

A note from IBM Benefits



We understand that healthcare costs are an important concern for many retirees. Changes across the Medicare marketplace, including recent CMS requirements, have increased the cost of providing Medicare Advantage coverage.

These changes include enhancements to Medicare Part D prescription drug coverage that provide greater financial protection for individuals with high prescription drug expenses. While these improvements offer valuable benefits to many Medicare beneficiaries, they have also contributed to higher plan costs across the Medicare market.

Based on these market and regulatory factors, premiums for the IBM-sponsored Medicare Advantage plan were projected to increase more than 15% for 2027. To help manage those costs while maintaining affordable coverage, IBM introduced plan design changes for 2027, the first significant plan design changes since 2023.

These changes substantially reduced the projected premium increase, helping keep retiree premium contributions flat for 2027. In developing the 2027 program, IBM carefully balanced rising healthcare costs with the goal of maintaining affordable, comprehensive coverage for retirees. The resulting changes help preserve the long-term sustainability of the program while minimizing the financial impact to retirees.

