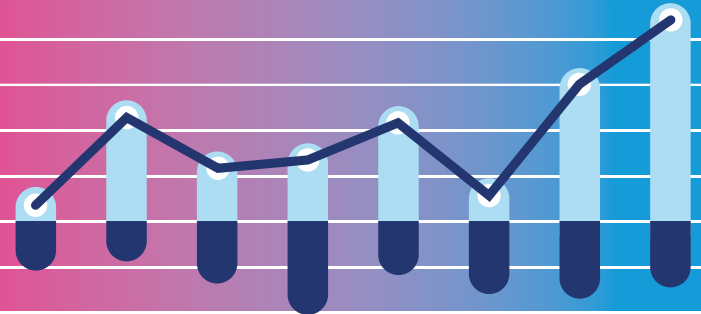
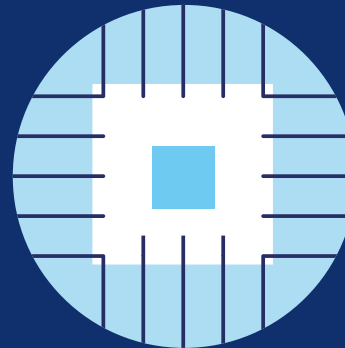


# Health Trends 2025

Adapting plans to  
optimize value

benefits that truly benefit



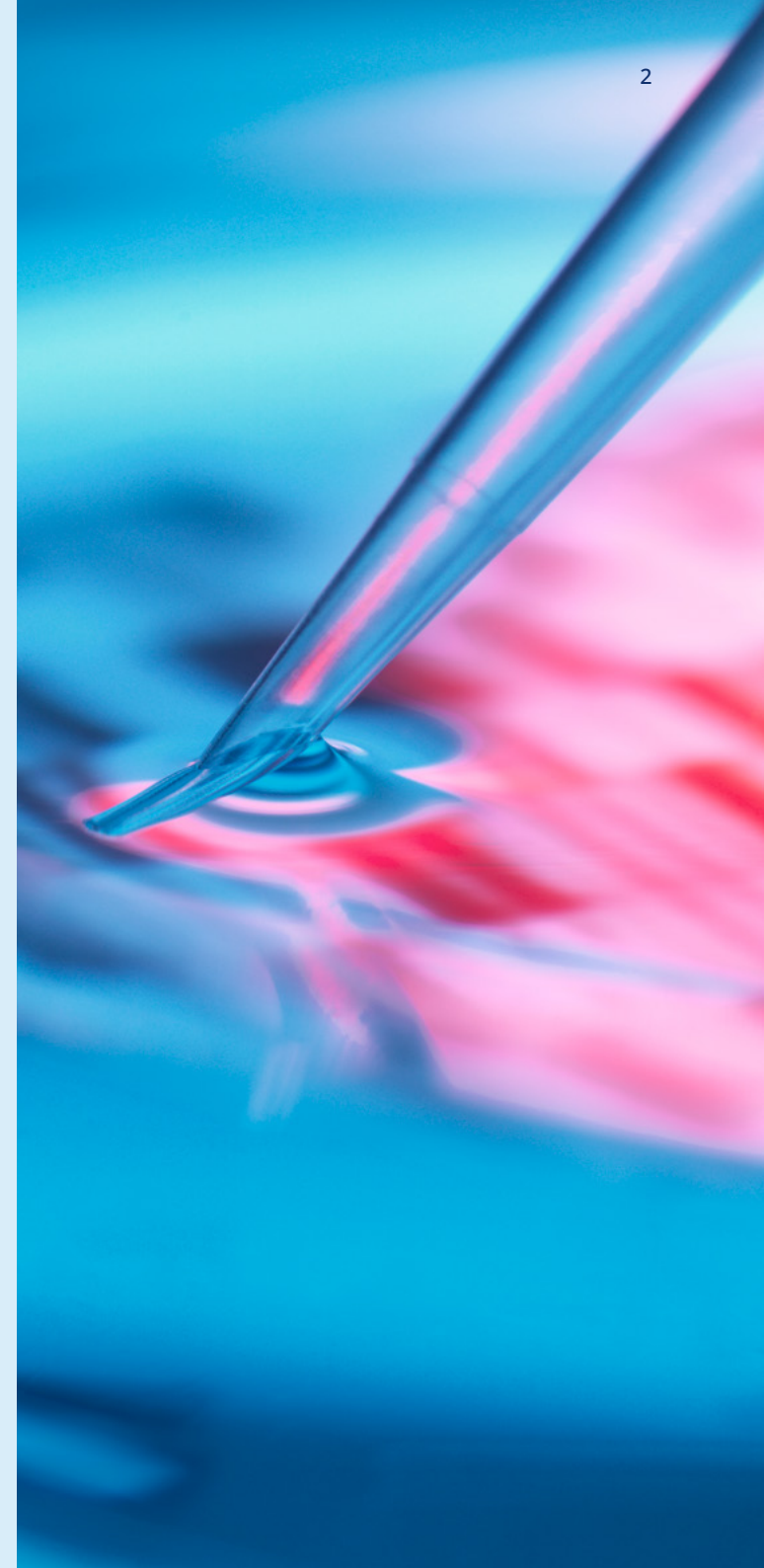
**The top-line findings in our [Health Trends 2025](#) report may sound familiar. Costly cancer claims. Widespread cardiovascular and metabolic health concerns. Unmet mental health needs and medical trend pushing up costs.**

**But behind these enduring issues, a lot is changing — employers' and insurers' responses to these well-acknowledged themes cannot remain static.**

Medical developments, such as innovative treatments for obesity and shifting patterns of diagnosis for conditions like cancer, will change insurance claims patterns because of their significantly higher cost. Plan management options and approaches for cost containment must move forward to keep healthcare affordable, for both employees and employers. Healthcare provision will also need to continue evolving to meet the needs of a diverse workforce.

For our 2025 report, Mercer Marsh Benefits (MMB) surveyed 225 insurers across 55 markets to explore the key trends shaping employer-provided health benefits. This survey was fielded in June and July 2024.

The trends outlined in this report will help employers deepen dialogue with their advisors and insurers. Exploring more innovative forms of cost containment, embracing effective new treatment regimes, and ensuring that medical coverage meets the needs of the whole workforce are essential as medical costs and workforce needs continue to rise.



## Executive summary

### Trend

### What it means

### Key finding

#### Managing intensifying risks

The medical conditions that drive costs have remained largely consistent over the last decade — COVID-19 aside. However, the impact of these health conditions is increasing.

Employers should evaluate their programs to optimize their investment in employee health, balancing not just cost, but also the employee experience.

**82%** of insurers report an increase in the incidence of cancer treatment claims over the last five years for individuals under the age of 50.

#### Using new techniques to keep plans affordable

Beyond traditional levers of cost control, innovative new practices are emerging. These have yet to be widely adopted and used by insurers.

Employers looking to contain cost should look beyond the obvious strategies. They should consider, request, and evaluate more aggressive approaches to include how, when, and where care is delivered.

**46%** of insurers believe that artificial intelligence for first-line diagnosis, imaging and/or navigation will decrease health plan costs within the next five years.

#### Meeting persistent workforce needs

Medical coverage remains narrowly defined despite the holistic health and well-being needs of a diverse workforce. This inadequacy of cover is often exacerbated by inflation, which may erode benefit maximums.

As employers look to shift benefits spend towards those highly valued offerings like medical coverage, understanding unmet workforce needs and health risks will become even more vital.

**39%** of workers indicate that virtual advice, via artificial intelligence powered chat, for anxiety, sadness, or relationship issues would be helpful.

Only **15%** of insurers today provide this by default.

## Defining medical trend

Medical trend is the year-over-year cost increase for claims under a medical plan on a per-person basis, assuming no changes to the benefits provided. This rate of growth is the result of a variety of factors, including:

- Medical inflation (increase in per-unit costs for the same service/supply)
- Altered treatment mix (for example, moving to more expensive or advanced treatments)
- Utilization patterns (for example, people not accessing care due to COVID-19)
- Regulatory changes

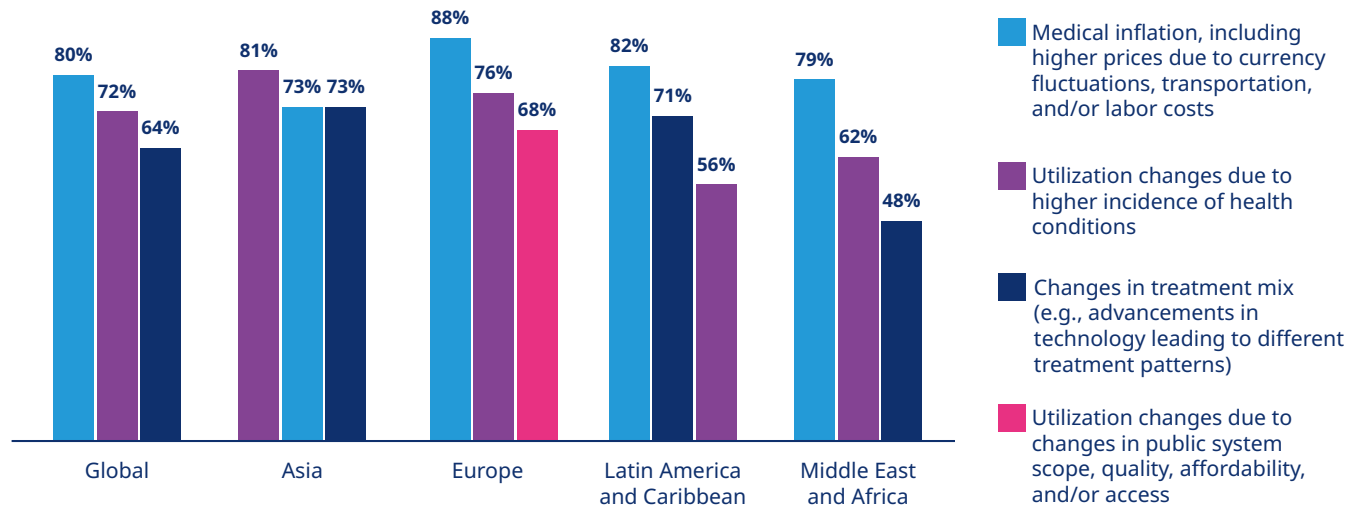
## Medical trend rates

Global trend rates are projected to stabilize in 2024 and 2025. However, rates continue to be persistently high. Nearly all regions are seeing trend rates above 10% in both years. Insurers say 2024 trend is driven by medical inflation, utilization changes, and changes to treatment mixes.

Figure 1: Medical trend 2019-2025

	2019	2020	2021	2022	2023	2024	2025
<b>Global</b>	9.7%	5.7%	10.1%	10.1%	12.0%	11.4%	10.9%
<b>Canada</b>	6.9%	3.9%	7.1%	7.0%	9.0%	9.0%	10.0%
<b>Asia</b>	10.2%	3.5%	8.9%	10.7%	12.7%	13.0%	13.0%
<b>Europe</b>	8.0%	3.5%	10.9%	11.4%	13.0%	11.7%	10.4%
<b>Latin America and Caribbean</b>	13.4%	8.0%	11.1%	10.0%	10.0%	10.6%	10.4%
<b>Middle East and Africa</b>	11.1%	9.6%	10.2%	9.3%	12.4%	10.6%	10.7%
<b>Pacific</b>	4.6%	5.2%	5.0%	2.9%	9.0%	11.5%	9.3%

Figure 2: Top three trend influencers by region. How do you expect each of the following trend components will impact your market's projected 2024 medical trend rate? (Very significant + significant).



Rates for 2019, 2020, 2021, 2022, and 2023 are retrospective. Rates for 2024 and 2025 are prospective. Unweighted global averages used. This was gathered in June-July from 225 insurers, with medical trend rates submitted by insurers validated by our local teams using their own internal book of business data, country-specific insurer surveys and subjective assessments. Please note the United States is not part of the research. For more information on the rates in the US, refer to this year's [National Survey of Employer-Sponsored Health Plans](#).

## US health update

To capture developments in the US, which is outside of the scope of this survey, Mercer conducts an annual [National Survey of Employer-Sponsored Health Plans](#). This year's survey found that total health benefit cost per employee is expected to rise 5.8%, on average, in 2025, after accounting for planned cost-reduction measures. This would be a third consecutive year of cost growth above 5%, following 10 years of annual increases averaging around 3%. Increased utilization of behavioral health services and GLP-1s (expensive prescription drugs for treating diabetes and obesity) have contributed somewhat to the current trend. However, the biggest drivers may be structural issues affecting the price of services, such as healthcare labor shortages and health system consolidation.



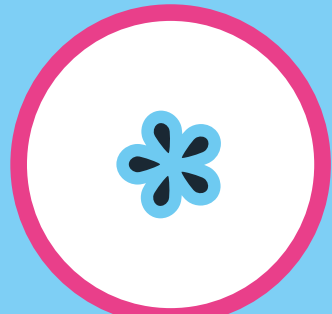
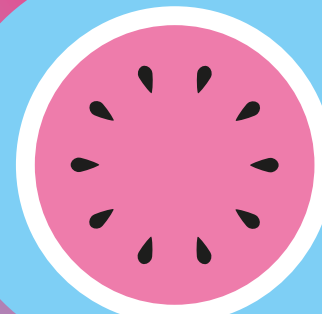
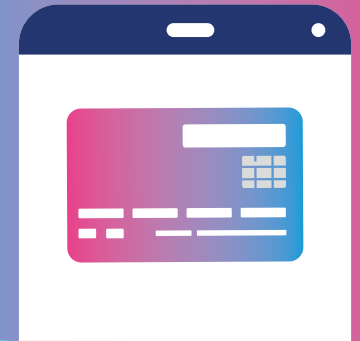
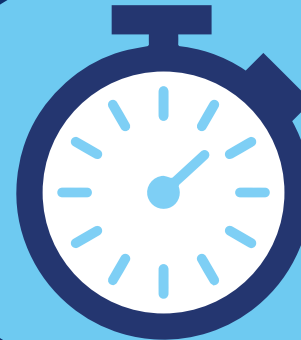
**Employers expect US health benefits cost per employee to rise 5.8% on average in 2025**





Part 1

# Managing intensifying risks



While top causes of health plan claims by dollar amount and frequency remain largely consistent with previous Health Trends reports, digging into those figures reveals significant changes.

For example, instances of cancer in younger working age populations are increasing, and catastrophic claims are pushing more employees to the limit of their lifetime claims thresholds. Groundbreaking treatments for conditions like obesity could have a significant impact on cardiovascular and metabolic health, but are currently very costly.

Both employers and insurers need to consider how they will manage evolving health risks, while keeping plans affordable.



**Figure 3:** Global top causes of claims by dollar amount and by frequency



## Keeping plans affordable

As health risks evolve, factors that contribute to the affordability of healthcare plans will also shift over time. The impact of high-cost claimants is a universal worry globally, but other drivers can be region-specific and are often related to wider social and economic factors.

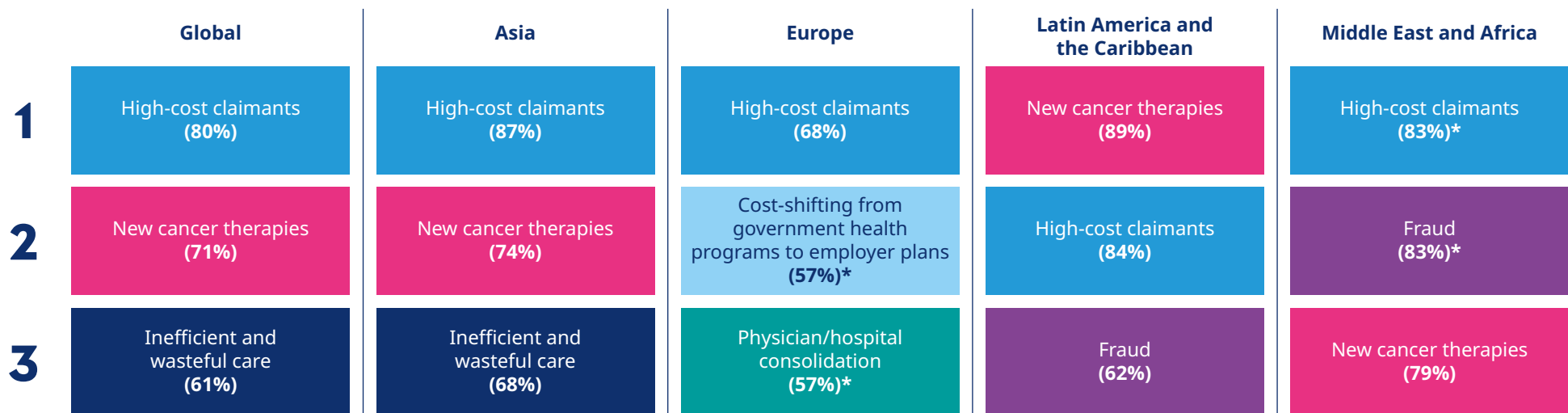
Shifting the costs of healthcare from public to private (often employer) purchasers, and changes in the

provider landscape are major sources of cost concerns in Europe. This is the only region where these factors are a top concern, with 68% of insurers saying they had a significant impact on 2024 medical trend. This correlates with findings from our [People Risk 2024](#) report. In Italy, for example, healthcare system deterioration was seen as the fourth-ranked people risk, based on both the severity as well as the likelihood of the risk. Globally,

healthcare system deterioration was ranked 20th.

In the Latin America and the Caribbean region and in the Middle East and Africa, fraud — such as billing for services that never happened or performing unnecessary tests — is a key affordability issue, ranks as a top three concern.

Figure 4: Keeping plans affordable — top three concerns by region



\* Indicates a 'tie' for the ranking.



## Spotlight on cardiovascular and metabolic health

Metabolic and cardiovascular risk is the biggest risk factor for medical costs globally, according to our survey. The World Health Organization (WHO) has identified [cardiovascular disease](#) as the leading global cause of death. Cardiovascular diseases (CVDs) impact the heart and vascular system, and include coronary artery disease, heart failure, heart attack, stroke, and hypertension. Metabolic risks contribute to CVDs and include high blood pressure, obesity, and high cholesterol. Smoking and physical inactivity increase these risks. Metabolic risk factors contribute to individuals being impacted by diabetes, which [affects 8.5% of adults](#).

Top **risk factors** on medical costs (Global)

**1** **Metabolic and cardiovascular risk**

**2** **Mental health risk**

**3** **Psychosocial risk**

**4** **Endemic infectious diseases**

**5** **Tobacco smoke**

## How employers can help manage diabetes and cardiovascular disease risk

Both diabetes and cardiovascular disease can be well managed, preventing complications and poor clinical outcomes, with appropriate support in place. This could include:

- Access to essential medications in both inpatient and outpatient settings
- Education about metabolic and cardiovascular risks and how to control them
- Early prevention and detection programs
- Access to primary care to capture risk early
- Digital self-management, such as apps
- Complementary programs such as nutrition therapy, genetic profiling, plan design incentives, and mental health





## Weight loss to support cardiovascular and metabolic health

More than 40% of adults are overweight [according to the WHO](#). Overweight adults are at risk of a wide range of related conditions, [including](#):

### Sleep apnea

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### Cardiovascular diseases such as coronary artery disease and stroke

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### Musculoskeletal issues including chronic back and joint pain and arthritis

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### Type 2 diabetes and prediabetes

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### Mental health conditions such as depression and anxiety

---

The GLP-1 class of drugs, historically used for diabetes, are now found effective for weight loss in clinical trials. Examples of these are found under the brand names Zepbound and Wegovy.

GLP-1 drugs act to control blood sugar, manage appetite, and slow digestion, which in turn [leads to weight loss](#). As part of a clinical weight loss program, GLP-1 drugs can result in significant body weight reduction of between [15% to 21% in 72 weeks](#). These drugs, however, come at a cost.

Currently there is limited insurance coverage for GLP-1 drugs globally. Fifty-three percent of insurer respondents say that typical plans do not cover prescription drugs for obesity, and a further 32% say that they have not changed their approach to covering these drugs for the treatment of obesity. In the Middle East and Africa, on the other hand, 14% of respondents say they now cover these drugs, but only as part of a wider condition management approach.

Limited coverage may be a reflection of the fact that using GLP-1 drugs for the treatment of obesity is relatively new, and their availability may be [limited in certain markets](#). Yet, GLP-1 drug cost concerns are already emerging. More than a quarter (28%) of respondents globally said that GLP-1 drugs are a

worry due to their impact on plan affordability. In Latin America and the Caribbean, and the Middle East and Africa, that figure increases to 33% and 34% respectively.

There is a lot to learn about GLP-1 drugs, especially around long-term use. [Based on today's knowledge](#), they are showing great promise to help high-risk plan members improve their health. This will have to be balanced against affordability and duration of use.

GLP-1 drugs are prescribed to be used in conjunction with physician oversight and a more comprehensive weight management strategy, including:

- Close monitoring by prescribing physicians to manage side effects
- Utilization in combination with other supports, such as nutrition and exercise counseling

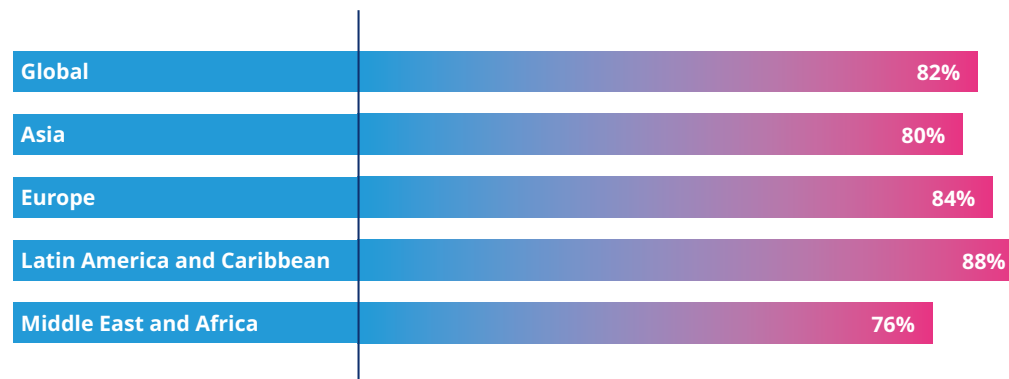
Prior authorization should also be a priority to ensure clinical appropriateness, such as, being used for clinical purposes, rather than cosmetic.

## Spotlight on cancer

Cancer remains the top global cause of insurance claims based on dollar amounts and is fourth highest based on claim frequency. The WHO projects that one in five people will develop cancer in their lifetime, with [35 million new cancer cases](#) predicted by 2050.

Concerningly, instances of cancer are [increasing among younger populations](#) globally. Insurers across all regions report increases in treatment-related cancer claims in people under 50-years old.

**Figure 5:** Percentage of insurers that have seen increased treatment-related cancer claims for individuals aged under 50 over the past five years



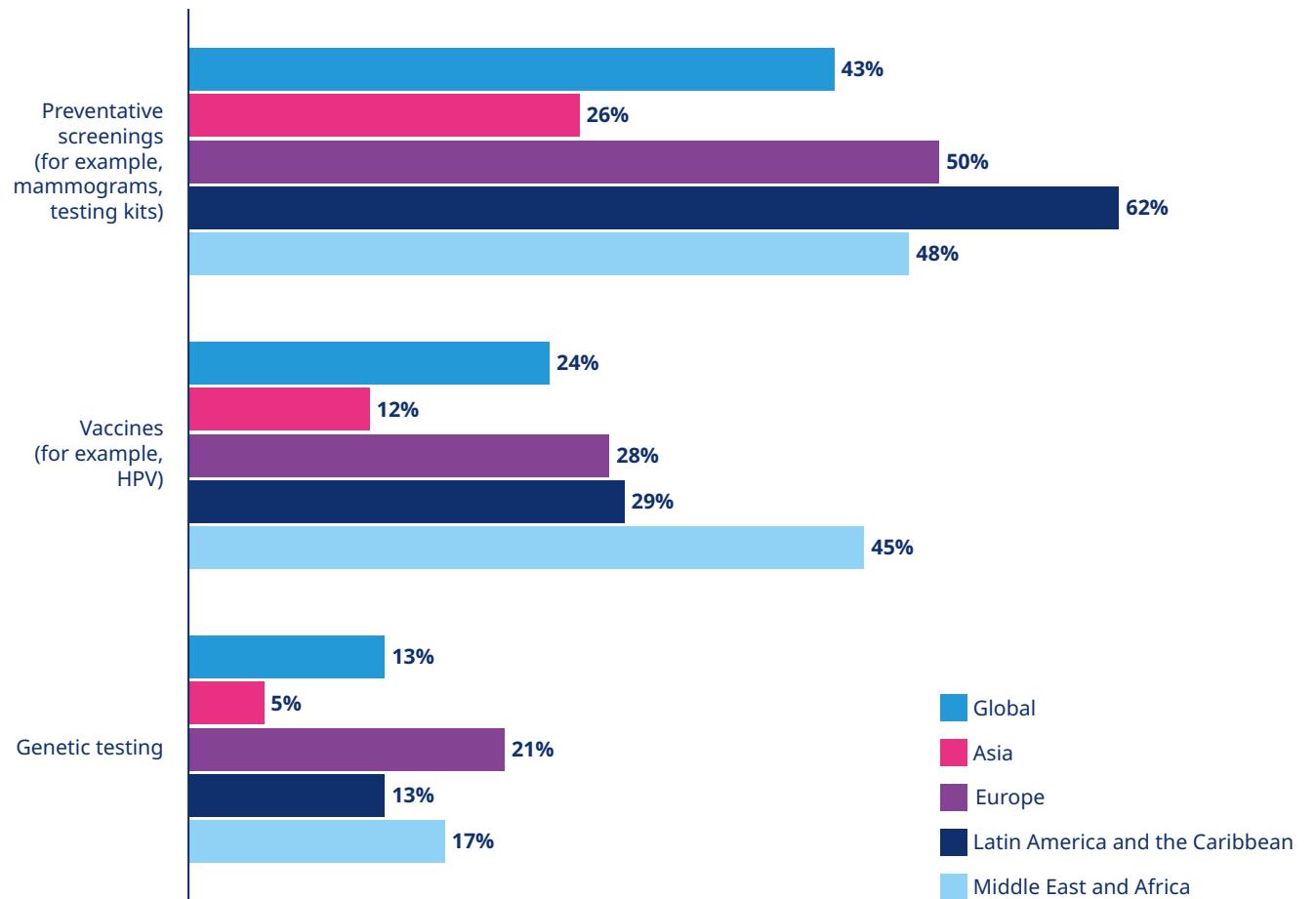
Preventative cancer screening enables early detection, reducing the risks of costlier claims related to later diagnosis and forming a vital part of cost containment and improved survival rates.

Globally, only 4 in 10 plans include preventative cancer screening by default, despite 50% of employees saying that these are a helpful benefit for them and their families, according to MMB's [Health on Demand](#) research. Other cancer prevention tools, such as vaccinations and genetic testing, are even less likely to be covered. However, established prevention programs can be incredibly beneficial for patients. The HPV vaccination, for example, can [prevent more than 90%](#) of HPV-attributable cancers.

There are many ways for employers to [better support employees](#) with cancer. Some employers, for example, have created cancer education materials, which provide plan participants recently diagnosed with cancer with information on benefits available from employers, the public system, and local non-profits.



**Figure 6:** Preventative cancer measures offered as default by insurers. Related to cancer, which of the following does your company typically include for employer sponsors of private group medical insurance? (Typically included by default)

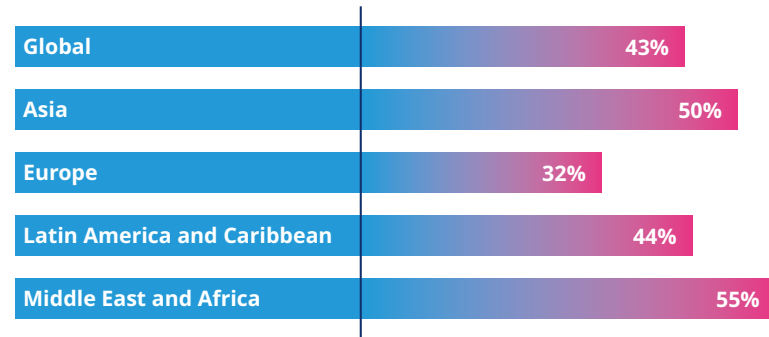




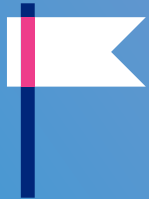
New treatments for cancer, autoimmune diseases, and more rare conditions are coming to market, offering hope for life-threatening conditions. However, these treatments can be expensive. It's important to be aware of health innovations and whether they're covered by an insurance plan as well as public health systems.

If some of these expensive treatments, cancer-specific or otherwise, are covered under an employer-sponsored insured plan, prepare for more volatility in claims. If not covered, be ready to address requests for coverage exceptions. One implication of coverage for higher-cost treatments is individuals reaching their lifetime limits under insurance plans. Forty-three percent of insurers globally are reporting that they have seen a higher frequency of this over the past five years.

**Figure 7:** The percentage of insurers who have seen an increase in the incidence of individuals reaching lifetime limits due to catastrophic claims over the past five years



# Employer actions



1

Where allowed by law, review your benefits philosophy related to lifetime limits; while these can support a health plan's financial sustainability, they can also result in exhaustion of employee medical cover.

2

Explore emerging cancer risks within your workforce, especially among younger workers, and develop prevention, detection, and support programs.

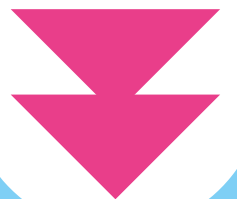
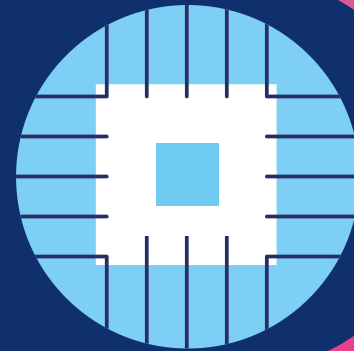
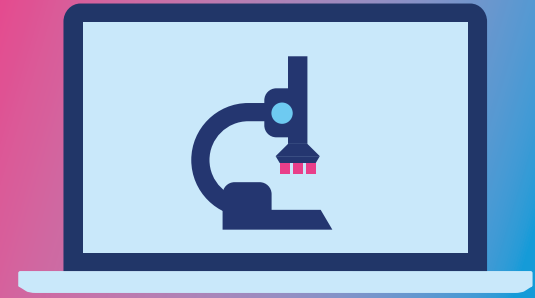
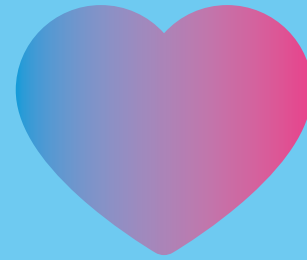
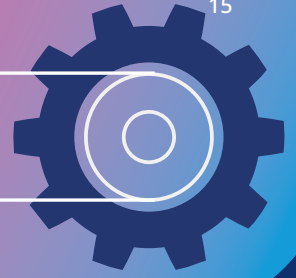
3

Build a strategy for reducing cardiovascular and metabolic health risks.



## Part 2

# Using new techniques to keep plans affordable



Our [People Risk 2024](#) report showed that increasing health and benefits costs is the number one risk for HR and risk managers globally. However, just 31% of HR and risk managers report having effective cost containment strategies to manage benefit costs.

While rising costs in health plans might be inevitable, they are also manageable. Three core elements of an effective cost management strategy are:



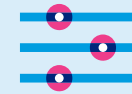
## Utilization:

Design coverage to balance economics and empathy. Consider eligibility, benefit limits, cost sharing, and how private plans maximize public health resources and offerings.



## Health:

Improve health outcomes through data-driven interventions. This could include building a culture of health in the workplace or supporting well-being, preventative care, and condition management.



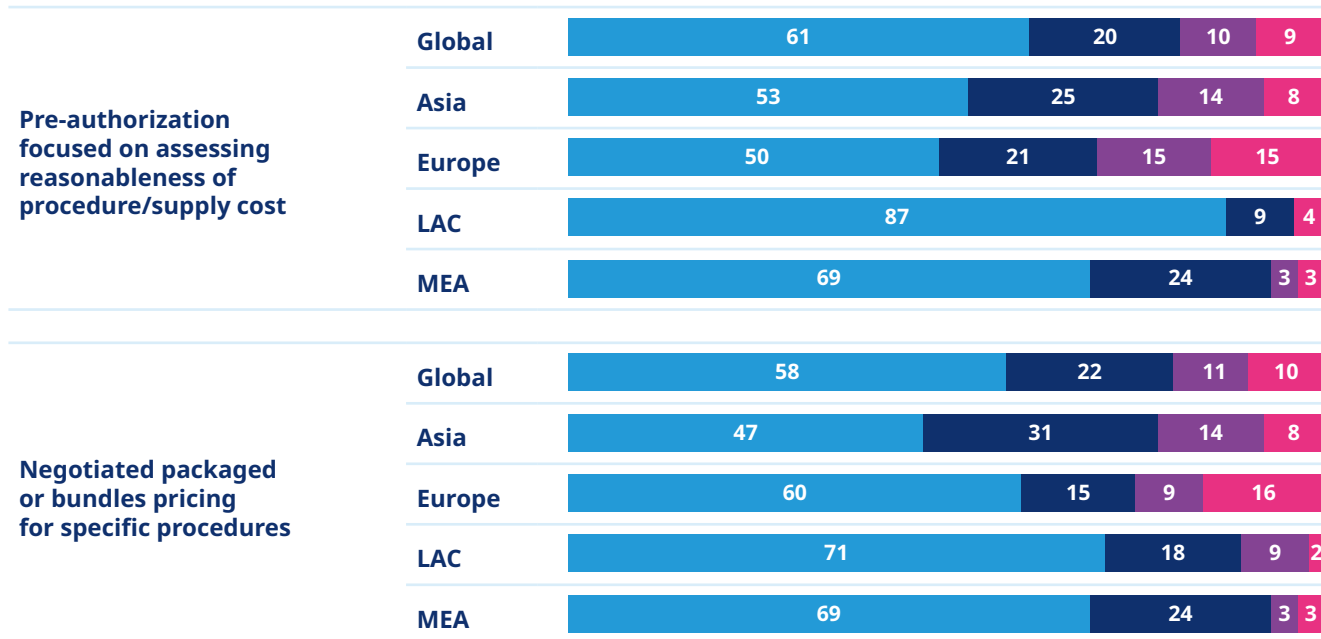
## Suppliers:

Drive financing and vendor management efficiencies. Work with vendors on packaged fees, bundled pricing, or alternative financing, such as self-insurance, including captive insurer financing. Carry out provider audits and ensure effective use of digital health and centers of excellence.

Exploring more proactive approaches to plan management, such as steering employees to high quality virtual-first care, are a part of active plan management. There is more that both insurers and employers can do.

Cost containment factors, such as negotiating bundled pricing — for example, fixed pricing for different components of a hospital stay, including the cost of potential complications — and procedure pre-authorization are widely used in most regions, either as a part of core plan design, or on request. Asia is the exception because these features are less likely to be included as standard.

**Figure 8:** Cost containment (% of insurers)



Latin America and the Caribbean (LAC). Middle East and Africa (MEA).

Typically included

Not typically included but available upon request

Not typically included and not available upon request

Not sure

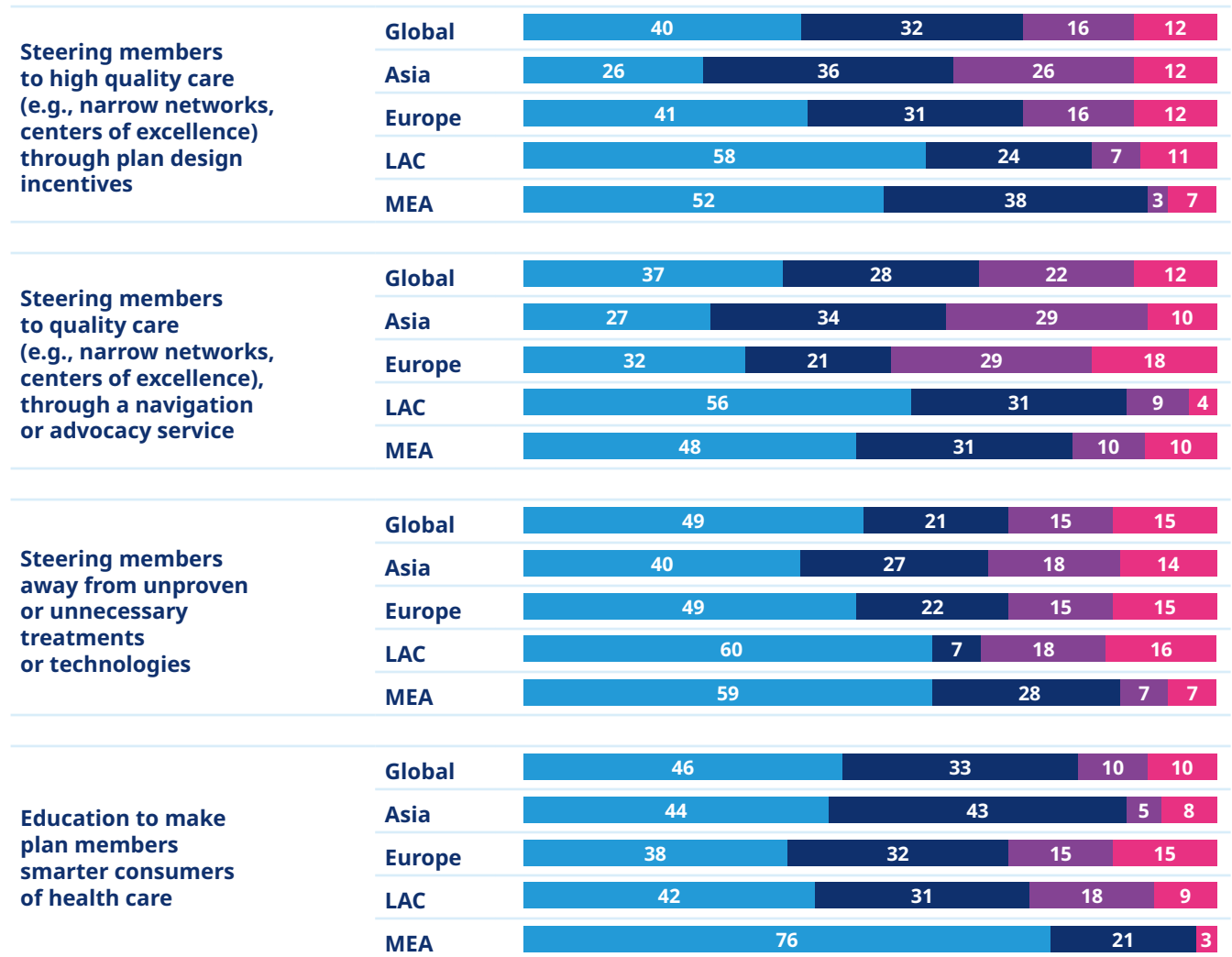


Employers and vendors can work together to encourage plan members to make cost-effective decisions, using techniques such as incentives, navigation, or advocacy. This may result in more targeted care and better cost management, and ensure that people get the best quality support for their needs. This is rarely done in Europe and Asia in particular, so there is significant opportunity to better use these strategies to influence member behavior in these regions.

Educating plan members to be smarter health care consumers is fundamental, but only 46% of insurers globally currently include this by default in their standard plans.

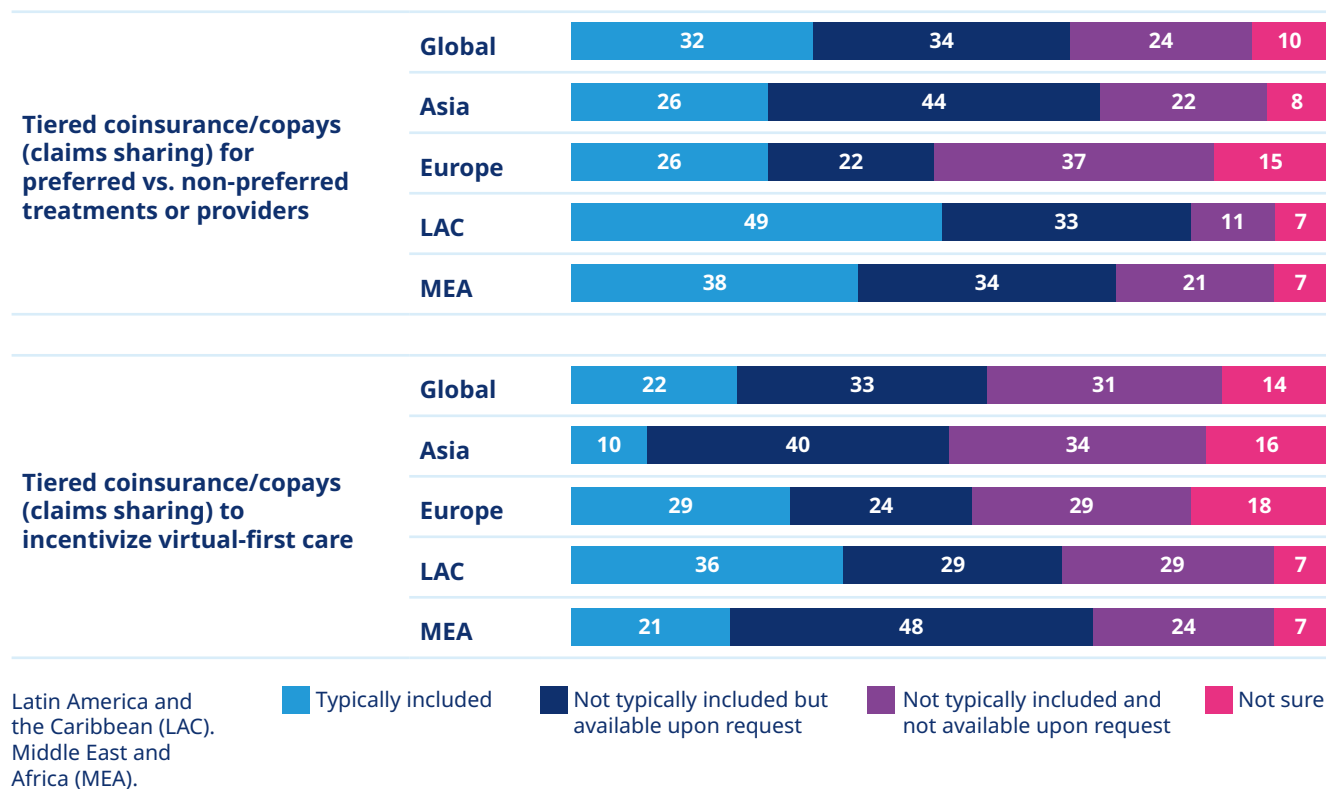


**Figure 9:** Steering members to effective solutions (% of insurers)



A tiered approach to coinsurance and copays can help ensure members maximize their coverage if they opt for preferred treatments, providers, or virtual-first care. This can also help to manage plan costs and streamline providers over time.

**Figure 10:** Coinsurance structures (% of insurers)



## Spotlight on virtual care

Virtual care — the diagnosis, treatment and/or monitoring of health conditions through digital channels — is evolving fast. According to our [Health on Demand](#) research, 45% of employees rate telemedicine as helpful for themselves and their families; 85% of insurers offer telemedicine options.

Incentivizing plan members to access virtual-first care is typically included in around 22% of plans globally and available on request in an additional 33%. This could include such things as a requirement or incentive through coinsurance or copays to use telemedicine ahead of an in-person visit. It's important that virtual care used in these arrangements is truly effective and does not lead to outcomes like repetition of care or inappropriate referrals to specialists or emergency rooms.

Although the range of services and treatments that can be delivered virtually is expanding, the current inclusions encompass:

**Acute primary care**

---

**Mental health support**

---

**Nutritional counselling and healthy living coaching**

---

**Maintenance visits with specialists**

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**Chronic condition monitoring**



## The employee and employer perspective on virtual care

Employees benefit because virtual care is available at times and in locations that suit their needs and are generally at a lower cost for plan members.

Employers benefit because access to healthcare is enhanced across the workforce, particularly in locations where in-person care is limited or involves delays. Also, plan members can be directed to quality providers and solutions and site-of-care delivery can be optimized.

### Eight questions employers should ask about virtual care:

1. Where does virtual care fit into our benefits strategy?

---

2. Who is eligible for this care?

---

3. Who delivers virtual care?

---

4. How is it integrated into the health plan?

---

5. How can we incentivize its use?

---

6. What types of care can be delivered virtually?

---

7. How do we monitor for quality and appropriate outcomes?

---

8. How is the utilization of virtual care affecting medical plan costs?



## AI is impacting health and benefits

From improving claims analysis to detecting cancer types and predicting survival rates, artificial intelligence (AI) is [powering improvements](#) across many areas of healthcare provision.

Insurers are responding. To date, focus has been on process enhancements, such as fraud detection (used by 48% of insurers) but there is great future potential to expand into member-facing opportunities such as health risk management programs (offered by 20%).

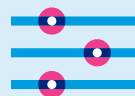
**Figure 11:** Insurers are beginning to adopt AI for use in employer sponsored medical plans

**Percentage of insurers globally on how they use AI for employer-sponsored group medical plans**



**48%**

Detection of fraud, waste and abuse



**46%**

Analytics to enhance claims analysis provided to employers



**20%**

AI-driven health risk management programs

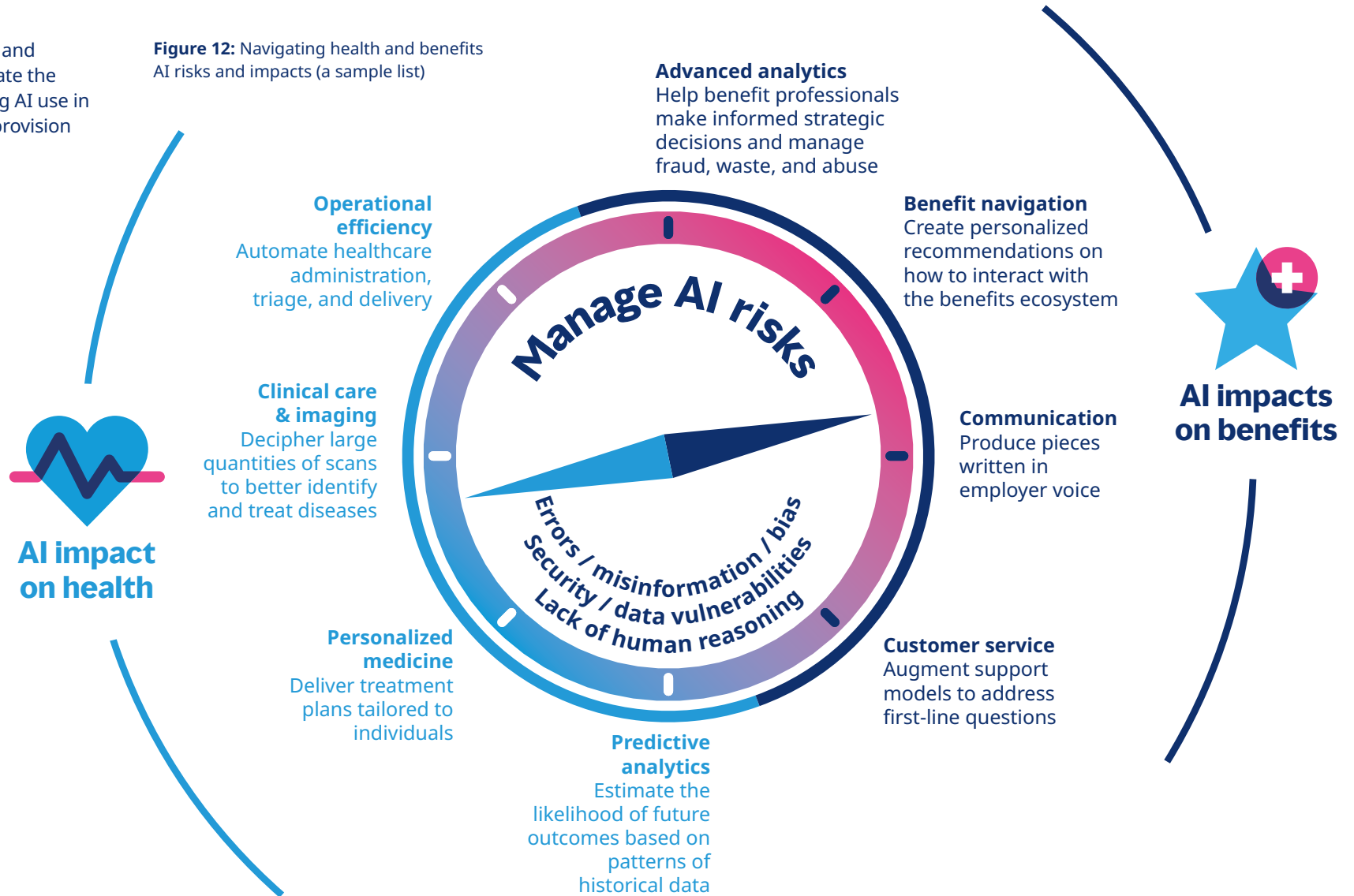


**16%**

Plan member benefit/policy navigation

More broadly, plan providers and employers will need to navigate the risks and impacts of emerging AI use in terms of its effect on health provision and benefits design.

**Figure 12:** Navigating health and benefits AI risks and impacts (a sample list)





## Learning lessons from enterprise risk management

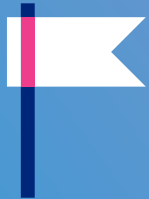
The processes and frameworks of enterprise risk management align well with active health plan management. Good governance around policies and procedures, identifying risk tolerance, and ongoing oversight are as relevant to plan management as they are to risk management.

Similarly, getting the right resources and infrastructure in place around tools, systems and data, identifying rules and responsibilities, and driving a culture of risk management across the workforce are all areas where plan management can follow enterprise risk management principles.

**Figure 13:** Applying an enterprise risk management framework to active plan management



# Employer actions



1

Look beyond obvious containment measures to manage costs — such as steering members to centers of excellence and rethinking claims sharing arrangements.

2

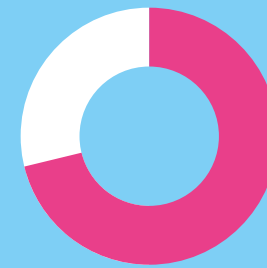
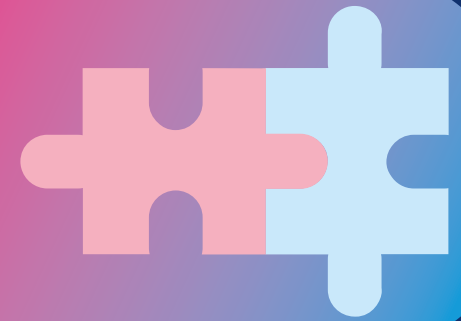
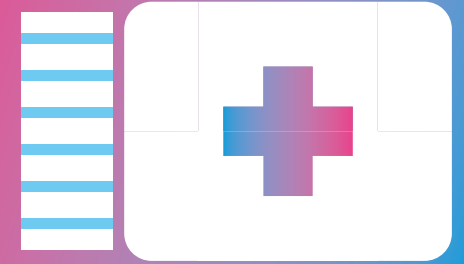
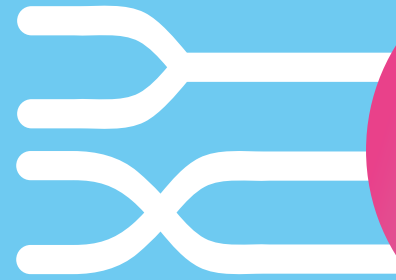
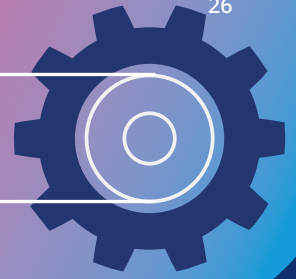
Introduce or expand effective virtual care support to help improve access to services and manage cost.

3

Understand how your insurers are using AI, both in terms of capturing healthcare opportunities and managing health plan and employee health risks.

Part 3

# Meeting persistent workforce needs







Our Health Trends 2025 report found that there continue to be entrenched gaps between services insurers typically cover and the needs of a diverse workforce. Addressing these gaps and meeting persistent workforce needs is crucial if employers are to move the dial on employee health.

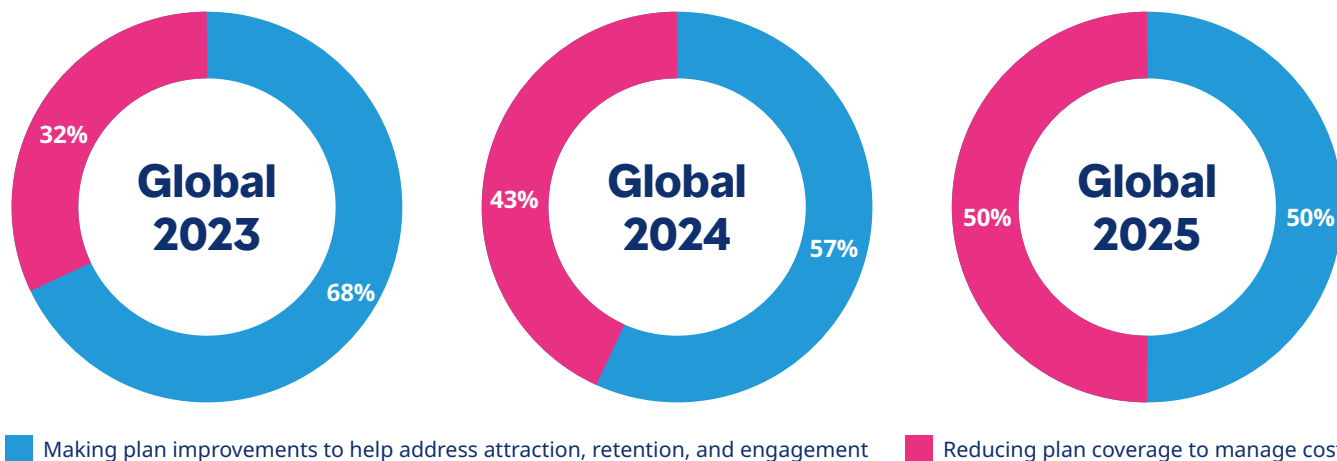
As an example, although our [Health on Demand](#) research found that 42% of employees would find menopause care and support helpful for them or their family, only 22% of insurers include this by default. Some employers are evaluating standalone programs focused on this area.

## Plan improvements and cost management

Despite a clear case for plan improvements, insurers anticipate half of employers will want to reduce plan coverage to manage costs in the coming year. Our Health Trends 2025 report findings extend a trend from previous years of insurers expecting plan coverage to reduce on grounds of cost.

There are positives to take from this trend. Given the series of crises that have engulfed businesses over the last five years, it is encouraging that insurers still expect half of employers to make plan improvements. As we have seen above, well-executed and active plan management can control costs without reducing plan scope.

Figure 14: Making plan improvements vs. reducing coverage



■ Making plan improvements to help address attraction, retention, and engagement ■ Reducing plan coverage to manage cost

## Creating inclusive benefits

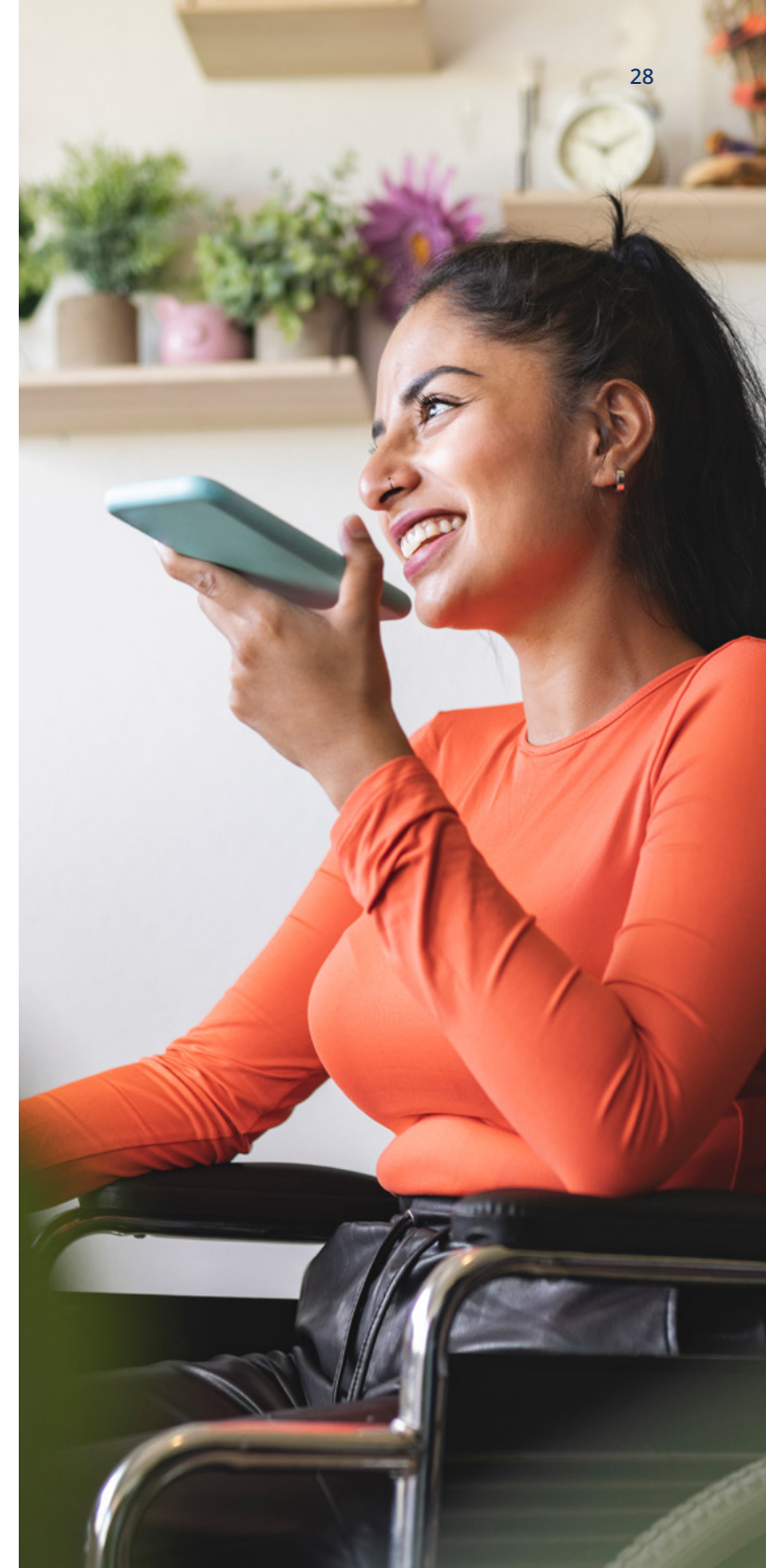
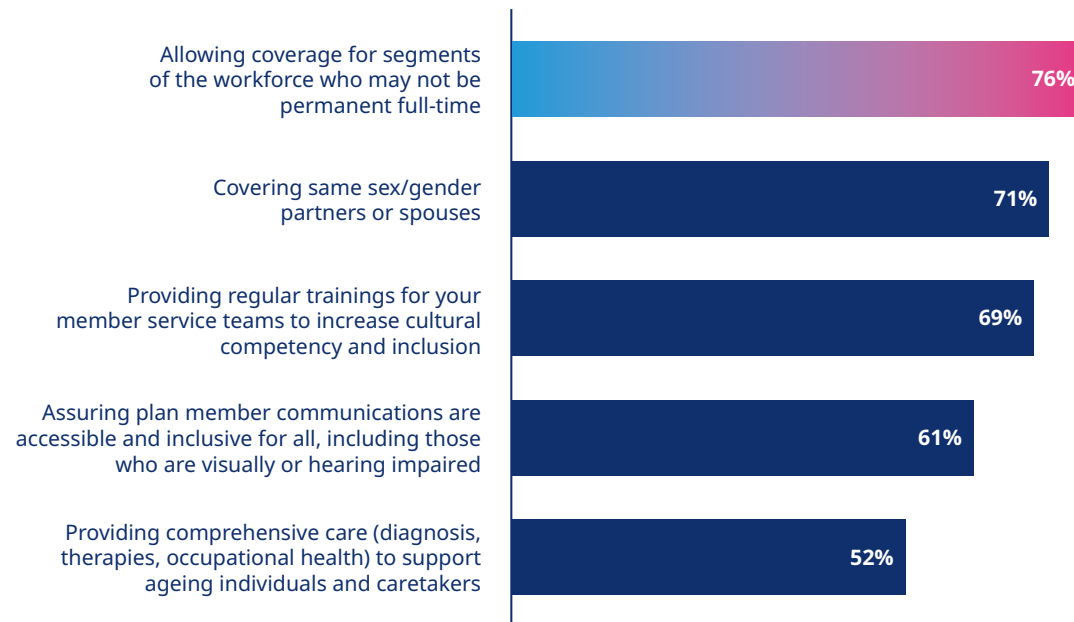
Although some inclusive benefits have been embraced by insurers as part of core plan design or by request, other practices and measures are barely being recognized and have gained little traction from previous years.

For example, 67% of insurers globally do not collect data on members' race or ethnicity to help address health disparities. While feasibility may be limited by legislation

in many markets, this practice, if properly executed and deployed, could provide important insights into health challenges faced.

Despite growing awareness of neurodivergence, around a third (31%) do not support comprehensive care, such as diagnosis, therapies, and occupational therapy, for neurodivergent individuals or their caretakers.

**Figure 15:** Top five inclusive benefits either typically included or available on request



## Spotlight on mental health support

The [WHO estimates](#) that 12 billion working days globally are lost every year to depression and anxiety, at a cost of US\$1 trillion per year in lost productivity.

Recognition of the importance of mental well-being, the cost to employers of poor mental health, and the role that employers have in facilitating positive emotional well-being through culture, work design, and psychological safety has grown significantly over the last decade. MMB's

[People Risk report](#) found that employers are aware of the risks associated with mental health deterioration; it was ranked as the second most severe people risk of 25 risks by HR and risk managers.

Improved support for and coverage of mental health in healthcare plans has been a slow-growing success story, with 88% of insurers globally either offering coverage for counselling as standard (47%), or upon request (41%).

However, many mental health-related services are still not offered by default. In Asia in particular, coverage for in-person or virtual counselling, which is a standard included offering elsewhere, may only be available upon request.

Figure 16: Top five mental health services offered (global)

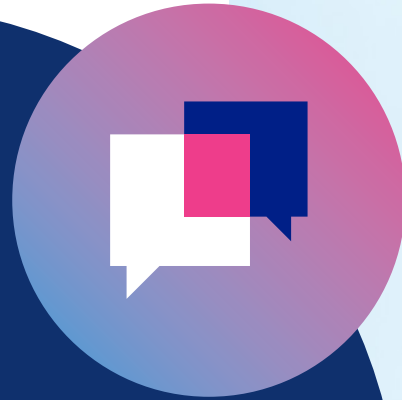
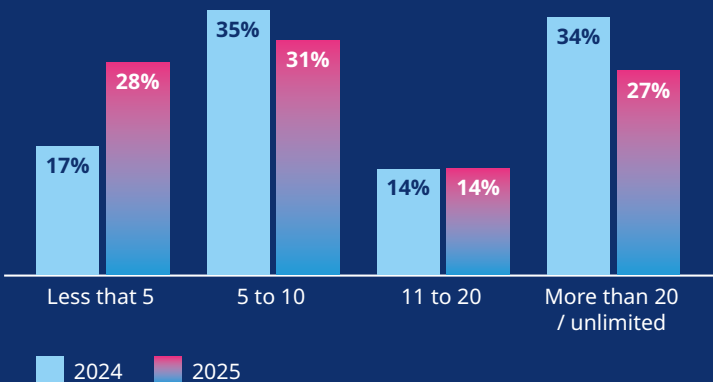
	Global		Asia		Europe		Latin America and the Caribbean		Middle East and Asia	
	Typically included	Available upon request	Typically included	Available upon request	Typically included	Available upon request	Typically included	Available upon request	Typically included	Available upon request
Coverage for psychological and/or psychiatric counselling sessions (outpatient)	47%	41%	18%	65%	54%	34%	67%	20%	62%	34%
Inpatient treatment	43%	28%	35%	48%	37%	13%	56%	18%	62%	24%
Virtual mental health counseling via video chat with a therapist to manage anxiety, sadness or personal relationship issues	33%	35%	16%	56%	44%	19%	38%	24%	34%	38%
Coverage for prescription medications prescribed for mental health (outpatient)	33%	44%	19%	61%	22%	43%	42%	29%	66%	31%
Education, resources and tools on mental health topics such as self-care, anti-stigma, mindfulness and resilience	30%	41%	21%	57%	34%	31%	27%	38%	38%	38%



## Counting the cost of counselling

Although counselling is well established as either a default or an additional option for coverage, the number of sessions covered in a year appears to be dropping. The decrease in coverage may be the result of increased (inflationary) costs per counselling session, in combination with frozen dollar limits for mental health within plans.

**Figure 17:** Number of one-hour counselling sessions covered by a typical plan per year (global)



## Mental health benefits that meet employee needs

Comparing [Health on Demand](#) data with our Health Trends 2025 findings shows some mismatches between benefits that employees find helpful and those that are offered as a default by insurers. For example, 38% of employees find substance abuse benefits helpful, but only 20% of insurers typically include this benefit under their plans by default.

Figure 18: Some of the mental health therapies that are valued by employees aren't always offered by insurers

Employees	Insurers
% of employees who find the benefit helpful for them or their family (Health on Demand - global)	% of insurers including under typical plans as a default (Health Trends - global)
44%	27%
Coverage for targeted services for children, teenagers, and parents to assist with mental health, socialization, and learning issues faced by youth	
42%	21%
Training to recognize and address own and others' mental health challenges (e.g., mental health first aid)	
41%	33%
Virtual mental health counseling via video chat with a therapist to manage anxiety, sadness, or personal relationship issues	
39%	15%
Virtual advice via chat, powered by artificial intelligence (no human involved), for anxiety, sadness, or relationship issues	
38%	30%
Education, resources and tools on mental health topics such as self-care, anti-stigma, mindfulness, and resilience	
38%	20%
Substance use/abuse treatments	

## Spotlight on reproductive benefits

Cover for reproductive health benefits for employees and their partners remains limited, despite the pervasiveness of related challenges, including family building, high-risk pregnancies, and [menopause support](#). These challenges [impact productivity](#) — addressing them can impact employee attraction and retention.

## Family building

Services including IVF coverage, egg or sperm freezing, and contraception access are poorly supported globally, with little difference between regions. Although 41% of employees said that [fertility support](#) would be helpful for them or their family, only 5% of insurers offer it as a default in a typical plan, with 25% providing it as an option. Of course, local culture and regulations are both contributing factors to variability in cover.

**Figure 19:** Percentage of insurers that do not cover services, or not applicable

Family building – services not available or not applicable*	Global	Asia	Europe	Latin America and the Caribbean	Middle East and Africa
Surrogacy support/coverage	72%	75%	76%	69%	66%
Egg/sperm freezing	72%	75%	72%	73%	66%
Pre-conception family planning	56%	53%	57%	56%	55%
Contraception access/coverage	56%	58%	54%	56%	52%
Fertility support (for example, coverage for IVF or IUIs)	52%	52%	49%	60%	55%

\*Figures represent the percentage of insurers that say they are not covering the service or the service is not applicable; these insurers are also not considering adding the coverage.



## Giving birth

Support for high-risk pregnancies, post-partum care, and maternity coverage is near universal in Latin America and the Caribbean as well as the Middle East and Africa. It is significantly less common in Europe, where there may be greater dependency on public health services.

New parenting services, such as lactation equipment and support, are less often covered, with 61% of insurers globally excluding this from cover entirely and only 12% providing it by default in a typical plan.

However, this is a potentially valuable service for women preparing to return to the workplace after birth; 34% of employees in our Health on Demand report said that it would be helpful for their families.

## Mid-life

The effect of menopause on the female workforce and on employers is becoming more widely recognized. Impacts can include losing senior employees if they are not well supported and discrimination claims if workplace adjustments are not made. MMB's Health on Demand 2023 found that 42% of employees said menopause care and support would be helpful for them or their family.

Insurers are beginning to recognize the significance of menopause from a coverage perspective; over half globally offer care and support, but only 22% do so as a default.

**Figure 20:** Percentage of insurers that do not cover services, or not applicable

Giving birth – services not available or applicable*	Global	Asia	Europe	Latin America and the Caribbean	Middle East and Africa
Lactation equipment and support (coaching, pump, hygienic storage)	61%	66%	69%	56%	38%
Post-partum care	30%	34%	46%	9%	10%
Comprehensive coverage for high-risk pregnancies and pregnancy loss	26%	31%	40%	4%	3%
Maternity coverage (pre-natal care and delivery)	16%	17%	28%	2%	0%

\*Figures represent the percentage of insurers that say they are not covering the service or the service is not applicable; these insurers are also not considering adding the coverage.

**Figure 21:** Percentage of insurers that do not cover services, or not applicable

Mid-life – services not available or applicable*	Global	Asia	Europe	Latin America and the Caribbean	Middle East and Africa
Menopause care and support	45%	52%	49%	38%	28%

\*Figures represent the percentage of insurers that say they are not covering the service or the service is not applicable; these insurers are also not considering adding the coverage.

# Employer actions



1

Be proactive in plan management to best balance cost containment and plan coverage.

2

Understand how insurers are allocating costs for mental health support such as counselling — is this achieved on a per-session basis, or with a capped limit?

3

Understand and address where there are benefits gaps, such as reproductive health.

# Conclusion

Ingrained healthcare concerns, from substantial plan cost increases driven by medical trend to enduring high-cost claims such as cancer and gaps in coverage, dominate this year's Health Trends report.

Within these consistent themes there has been significant evolution. New treatments for conditions like obesity and emerging digital health services that could reduce costs are among the positive stories. They could help improve employee health and plan inclusivity in the future.

Concerningly, increasing cases of cancer, especially among younger workers, and persistent gaps in cover translate into true unmet needs.

More than ever, employers should develop a regular, meaningful benefits strategy. They should also engage in dialogue with stakeholders — including advisors and insurers — to understand available options within plans and how to tailor support to their workforce. They should also engage in active plan management that balances coverage adequacy and cost sustainability.



Among the actions you can take:

1

**Prepare for double-digit cost increases**, as medical trend is persistently high in many markets, although it is expected to stabilize in the coming year.

2

**Be aware of intensifying risks**, such as increased cancer diagnoses in younger employees, through data analytics. Address plan design to support prevention, which will help with long term cost containment.

3

**Develop a digital healthcare strategy**, which should address both the opportunities and risks posed by emerging tools, such as AI, to support both cost containment and efficient, inclusive care.

4

**Continue dialogue with advisors and insurers** to understand the options available within your plan that may not be provided as a default. Be bold in asking for what your workforce needs.

5

**Create inclusive healthcare offerings** that address gaps in cover, such as reproductive health, and consider how to manage these within your plan at reasonable cost.

# Appendix A

## Medical trend rates by country

Country/Region	2023 actual medical trend rate <sup>1</sup>	2023 actual inflation rate <sup>2</sup>	2024 forecast medical trend rate <sup>1</sup>	2024 forecast inflation rate <sup>2</sup>	2025 forecast medical trend rate <sup>1</sup>	2025 forecast inflation rate <sup>2</sup>
<b>Global: without US</b>	12.0%	6.4%	11.4%	4.0%	10.9%	3.3%
<b>Global: with US<sup>3</sup></b>	11.9%	6.3%	11.3%	4.0%	10.8%	3.3%
<b>Global: expat (IPMI)<sup>4</sup></b>	11.9%	N/A	11.0%	N/A	10.8%	N/A
<b>North America</b>	<b>7.1%</b>	<b>4.0%</b>	<b>7.1%</b>	<b>2.8%</b>	<b>7.9%</b>	<b>1.9%</b>
<b>Canada</b>	9.0%	3.9%	9.0%	2.6%	10.0%	1.9%
<b>United States</b>	5.2%	4.1%	5.2%	2.9%	5.8%	2.0%
<b>Asia</b>	<b>12.7%</b>	<b>3.2%</b>	<b>13.0%</b>	<b>2.6%</b>	<b>13.0%</b>	<b>2.5%</b>
<b>China</b>	13.5%	0.2%	9.0%	1.0%	8.7%	2.0%
<b>Hong Kong</b>	10.0%	2.1%	12.0%	2.3%	9.0%	2.3%
<b>India</b>	9.6%	5.4%	11.0%	4.6%	9.9%	4.2%

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<sup>2</sup> Inflation rates are sourced from the International Monetary Fund, World Economic Outlook Database, June 2024. Inflation rate information is strictly for general reference purpose; Marsh and Mercer give no guarantees as to their accuracy and will not accept liability for decisions based on them.

<sup>3</sup> US rates come from the National Survey of Employer Sponsored Health Plans report, and are reflective of costs after making changes to current plans.

<sup>4</sup> Expat rates were calculated by taking a straight average of 13 expat (IPMI) insurer responses. These rates are excluded from the global averages.

<sup>5</sup> Market was not included in regional or global averages, which are not weighted by factors such as national health expenditure or economy size.

<sup>6</sup> Argentina and Venezuela were not included in the table due to current socioeconomic conditions.

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Country/Region	2023 actual medical trend rate <sup>1</sup>	2023 actual inflation rate <sup>2</sup>	2024 forecast medical trend rate <sup>1</sup>	2024 forecast inflation rate <sup>2</sup>	2025 forecast medical trend rate <sup>1</sup>	2025 forecast inflation rate <sup>2</sup>
Indonesia	14.6%	3.7%	17.9%	2.6%	19.0%	2.6%
Malaysia	13.0%	2.5%	14.0%	2.8%	15.0%	2.5%
Philippines	24.0%	6.0%	21.0%	3.6%	21.0%	3.0%
Singapore	12.0%	4.8%	12.0%	3.0%	11.0%	2.5%
South Korea	9.5%	3.6%	10.2%	2.5%	11.0%	2.0%
Taiwan	11.2%	2.5%	10.4%	1.9%	12.2%	1.6%
Thailand	12.5%	1.2%	11.1%	0.7%	11.4%	1.2%
Vietnam	9.5%	3.3%	15.0%	3.7%	15.0%	3.4%
<b>Pacific</b>	<b>9.0%</b>	<b>5.7%</b>	<b>11.5%</b>	<b>3.3%</b>	<b>9.3%</b>	<b>2.8%</b>
Australia	2.9%	5.6%	3.0%	3.5%	3.5%	3.0%
New Zealand	15.0%	5.7%	20.0%	3.1%	15.0%	2.5%
<b>Europe</b>	<b>13.0%</b>	<b>7.2%</b>	<b>11.7%</b>	<b>3.1%</b>	<b>10.4%</b>	<b>2.5%</b>
Austria	7.0%	7.7%	5.0%	3.9%	3.5%	2.8%
Belgium	8.9%	2.3%	6.4%	3.6%	10.2%	2.0%
Bulgaria	25.0%	8.6%	21.0%	3.4%	20.0%	2.7%
Denmark	7.0%	3.4%	7.0%	1.5%	5.0%	2.0%
Estonia	11.6%	9.1%	8.0%	4.2%	5.0%	2.5%
France	4.6%	5.7%	3.1%	2.4%	5.0%	1.8%
Greece	8.0%	4.2%	9.0%	2.7%	8.0%	2.1%
Hungary	20.0%	17.1%	15.0%	3.7%	15.0%	3.5%
Ireland	10.4%	5.2%	9.0%	2.4%	7.0%	2.0%



Country/Region	2023 actual medical trend rate <sup>1</sup>	2023 actual inflation rate <sup>2</sup>	2024 forecast medical trend rate <sup>1</sup>	2024 forecast inflation rate <sup>2</sup>	2025 forecast medical trend rate <sup>1</sup>	2025 forecast inflation rate <sup>2</sup>
Italy	11.0%	5.9%	13.0%	1.7%	10.0%	2.0%
Lithuania	23.0%	8.7%	18.0%	1.5%	15.0%	2.3%
Netherlands	6.6%	4.1%	8.5%	2.7%	8.0%	2.1%
Norway	10.0%	5.5%	12.0%	3.3%	12.0%	2.6%
Poland	26.6%	11.4%	27.7%	5.0%	20.0%	5.0%
Portugal	15.0%	5.3%	13.5%	2.2%	11.0%	2.0%
Romania	19.0%	10.4%	15.0%	6.0%	15.0%	4.0%
Serbia	15.0%	12.4%	13.8%	4.8%	15.0%	3.1%
Spain	8.4%	3.4%	9.3%	2.7%	9.5%	2.4%
Sweden	7.0%	5.9%	8.0%	2.6%	7.0%	2.0%
Turkey <sup>5</sup>	110.0%	53.9%	90.0%	59.5%	75.0%	38.4%
United Kingdom	15.3%	7.3%	10.9%	2.5%	7.7%	2.0%
<b>Middle East and Africa</b>	<b>12.4%</b>	<b>8.8%</b>	<b>10.6%</b>	<b>7.1%</b>	<b>10.7%</b>	<b>5.7%</b>
Angola <sup>5</sup>	30.0%	13.6%	25.0%	22.0%	25.0%	12.8%
Bahrain	8.0%	0.1%	7.5%	1.4%	8.0%	1.8%
Egypt <sup>5</sup>	29.0%	24.4%	30.0%	32.5%	35.0%	25.7%
Ghana	37.5%	37.5%	22.0%	22.3%	12.0%	11.5%
Kenya	10.0%	7.7%	7.0%	6.6%	6.0%	5.5%
Mauritius	7.0%	7.0%	5.0%	4.9%	4.0%	3.6%
Morocco	2.5%	6.1%	3.0%	2.2%	3.5%	2.5%
Mozambique	8.5%	6.1%	8.0%	4.4%	6.5%	5.5%

Country/Region	2023 actual medical trend rate <sup>1</sup>	2023 actual inflation rate <sup>2</sup>	2024 forecast medical trend rate <sup>1</sup>	2024 forecast inflation rate <sup>2</sup>	2025 forecast medical trend rate <sup>1</sup>	2025 forecast inflation rate <sup>2</sup>
Nigeria	19.5%	24.7%	25.0%	26.3%	30.0%	23.0%
Oman	8.0%	0.9%	9.0%	1.3%	12.0%	1.5%
Qatar	7.0%	3.1%	5.0%	2.6%	8.5%	2.4%
Saudi Arabia	16.0%	2.3%	15.0%	2.3%	15.0%	2.0%
South Africa	9.0%	5.9%	9.0%	4.9%	9.5%	4.5%
United Arab Emirates	10.0%	1.6%	10.5%	2.1%	11.0%	2.0%
Zambia	18.0%	11.0%	12.0%	11.4%	13.0%	7.8%
<b>Latin America and the Caribbean<sup>6</sup></b>	<b>10.0%</b>	<b>5.6%</b>	<b>10.6%</b>	<b>3.5%</b>	<b>10.4%</b>	<b>3.2%</b>
Brazil	11.8%	4.6%	12.5%	4.1%	12.7%	3.0%
Chile	5.0%	7.6%	7.5%	3.2%	7.5%	3.0%
Colombia	13.5%	11.7%	15.0%	6.4%	14.0%	3.6%
Costa Rica	11.0%	0.5%	11.0%	0.3%	11.0%	2.9%
Dominican Republic	8.0%	4.8%	7.5%	4.2%	8.5%	4.0%
Guatemala	10.5%	6.2%	11.5%	4.0%	10.3%	4.0%
Honduras	11.0%	6.7%	11.0%	4.4%	11.0%	4.1%
Mexico	14.7%	5.5%	15.3%	4.0%	14.0%	3.3%
Nicaragua	11.5%	8.4%	12.0%	5.0%	10.5%	4.0%
Panama	10.0%	1.5%	10.8%	1.7%	10.0%	2.0%
Peru	6.9%	6.3%	5.4%	2.3%	6.2%	2.0%
Puerto Rico	6.5%	2.8%	8.0%	1.9%	9.0%	2.3%

# Appendix B

## Participating insurers

We would like to thank all the insurer respondents for participating in this research. We are very grateful to them for sharing their important perspectives, insights and outlooks. Below are the insurers that allowed us to disclose their participation in the survey.

Country	Insurer
<b>Angola</b>	NOVA SOCIEDADE DE SEGUROS DE ANGOLA ,SA
<b>Belgium</b>	AG Insurance AXA Belgium
<b>Brazil</b>	Care Plus Unimed Nacional
<b>Bulgaria</b>	Bulgaria Insurance PLC Groupama Zastrahovane UNIQA Life plc
<b>Canada</b>	Equitable Life Insurance Company of Canada Medavie Blue Cross RBC Life Insurance Company
<b>China</b>	CITIC Prudential Life Insurance Fosun United Health Insurance Co.Ltd Geneali China Life Insurance ICBC-AXA Medilink (Beijing) TPA Services Co., Ltd. MSH China Enterprise Service Co., Ltd PICC Health Insurance Co., Ltd. Shanghai Branch Taiping Pension Co.,Ltd. New China Life Insurance Co., Ltd. Shainghai Branch

Country	Insurer
<b>Colombia</b>	AXA COLPATRIA Compañía de Medicina Prepagada Colsanita S.A.
<b>Costa Rica</b>	Aseguradora del Istmo Adisa S.A. ASSA Compañía de Seguros, S.A. Pan American Life Insurance de Costa Rica
<b>Denmark</b>	Euro Accident PFA Pension
<b>Dominica</b>	Humano Seguros
<b>Dominican Republic</b>	ARS Yunen SEGUROS RESERVAS
<b>Egypt</b>	METLIFE
<b>France</b>	ALLIANZ AXA France
<b>Greece</b>	Allianz European Reliance Generali Hellas GROUPAMA ASFALISTIKI NN Hellas

Country	Insurer
<b>Guatemala</b>	Aseguradora General MAPFRE   Seguros Guatemala, S.A. PAN-AMERICAN LIFE INSURANCE DE GUATEMALA Seguros El Roble S.A. Seguros G&T, S.A.
<b>Honduras</b>	Seguros Crefisa
<b>Brazil</b>	Care Plus Unimed Nacional
<b>Hong Kong</b>	Asia Insurance Company Limited AXA Cigna Worldwide General Insurance Company Limited - HK Manulife (International) Limited
<b>Hungary</b>	Allianz Hungary Groupama Biztosító Zrt.
<b>India</b>	CARE HEALTH INSURANCE Reliance General Insurance Co Ltd The Oriental Insurance Co Ltd
<b>Indonesia</b>	ASURANSI JIWA MANULIFE INDONESIA PT AIA FINANCIAL PT Asuransi Astra Buana PT LIPPO GENERAL INSURANCE TBK PT. Asuransi Sinar Mas PT. Great Eastern Life Indonesia
<b>Ireland</b>	Irish Life Health dac Laya Healthcare Vhi Healthcare

Country	Insurer
<b>Italy</b>	AXA GENERALI ITALIA METLIFE Zurich Insurance Europe AG
<b>Lithuania</b>	Compensa Life Vienna Insurance group SE Lithuanian Branch
<b>Malawi</b>	WELLA MEDICAL AID SOCIETY LTD
<b>Malaysia</b>	AIA Bhd. AmMetLife Insurance Berhad
<b>Mexico</b>	Allianz México Compañía de Seguros Grupo Nacional Provincial MAPFRE SEGUROS Seguros Atlas, S.A.
<b>Mozambique</b>	Liberty Health (Pty) Ltd
<b>Nicaragua</b>	ASSA Compañía de Seguros, S.A. MAPFRE SEGUROS NICARAGUA
<b>Nigeria</b>	Leadway Health Limited Total Health Trust Ltd
<b>Norway</b>	DNB Livsforsikring AS Euro Accident If Skadeforsikring AB
<b>Oman</b>	Al Madina Insurance company SAOG Liva Insurance Company SAOC Oman Qatar Insurance Company Oman United Insurance Company Takaful Oman Insurance Co. SAOG

Country	Insurer
<b>Panama</b>	Pan-American Life Insurance de Panamá
<b>Peru</b>	Mapfre Peru
<b>Philippines</b>	FIRST LIFE FINANCIAL CO. Generali Life Assurance Philippines, Inc. Insular Health Care, Inc. Maxicare Healthcare Corporation Medicard Philippines Inc The Insular Life Assurance Co. Ltd. United Coconut Planters Life Assurance Corp.
<b>Poland</b>	Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group Towarzystwo Ubezpieczeń ZDROWIE SA
<b>Portugal</b>	AdvanceCare S.A. Multicare - Seguros de Saúde, SA Una Seguros SA VICTORIA - Seguros, SA.
<b>Qatar</b>	Seib Insurance & Reinsurance
<b>Romania</b>	GROUPAMA ASIGURARI S.A. ROMANIA SIGNAL IDUNA ROMANIA Uniqa Asigurari SA
<b>Singapore</b>	Raffles Health Insurance Pte Ltd Singapore Life Ltd
<b>Spain</b>	AXA Seguros Generales Cigna Life Insurance Company of Europe, SA SANITAS SEGUROS S.A. SegurCaixa Adeslas

Country	Insurer
<b>Sweden</b>	Länsförsäkringar
<b>Taiwan, Province Of China</b>	Cathay Life TAIWAN LIFE INSURANCE CO., LTD. Prudential Life Insurance Company, Ltd.
<b>Thailand</b>	Generali Life Assurance (Thailand) Plc. LMG Insurance Co.,Ltd. Muang Thai Life Assurance (MTL) Thai Life Insurance PCL. Tokio Marine Life Insurance (Thailand) PCL
<b>Turkey</b>	ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ
<b>United Arab Emirates</b>	Abu Dhabi National Insurance Company Orient Insurance Qatar Insurance Company Sukoon Insurance Company
<b>United Kingdom</b>	Aviva plc AXA Health
<b>Venezuela</b>	Humanitas Administradora de Riesgos, S.A. MAPFRE LA SEGURIDAD, C.A. DE SEGUROS SEGUROS PIRAMIDE C.A
<b>Vietnam</b>	AAA Insurance Corporation Bao Hiem Bao Viet - Bao Viet Insurance GENERALI VIETNAM LIFE INSURANCE LLC
<b>Zambia</b>	Liberty Life Insurance Zambia Limited One Life Assurance Limited



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- Global benefits
- Business continuity
- Enterprise risk management
- Business resiliency and crisis management
- Cybersecurity risk management
- Environmental, social and governance (ESG)
- Diversity, equity and inclusion
- Workforce communications
- Flexible working and work design
- Employee experience, listening and total rewards
- Living wage
- Retirement

#### **About Mercer Marsh Benefits™**

[Mercer Marsh Benefits](#) provides clients with a single source for managing the costs, people risks, and complexities of employee benefits. The network is a combination of Mercer and Marsh local offices around the world, plus country correspondents who have been selected based on specific criteria. Our benefits experts, located in 73 countries and servicing clients in more than 150 countries, are deeply knowledgeable about their local markets. Through our locally established businesses, we have a unique common platform, which allows us to serve clients with global consistency and locally unique solutions. [Mercer](#) and [Marsh](#) are two businesses of [Marsh McLennan](#) (NYSE: MMC), the world's leading professional services firm in the areas of risk, strategy and people, with 85,000 colleagues and annual revenue of over \$20 billion. Through its market-leading businesses including [Guy Carpenter](#) and [Oliver Wyman](#), Marsh McLennan helps clients navigate an increasingly dynamic and complex environment.