

Health Trends 2024

Getting the right balance between managing costs and meeting employee needs



Four key findings from our 2024 Health Trends survey

We surveyed 223 insurers across 58 countries for this year's study

Trend



Over half of markets are facing double digit cost increases; Cancer tops the list of claim costs.



Health systems are undergoing transformation as they face disruption from skills shortages with digital healthcare still at an early stage.



Insurers are responding to the need for cost containment and providing options for employers to make plan design changes.



Mental health, women's health and inclusive benefits gaps continue to persist.

What it means

Preventative measures such as screening programs continue to need prioritization and focus while newer solutions to support people with a serious diagnosis should be considered.

Employer-sponsored healthcare provides opportunities to lead the way, both in offering access to high-quality centers of excellence and in embracing digital health solutions.

Employers and their advisors must negotiate with insurers to make sure that sensible cost containment measures, such as fraud, waste and abuse controls as well as claims sharing features are updated and competitive.

Employers have an opportunity to make meaningful change for employees by offering inclusive benefits and targeting coverage gaps.

Trend 1

Over half of markets are facing double digit cost increases; cancer tops the list of claim costs.



In 2023, we expect rates to increase to 12.4% globally because of inflation, utilization, and changes in treatment mixes.

2019-2024 Medical Trend

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------------|-------|------|-------|-------|-------|-------|
| Global | 9.7% | 5.7% | 10.1% | 10.1% | 12.4% | 11.7% |
| Canada | 6.9% | 3.9% | 7.1% | 7.0% | 9.0% | 7.5% |
| Asia | 10.2% | 3.5% | 8.9% | 10.7% | 12.5% | 11.4% |
| Pacific | 4.6% | 5.2% | 5.0% | 2.9% | 8.2% | 6.5% |
| Europe | 8.0% | 3.5% | 10.9% | 11.4% | 13.0% | 11.0% |
| Middle East and Africa | 11.1% | 9.6% | 10.2% | 9.3% | 12.7% | 14.4% |
| Latin America and Caribbean | 13.4% | 8.0% | 11.1% | 10.0% | 11.3% | 10.3% |

How would you describe the impact of the following on 2023 medical trend rate within your market? (Global results)



Cancer is a leading cause of claims, and while some related services have been widely adopted, new and innovative solutions are on the horizon.

What were the top causes of claims in 2022 based on your book of group or overall business?

| Claim dollar amount (global) | | Claim frequency (global) | |
|------------------------------|------------------------------------|--------------------------|------------------------------------|
| 1 | Cancer | 1 | Diseases of the circulatory system |
| 2 | Diseases of the circulatory system | 2 | Cancer |
| 3 | Musculoskeletal conditions | 3 | Respiratory conditions |
| 4 | Gastrointestinal diseases | 4 | Musculoskeletal conditions |
| 5 | Respiratory conditions | 5 | Gastrointestinal diseases |

What services do you typically cover under your group health plan?



Employers should evaluate where there are areas of opportunity for enhanced cancer supports, but continue to prioritize awareness and prevention.

Trend 2

Health systems are undergoing transformation as they face disruption from skills shortages with digital healthcare still at an early stage.



Perceptions of public and private healthcare

Health systems have been under considerable pressure over the last three years. In your opinion, how do attributes of today's public and private systems compare to before the pandemic?

| | Quality | | Access | |
|-----------------------------|---------|-------|--------|-------|
| | Better | Worse | Better | Worse |
| Public Healthcare | | | | |
| Global | 29% | 28% | 19% | 48% ▼ |
| Asia | 48% ▲ | 12% | 31% | 33% |
| Europe | 10% | 48% ▼ | 8% | 73% ▼ |
| Latin America and Caribbean | 13% | 38% | 3% | 59% ▼ |
| Middle East and Africa | 27% | 23% | 23% | 30% |
| Private Healthcare | | | | |
| Global | 50% ▲ | 3% | 37% | 14% |
| Asia | 59% ▲ | 1% | 46% ▲ | 5% |
| Europe | 40% ▲ | 3% | 28% | 28% |
| Latin America and Caribbean | 59% ▲ | 3% | 44% ▲ | 13% |
| Middle East and Africa | 47% ▲ | 10% | 33% | 7% |

>40% of insurers found this aspect of private or public healthcare had worsened

>40% of insurers found this aspect of private or public healthcare had improved

Virtual tools and plan costs

Virtual tools and telemedicine could support wider access and improve the affordability of private healthcare services, but insurers are still undecided about their impact.



Trend 3

Insurers are responding to the need for cost containment and providing options for employers to make plan design changes.



Insurers expect plan improvements to take precedence over cost containment measures, but this is less pronounced than last year.

Based on your experience with recent medical plan renewals which of the following objectives do you think most employer plan sponsors will prioritize over the next year?



Traditional cost-shifting isn't the only thing employers should consider as they consider cost control options in a high inflation environment.



Shifting to high-value, quality healthcare is key for employers as they look to prioritize long-term cost containment.

Trend 4

Mental health, women's health and inclusive benefits gaps continue to persist.



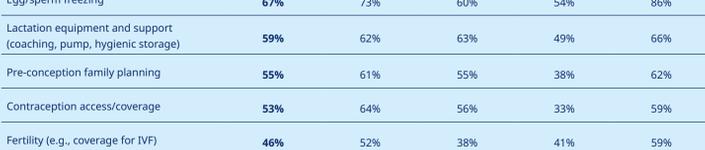
| | Percentage that offer coverage for psychological and/or psychiatric counseling sessions | Percentage of those that offer counseling but only offer 10 sessions or less |
|-----------------------------|---|--|
| Global | 69% | 52% |
| Asia | 54% | 67% |
| Europe | 85% | 56% |
| Latin America and Caribbean | 79% | 16% |
| Middle East and Africa | 67% | 65% |

Although insurers cover mental healthcare, plan limits may cause the plan to provide insufficient support for employees.

Almost a third of insurers do not consider the diversity of their medical network providers.

Ensuring medical network providers are diverse

(e.g., ethnic composition, sexual orientation, gender)



Globally, insurers say that many reproductive/ women's health benefits are not available.

Related to reproductive health benefits, which of the following are not available under employer sponsored group medical insurance?

| | Global | Asia | Europe | Latin America and Caribbean | Middle East and Africa |
|--|--------|------|--------|-----------------------------|------------------------|
| Egg/sperm freezing | 67% | 73% | 60% | 54% | 86% |
| Lactation equipment and support (coaching, pump, hygienic storage) | 59% | 62% | 63% | 49% | 66% |
| Pre-conception family planning | 55% | 61% | 55% | 38% | 62% |
| Contraception access/coverage | 53% | 64% | 56% | 33% | 59% |
| Fertility (e.g., coverage for IVF) | 46% | 52% | 38% | 41% | 59% |

To provide comprehensive cover for women, consider the full spectrum of care.



In summary

With medical trends exceeding to pre-pandemic norms, the demand for effective management of employee health programs is intensifying. Partner with MMB to uncover how market innovation can provide increased value for your investment.

- 1 Refresh your benefits strategy in light of health system transformation, evolving employee needs, pervasive gaps and cost pressures. Twenty-first century challenges require 21st century benefits design and delivery. Is your insurer offering or planning to offer these?
- 2 Enhance prevention, diagnosis, treatment and workplace supports pillars for NCDs like cancer. Challenge your plan to manage cost while improving the employee experience.
- 3 Consider digital solutions for growing risks like ergonomic hazards, extreme temperature and mental distress. The majority of employees find the digital future of healthcare appealing and should be willing to embrace new digital solutions.
- 4 Monitor the impact of disruptive technology and health advancements on your benefits and healthcare in general. AI is just a part of the picture, and many innovative solutions are under development.
- 5 Be a catalyst to advance cost-management options that improve healthcare quality and cost. Be open to considering cost levers that have been viewed as too intrusive in the past, like steering people to high-quality care.

Reach out to one of our specialists to have a conversation around the actions that are right for your employees and your business.

Download the [MMB Health Trends 2024 report](#) to learn more.

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

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- Business continuity
- Enterprise risk management
- Business resiliency and crisis management
- Cybersecurity risk management
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- Diversity, equity and inclusion
- Workplace communications
- Flexible working and work design
- Employee experience, listening and total rewards
- Living wage
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