

Health Trends 2026

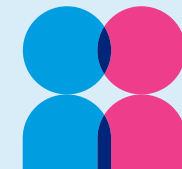
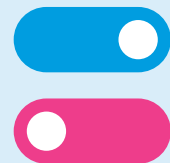
Balancing cost
control with benefits
optimisation

Asia infographic

Businesses of Marsh McLennan

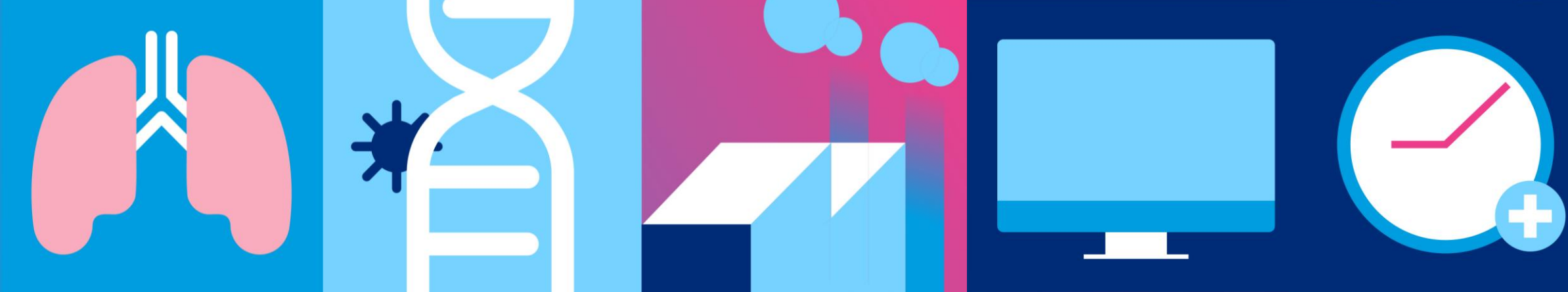


Health Trends 2026: Asia key takeaways



Trend	Projected medical trend rate continues to be double digits in most markets	Proactive risk management is a requirement for sustainable benefits programs	Benefits coverage for varied needs remains limited
What it means	While insurers are adjusting their projections for broader economic uncertainty, underlying claim costs continue to be driven by ever-present health conditions	Most cost-management levers are not typically included under plans today. Some of these controls can curb spending without impacting health outcomes	Many existing plans are not designed to meet the needs of today's workforce, with gaps in cover not just for unique health needs, but for universal needs as well
Key finding	High-cost claimant management is the #1 intervention in Asia that insurers plan to deploy or enhance in the next two years	85% of insurers in Asia are concerned about inefficient and wasteful care, making plans unaffordable over the next three years	Just 31% of insurers in Asia typically cover mental health counselling even though mental health screenings to identify potential concerns are helpful to employees

Medical trend rates remain persistently high in Asia at 12.5% with double digits in most markets



2026 forecast medical trend rate vs inflation rate

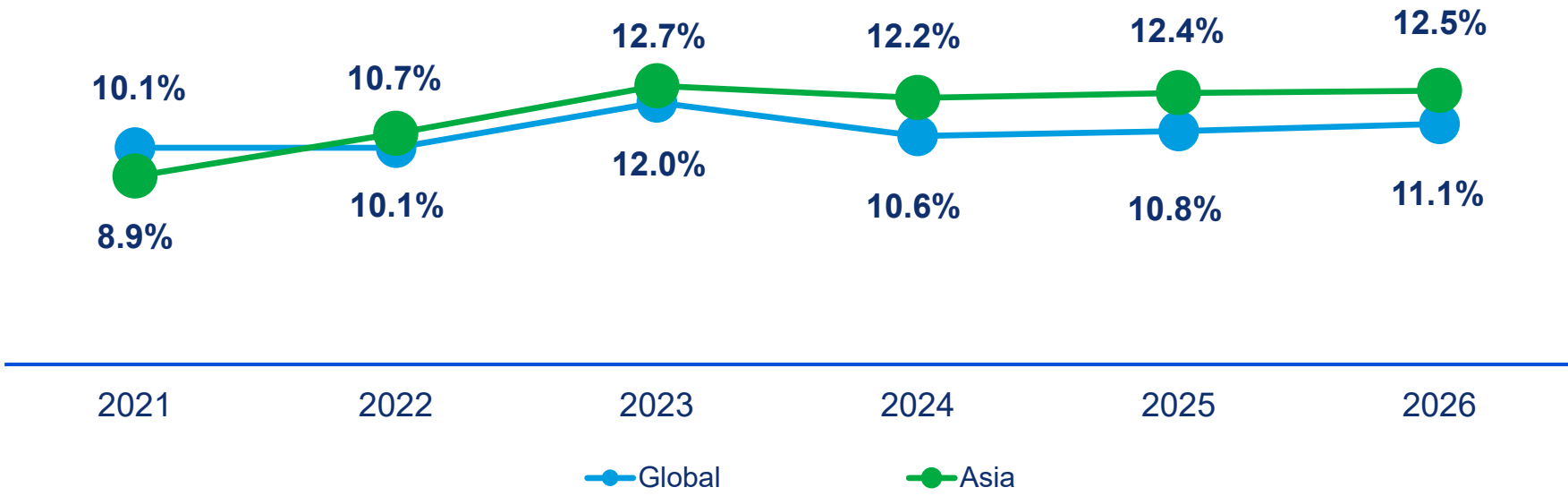
	2025 forecast medical trend rate	2025 forecast inflation rate	2026 forecast medical trend rate	2026 forecast inflation rate
China	8.6%	0.0%	8.6%	0.6%
Hong Kong	11.0%	1.9%	10.5%	2.2%
Indonesia	17.9%	1.7%	17.8%	2.5%
Malaysia	15.0%	2.4%	15.0%	2.2%
Philippines	16.0%	2.6%	16.0%	2.9%
Singapore	14.0%	1.3%	14.0%	1.5%
South Korea	9.6%	1.8%	9.6%	1.8%
Taiwan	10.2%	1.8%	9.9%	1.6%
Thailand	14.1%	0.7%	14.6%	0.9%
Vietnam	10.1%	2.9%	11.6%	2.5%

The projected 2026 medical trend rate is **nearly 6x the inflation rate (2.1%) for Asia**. This gap highlights a critical need for effective healthcare cost management strategies for employers.

Medical trend rates
Year-over-year cost increase for claims on a per-person basis made under a medical scheme, driven by medical inflation, changes in treatment mix, incidence of health conditions, among other factors.

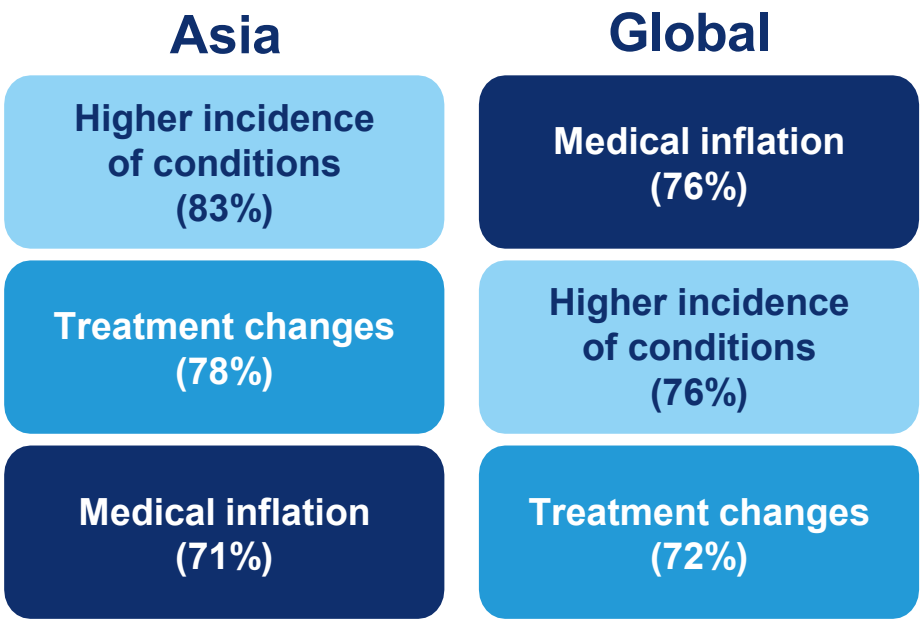
Medical inflation
The rate at which the cost of medical services and products increases over time.

2021 – 2026 medical trend rate in Asia



83% of insurers indicated that utilisation changes due to **higher incidence of health conditions** is the key driver of medical trend rates in 2026. Compared to the rest of the world, more insurers in Asia consider higher incidence of health conditions as a **key driver of medical trend rate** over medical inflation.

Key drivers of medical trend rate



How do you expect each of the following trend components will impact your market's projected 2026 medical trend rate? (Very significant + significant; top three)

High claims incidence in Asia is causing insurance premiums to rise, driven by **greater availability, access to care, and growing demand**.

Cancer remains a top condition globally, but different diseases drive top dollar amount and frequency in Asia

Top causes of claims based on dollar amount

	Global (2024)	Asia (2024)	Asia (2023)
1	Cancer	Cancer	Cancer
2	Diseases of the circulatory (cardiovascular) system	Diseases of the circulatory (cardiovascular) system	Diseases of the circulatory (cardiovascular) system
3	Musculoskeletal conditions	Respiratory conditions	Gastro-intestinal diseases
4	Respiratory conditions	Gastro-intestinal diseases	Respiratory conditions
5	Gastro-intestinal diseases	Accidents and injuries	Endocrine and metabolic diseases

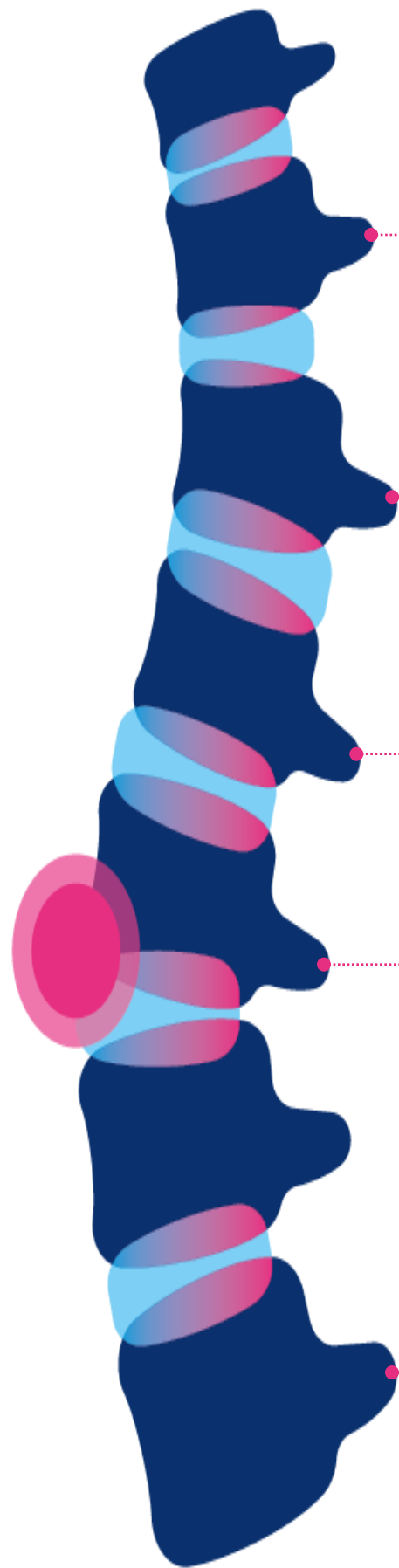
What were the top causes of claims cost in 2024, based on the dollar amount claimed, from your book of group or overall business?

Top causes of claims based on frequency

	Global (2024)	Asia (2024)	Asia (2023)
1	Diseases of the circulatory (cardiovascular) system	Respiratory conditions	Respiratory conditions
2	Respiratory conditions	Gastro-intestinal diseases	Diseases of the circulatory (cardiovascular) system
3	Musculoskeletal conditions	Diseases of the circulatory (cardiovascular) system	Gastro-intestinal diseases
4	Gastro-intestinal diseases	Cancer	Cancer
5	Cancer	Musculoskeletal conditions	Musculoskeletal conditions

What were the top three causes of claims cost in 2024, based on the incidence of claims, from your book of group or overall business?

Musculoskeletal conditions (MSK) are a top dollar amount and frequency category globally but are not yet a top dollar in Asia



Employers can support employees with multi-level interventions

Ergonomics and worksite safety:

- Desk jobs: chairs/support for healthy posture
- Non-desk jobs: Safety/manual handling training, lifting supports, workplace assessments, AI-powered or wearable sensor technology for movement tracking

Preventive care:

- Strength and flexibility programs and training
- Maintaining a healthy weight
- Physical activity

Early intervention:

- Early assessment
- Triage support

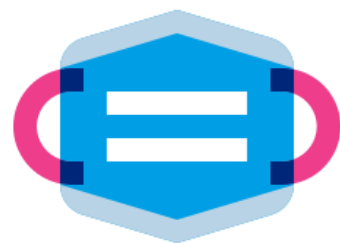
Treatment and rehabilitation:

- Cover for timely healthcare while mitigating risk of unnecessary surgeries
- Physical therapy, including onsite, virtual and AI-powered options to increase adherence
- Cover for specialist pain management and optimisation of medication

Support in returning to work:

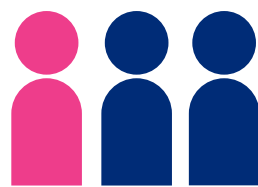
- Graduated return to work plans to reduce re-injury
- Flexible arrangements, modified duties and accommodations
- Manager training

Respiratory conditions continue to climb higher in dollars and frequency in Asia



#1 cause of claim (frequency) ¹
#3 cause of claim (cost)¹

▶ Respiratory conditions



1 in 3

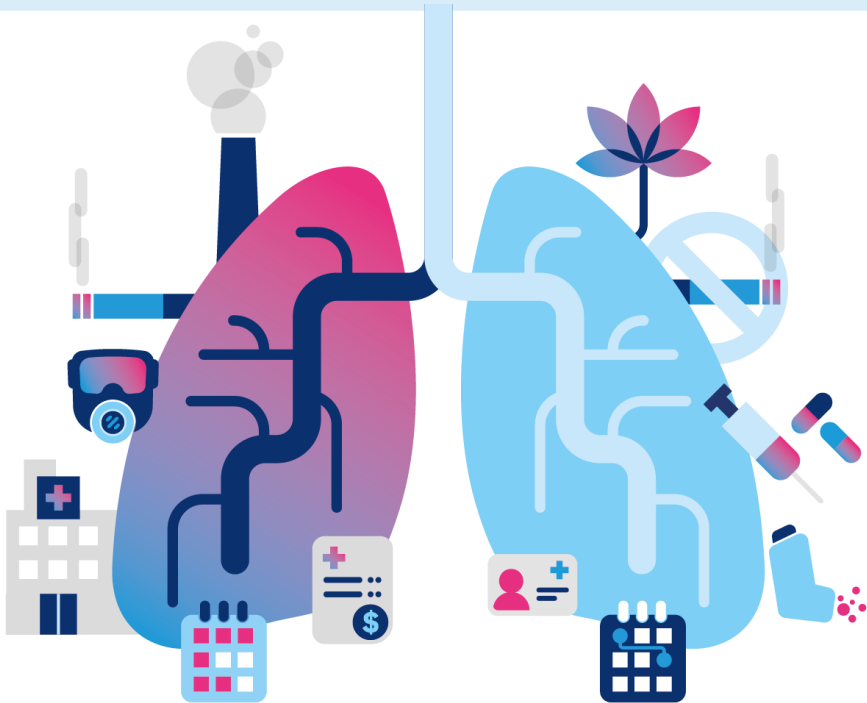
▶ Employees in Asia say they or their family have experienced worsened physical health conditions e.g., asthma due to a changing climate.²

Employers and insurers can play a pivotal role by supporting the workforce through comprehensive programs

Preventive screenings, such as spirometry

Vaccines coverage for flu, COVID-19, pneumococcal disease and other respiratory infectious disease

Coverage and adherence support for medication and inhalers



Self-care through symptom tracking, stress management, healthy weight

Clean air at workplaces via filters, purifiers etc

Flexible work and scheduling during flare ups, infectious seasons and poor air quality days

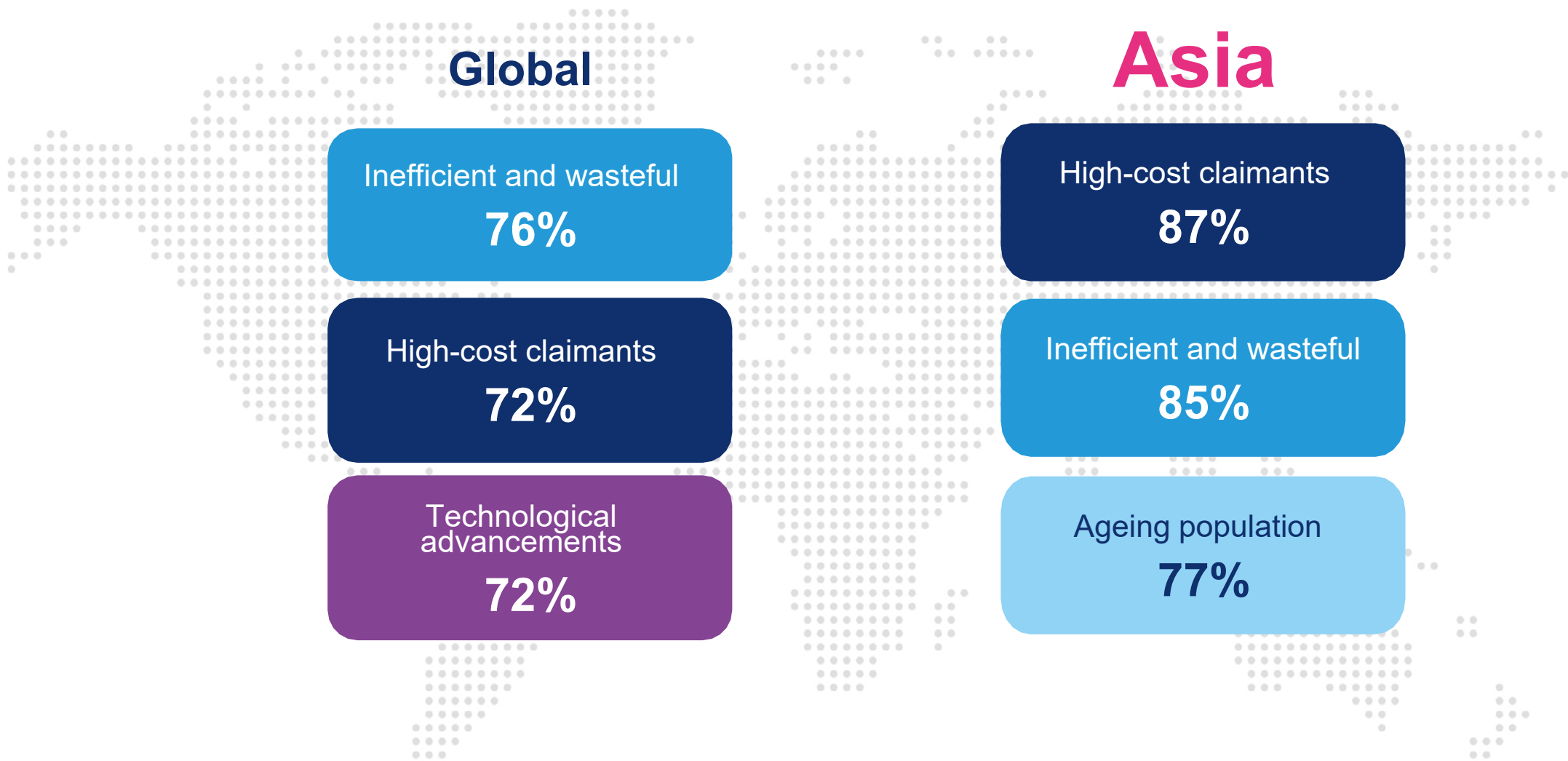
1. Mercer Marsh Benefits. Health Trends 2026 Asia
2. Mercer Marsh Benefits. Health on Demand 2025 Asia

Proactive risk management is a requirement for sustainable benefits programs



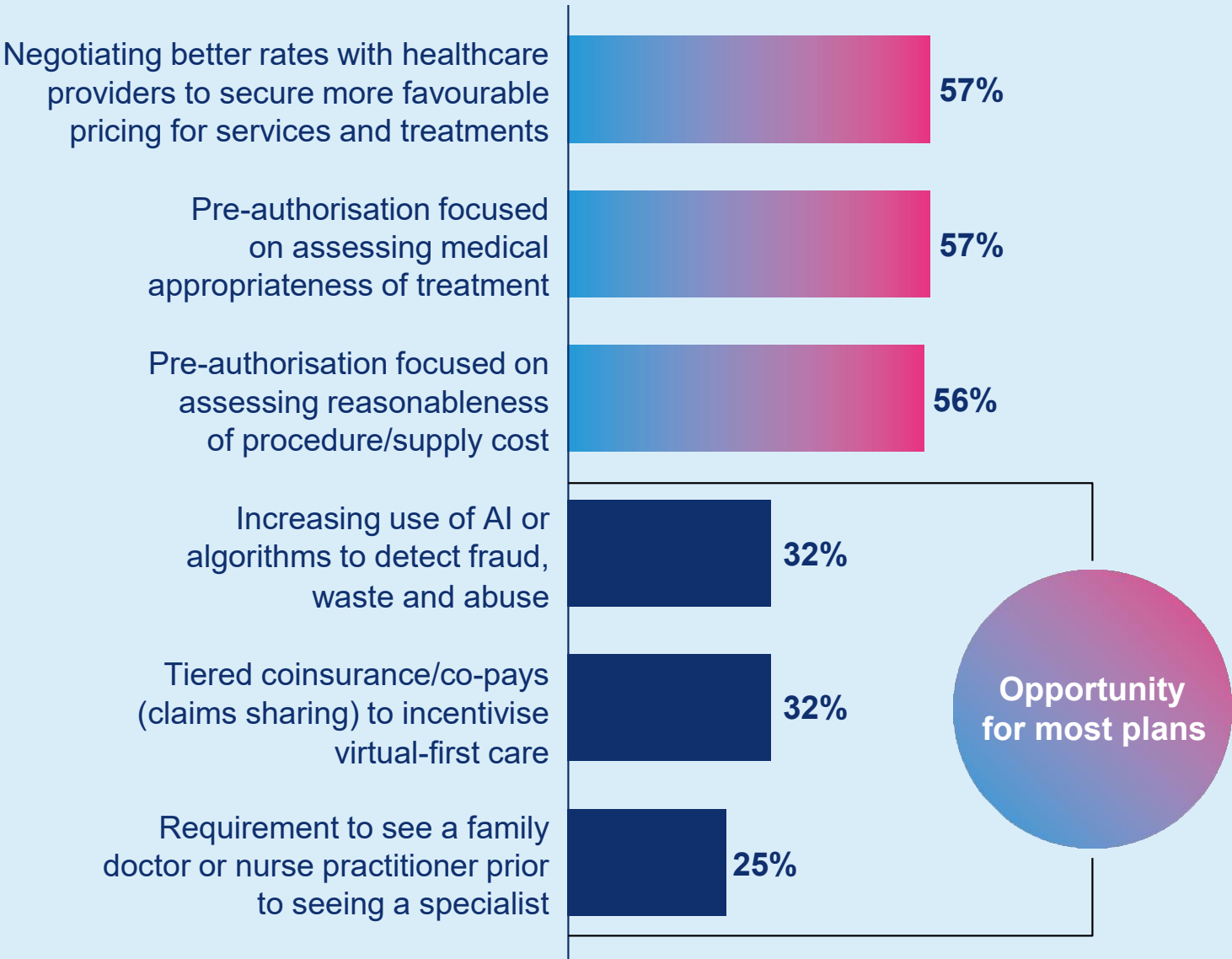
Top employer-sponsored medical affordability concerns for the next three years

Ageing is a major concern for employers due to higher healthcare expenses and increase in benefits utilisation associated with an older population. However, these costs are manageable through **proactive health management** and **preventative care**, enabling employers to promote healthier ageing and controlled medical costs.



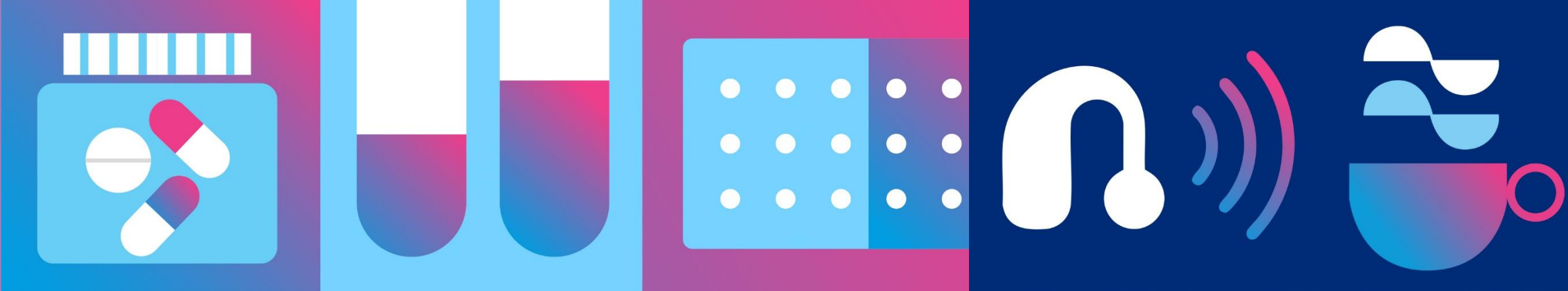
With respect to keeping plans affordable, how concerning is each of these as you look forward over the next three years? (Very Concerning + Concerning)

Cost-containment options typically included for employer-sponsored private group medical insurance (Top 3 and Bottom 3)



Related to cost containment options, which of the following does your company typically include for employer sponsors of private group medical insurance?

Benefits coverage for varied needs remains limited



Asia lags global in offering support benefits for mental health, reproductive health, and healthy ageing

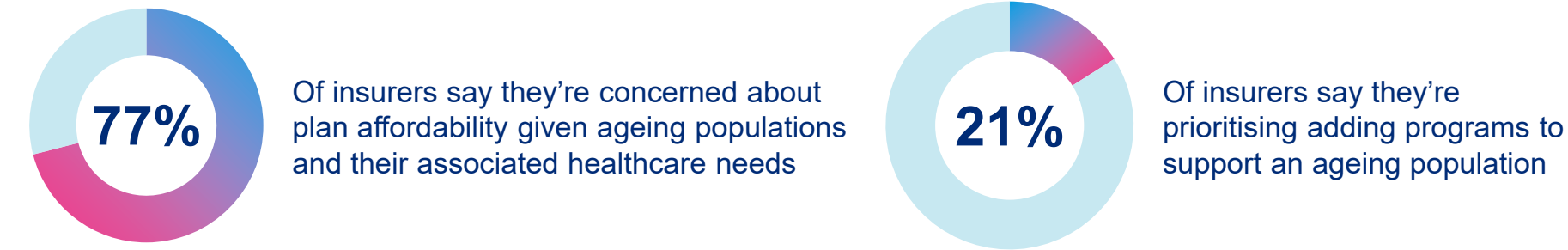
Mental health benefits

Typically included	Global	Asia
Coverage for psychological and/or psychiatric counselling sessions (outpatient)	50%	31%
Mental health screenings (e.g., member tool to understand their own mental well-being)	24%	15%
Virtual advice via chat, powered by artificial intelligence (no human involved), for anxiety, sadness, or relationship issues	19%	17%
Substance use/abuse treatments	15%	4%

Reproductive health and family-building benefits

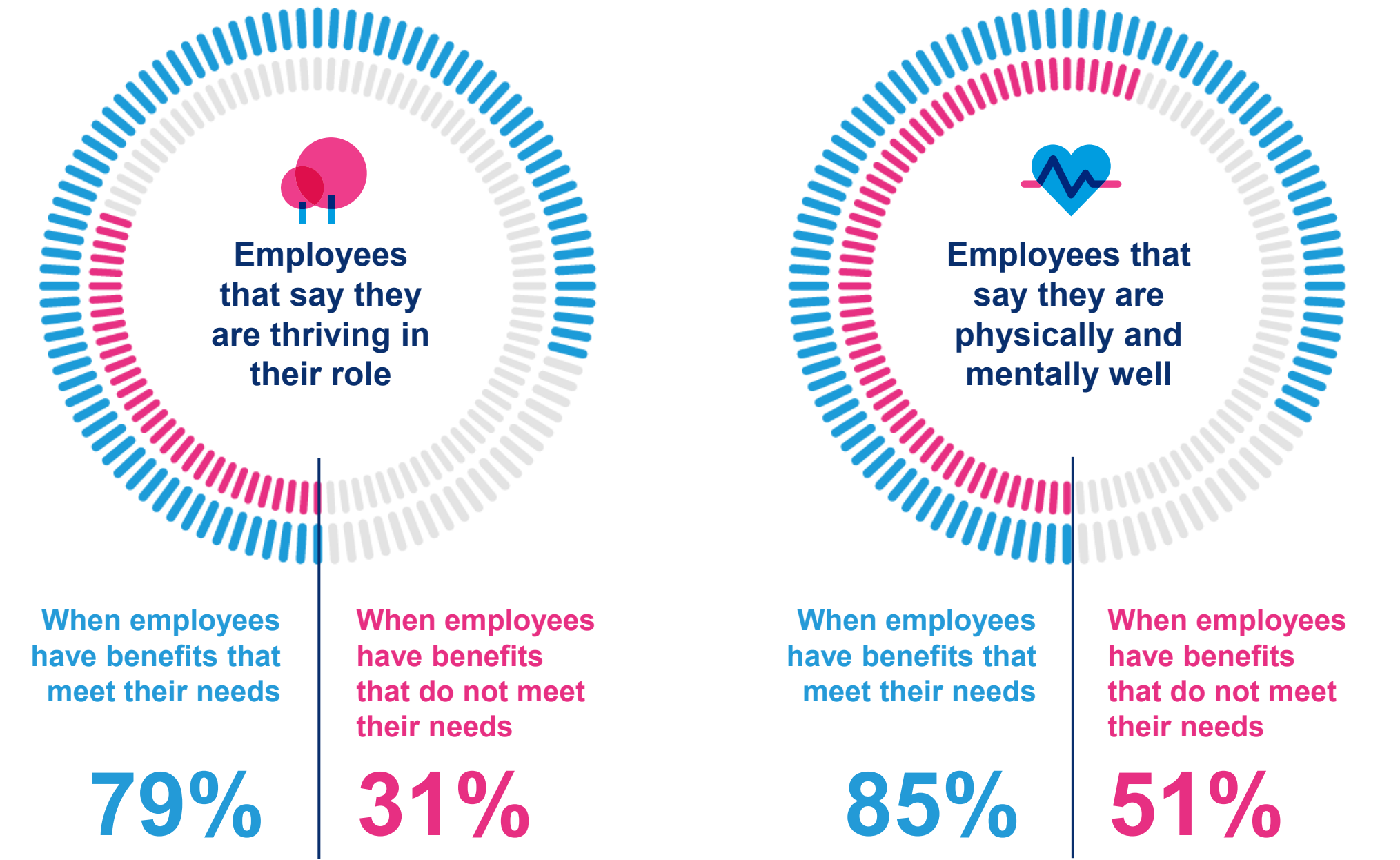
Not available or not applicable	Global	Asia
Elective egg, sperm, and embryo cryopreservation services	70%	70%
Men’s fertility testing	59%	65%
Women’s fertility and infertility technology including diagnosis, treatment (e.g. IVF) and medication supply	55%	51%
Contraception access/coverage for all purposes including pregnancy prevention	51%	51%
Menopause care and support including hormone replacement	43%	52%

Ageing workforce



Source: Mercer Marsh Benefits. Health Trends 2026

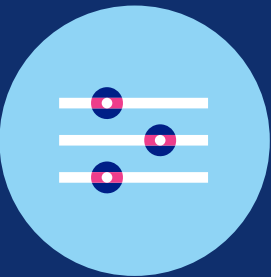
Meeting the workforce’s unique benefits needs sets employers up for success and powers the productivity of the workforce



Source: [Mercer Marsh Benefits Health on Demand 2025 Asia](#)

Conclusion

It is now crucial to optimise investment in your employees’ health and benefits



Benefits optimisation
Changing benefits mix and strategy to deliver more value

- Maximising value of benefits to the individual and organisation across health, risk protection and well-being, time off and perquisites



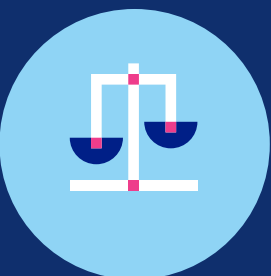
Health and quality improvement
Managing utilisation through higher value care and support

- Addressing benefit adequacy and gaps (e.g. global minimum standards)
- Prevention and managing health/disability
- Steering to high-value care



Cost management
Addressing affordability for both employee and employer

- Packaged pricing
- Removing unneeded frictional costs
- Coordination with public health



Cost shifting
Increasing portion of cost paid for by employee vs employer

- Restricting eligibility
- Claims and premium sharing

Reach out to one of our specialists to have a conversation about what is right for your employees and your business.

Download the MMB Health Trends 2026 report to learn more.



Note: The projected medical trend rate of 12.5% for Asia in 2026 includes India at 9.9%. Rates for 2021 to 2024 are retrospective. Rates for 2025 and 2026 are prospective. Unweighted global averages were used. This data was gathered in June and July 2025 from 268 insurers, with medical trend rates submitted by insurers and validated by our local teams using their own internal book of business data, market-specific insurer surveys, economic forecasts and subjective assessments. Please note the US is not part of the research. For more information related to the US, please see Mercer’s 2025 National Survey of Employer-Sponsored Health Plans.

For further information, please contact your local Mercer Marsh Benefits office.

Marsh McLennan businesses provide a range of solutions to help you build a resilient workforce and business, including:

- Benefits strategy, broking, design, financing and delivery
- Health and well-being, including mental health and longevity
- Global benefits
- Business continuity
- Enterprise risk management
- Business resiliency and crisis management
- Cybersecurity risk management
- Workforce communications
- Flexible working and work design
- Employee experience, listening and total rewards
- Living wage
- Retirement

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