

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.

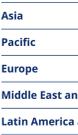
Employer-sponsored healthcare provides opportunities to lead the way, both in offering access to high-quality centers of excellence and in embracing digital health solutions.

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)

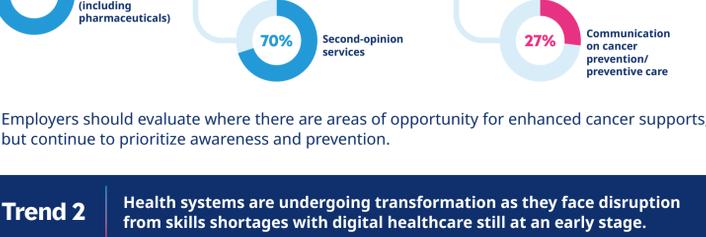


Cancer is a leading cause of claims, and while some related services have been widely adopted, new and innovative solutions are on the horizon.

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.

22% saying costs have decreased

55% no effect on plan costs

23% increased costs

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.

Traditional cost-shifting options include:

- Deductibles
- Co-pays
- Covered expense sub-limits
- Out of pocket maximums

Initiate conversations about these changes on a regular basis as insurers may not proactively review these.

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

Cost containment feature	Typically included (Globally)
Education to make plan members smarter consumers of health care	59%
Steering members away from unproven/unnecessary treatment/technologies/pharmaceuticals	59%
Steering members to quality care (e.g., narrow networks, centers of excellence), through a navigation or advocacy service (beyond the health plan's standard customer service)	39%
Tiered coinsurance/co-pays (claims sharing) for preferred vs. non-preferred treatment/provider	45%
Tiered coinsurance/co-pays (claims sharing) to incentivize virtual-first care	32%

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.

Although **69%** of insurers globally say they cover psychological and/or psychiatric counseling sessions, in practice, **52%** of those only cover 10 sessions or fewer

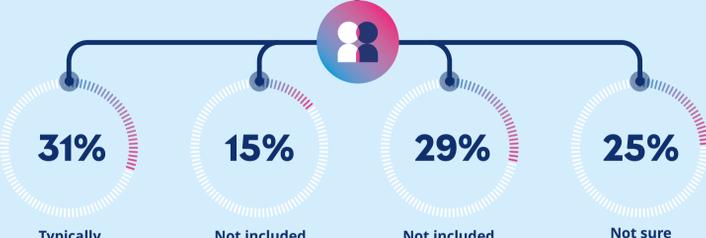
	Percentage that offer coverage for psychological and/or psychiatric counseling sessions	Percentage of those that offer counseling but only offer 10 sessions or less
Global	69%	52%
Asia	54%	67%
Europe	85%	56%
Latin America and Caribbean	79%	16%
Middle East and Africa	67%	65%

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)

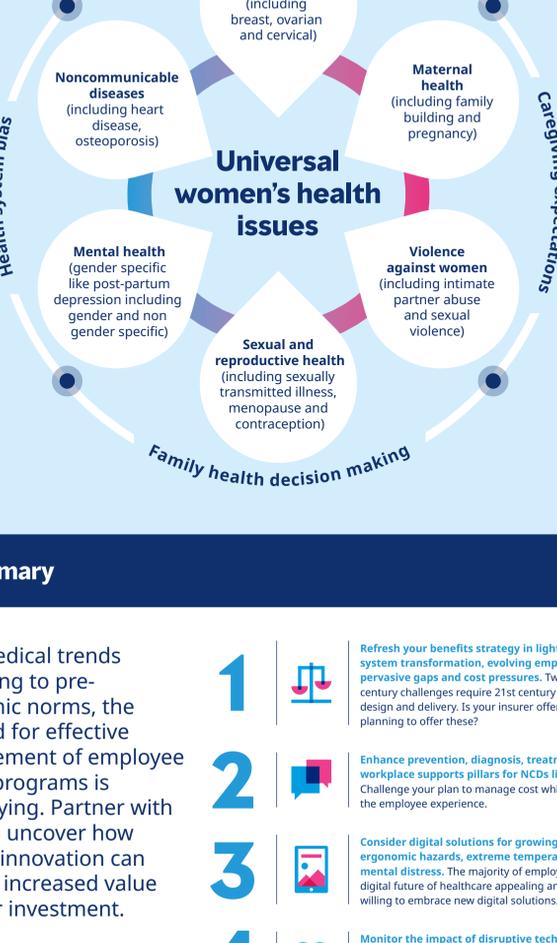


Globally, insurers say that many reproductive/ women's health benefits are not available.

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
- 2
- 3
- 4
- 5

- 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.

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
- Enterprise risk management
- Business continuity
- 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

