollment pitfalls.

Higher costs

To reduce their costs, Medicare insurers might be raising yours.

Medicare Advantage companies are increasing the maximum out-of-pocket cost in many of their plans. This figure is supposed to represent the total amount you could pay toward your care over the year, in the form of copayments and other charges. It is an important number to watch.

Wall Street analysts at Leerink Partners, analyzing a sampling of large 2026 plans, found that Medicare insurers including **Elevance Health**, UnitedHealthcare and **CVS Health's** Aetna were raising their average out-of-pocket caps. But

Humana's is going down.

To figure out where the bite will come, you want to focus on the documents that describe each plan. For your current plan, you should have received an Annual Notice of Change, describing next year's tweaks. For other products you are considering, you will want to dig into the Summary of Benefits and the more in-depth Evidence of Coverage.

Kathy Cowie, a social worker in Marshfield, Mass., found some unwelcome changes in the annual notice for her Medicare Advantage plan. Though the maximum out-of-pocket won't grow, the fee for the first five days of a hospital stay will increase to \$550 a day from \$395 this year. Also, in 2026 the plan will have a \$48 monthly premium, up from zero.

Cowie, 69 years old, who was diagnosed last year with an advanced form of cancer, said she might well have to spend time in a hospital, and she doesn't want to risk a big charge. "This is an expensive plan for me now," she said, and she is

Analysts at TD Cowen looked at a sampling of plans, and found that UnitedHealthcare, Aetna and Elevance will be trimming some extra coverage that seniors can use for a variety of needs, sometimes including items such as healthy food and home repairs. Their rival Humana wasn't doing so, on average.

Elevance, Aetna and Humana said they were updating their offerings and stressing their enrollees' needs and wants in designing their plans. UnitedHealthcare, a unit of **UnitedHealth Group**, said it is "preserving access to affordable plans."

Dom Ruozzo's Medicare Advantage plan is axing the \$50 a month it now gives him for healthy groceries, and cutting the amount he can get for over-the-counter purchases. The free fitness tracker and gym program are also disappearing. "Losing the extra benefits is the biggest kick in the teeth," said his wife, Kim Ruozzo. The couple, who live in Youngstown, Ohio, plan to shop for a new plan.

Broker incentives

Medicare insurers are also making hidden changes that might affect your Medicare shopping. The companies are cutting back on commissions that they pay insurance agents, generally for less-profitable plans that they don't want to grow.

These changes don't hit seniors directly, of course. But agents and brokers have no incentive to steer clients to plans that don't pay.

Agents said that commissions for many stand-alone Part D plans have vanished. And they see a pattern of lower and fewer payments tied to many PPOs.

Seniors need to do their own homework to ensure they are seeing all the options, including those that don't pay commissions. Start with the plan finder tool at Medicare.gov, which should list everything available in your area.

You can find unbiased Medicare advice from the State Health Insurance Assistance Program in every state. The nonprofit Medicare Rights Center maintains a national helpline.

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likely to change her coverage in 2026.

Loss of doctors

At least 1.2 million Medicare Advantage enrollees are likely to lose their current plans next year because the plans are being eliminated, said Healthpilot, a brokerage that offers Medicare plans.

Big Medicare insurers are paring back their preferred provider organization designs, known as PPOs, while bolstering their more-restrictive health maintenance organization plans, known as HMOs.

HMOs often don't pay for care you get from doctors and hospitals outside their approved networks, which can be limited. PPOs typically give patients more freedom.

If you are looking at an HMO, you should also check the plan documents for other constraints, such as requirements that you get a referral from your primary-care physician to see a specialist.

You should always check if the doctors and hospitals you like are included, because more hospitals are leaving Medicare Advantage networks. Sarah Murdoch, director of client services at the Medicare Rights Center, suggested reaching out directly to healthcare providers because insurer directories aren't always up-to-date.

Matt Bommarito, 70, a business operations consultant in Kansas City, Mo., switched Medicare Advantage plans in 2024 and 2025, and now expects to do so in 2026, because the hospital system he prefers keeps dropping out of the insurers' networks. "It's frustrating to have to change every year," he said. "That's getting old."

If unfettered access to healthcare providers is important to you, consider opting for traditional Medicare, which tends to include nearly every hospital and doctor. But if you do, you will likely need a special product called a Medicare supplement, or Medigap, and that can be expensive, or even impossible, to get.

If you don't get a Medigap soon after you first age into Medicare at 65, you might be refused, or pay higher rates, based on your pre-existing health conditions.

Fewer drug plans

Many of the biggest changes this year are affecting Medicare drug coverage.

For the second year in a row, the number of stand-alone Medicare drug-benefit plans, known as Part D plans, is dropping sharply. The 2026 offerings will include 360, down from 464 currently and 709 in 2024, according to Avalere Health, a consulting firm.

Both the stand-alone plans and the drug benefits offered through Medicare Advantage are also hitting patients with higher charges.

Drug deductibles—the amount you pay up front before coverage kicks in—are mushrooming for many. Also, in a number of plans, medications that now come with a flat copayment will next year require "coinsurance," a charge that represents a percentage of the medication's total cost.

To protect yourself, be sure to run your medications through the Medicare.gov site when you are shopping for next year's plan. The government's tool can give you a sense of what you might pay for those medicines under each plan.

When you do that, "Every option you have, try it out," said Melinda Caughill, who co-owns a company that analyzes Medicare drug plans. She suggested that seniors check different forms of their drugs, such as the generics and original brand.

Reduced perks

During the past several years, Medicare insurers layered on perks designed to lure seniors—including money for fun extras such as pickleball paddles. Some of those are now being dialed back.