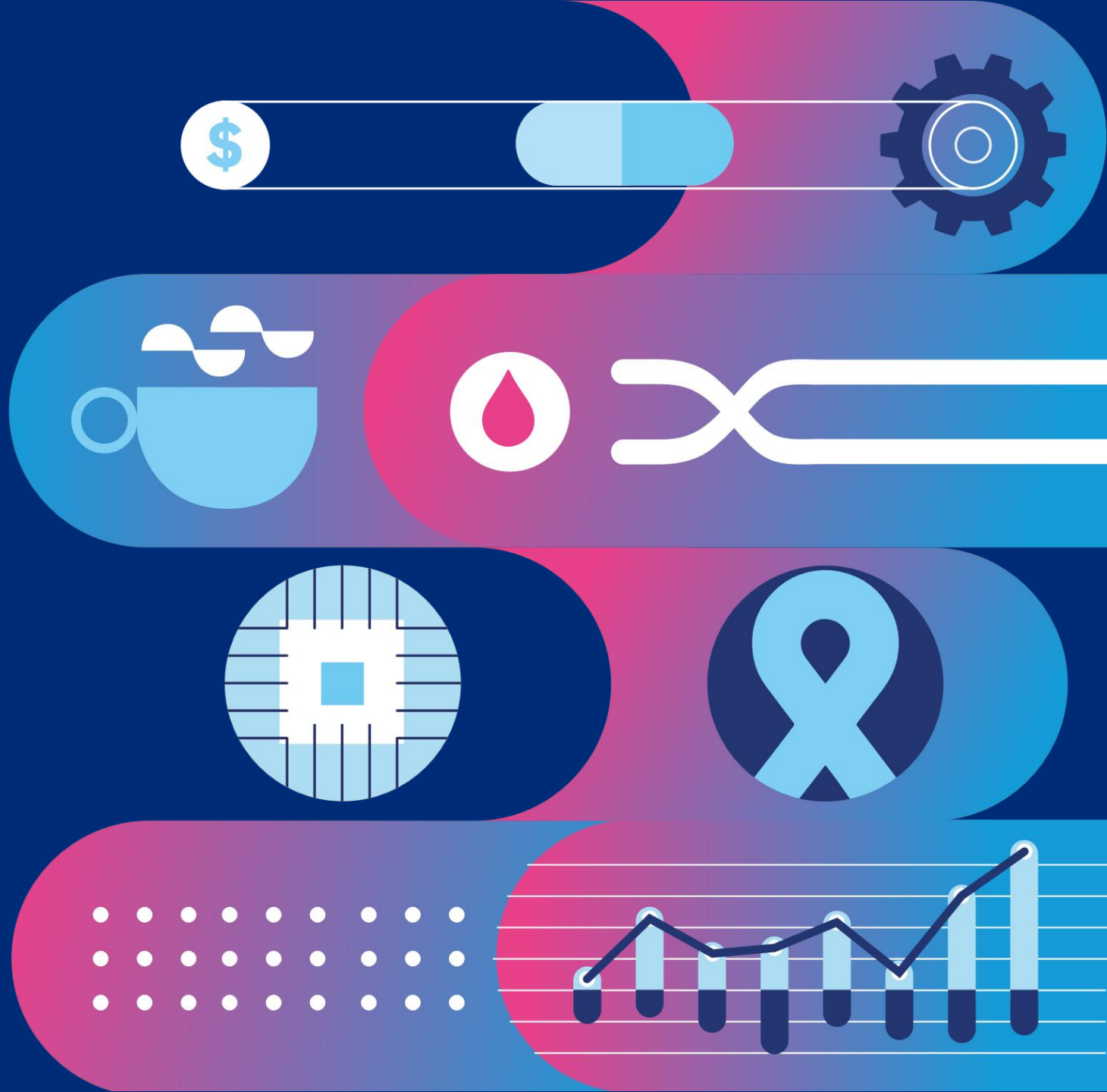


# Health Trends 2025

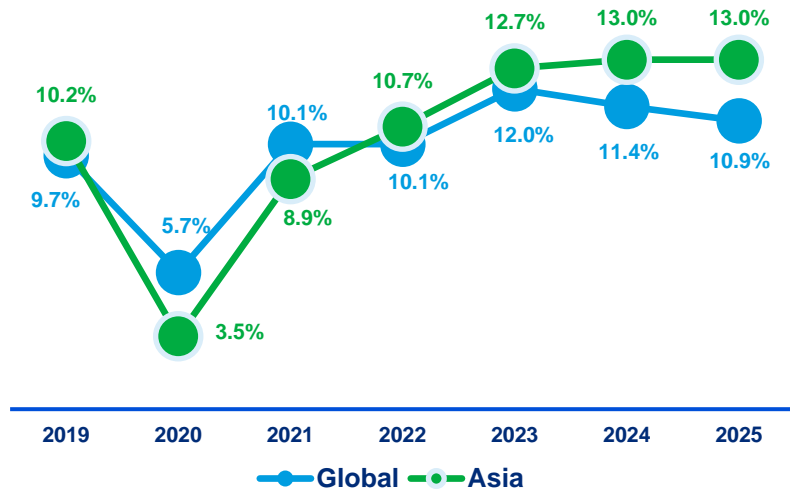
Asia

benefits that truly benefit



# Medical trend rates remain persistently high in Asia at 13%, despite signs of slowdown globally

2019 – 2025 Medical Trend Rates

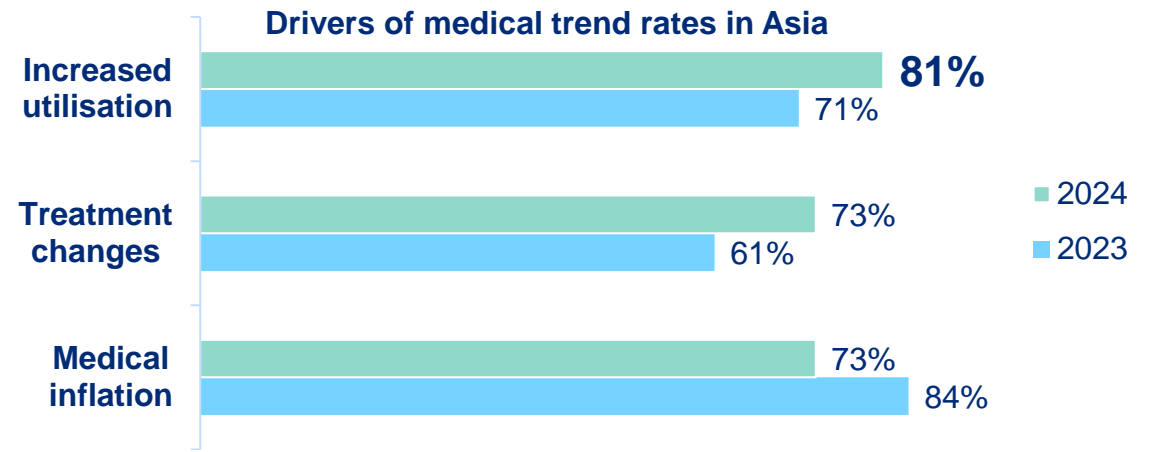


Medical trend rates		
	2024 forecast	2025 forecast
China	9.0%	8.7%
Hong Kong	12.0%	9.0%
Indonesia	17.9%	19.0%
Malaysia	14.0%	15.0%
Philippines	21.0%	21.0%

Medical trend rates		
	2024 forecast	2025 forecast
Singapore	12.0%	11.0%
South Korea	10.2%	11.0%
Taiwan	10.4%	12.2%
Thailand	11.1%	11.4%
Vietnam	15.0%	15.0%

Trend Rates and Inflation Rates for 2023 are retrospective. Rates for 2024 and 2025 are prospective. Unweighted global averages used. Global Trend Rate excludes Expat Trend Rates. 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 National Survey of Employer-Sponsored Health Plans.

81% of insurers indicated that the increase in utilisation, driven by higher incidence of health conditions, is the key driver of medical trend rates in 2024, overtaking medical inflation in 2023.

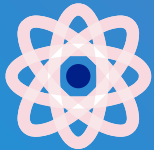


How do you expect each of the following trend components will impact your market's projected 2024 medical trend rate? (Very significant + significant; top three)

## Despite this risk

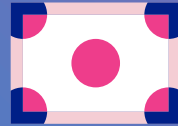
**64%** of organisations in Asia still do not have an articulated strategy to manage benefits costs ([People Risk Asia 2024](#))

# 225 insurers across 55 markets globally\* surveyed identified top 3 trends shaping employer-sponsored health plans



## Manage cancer as an intensifying risk

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



## Deploy new techniques to keep plans affordable

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



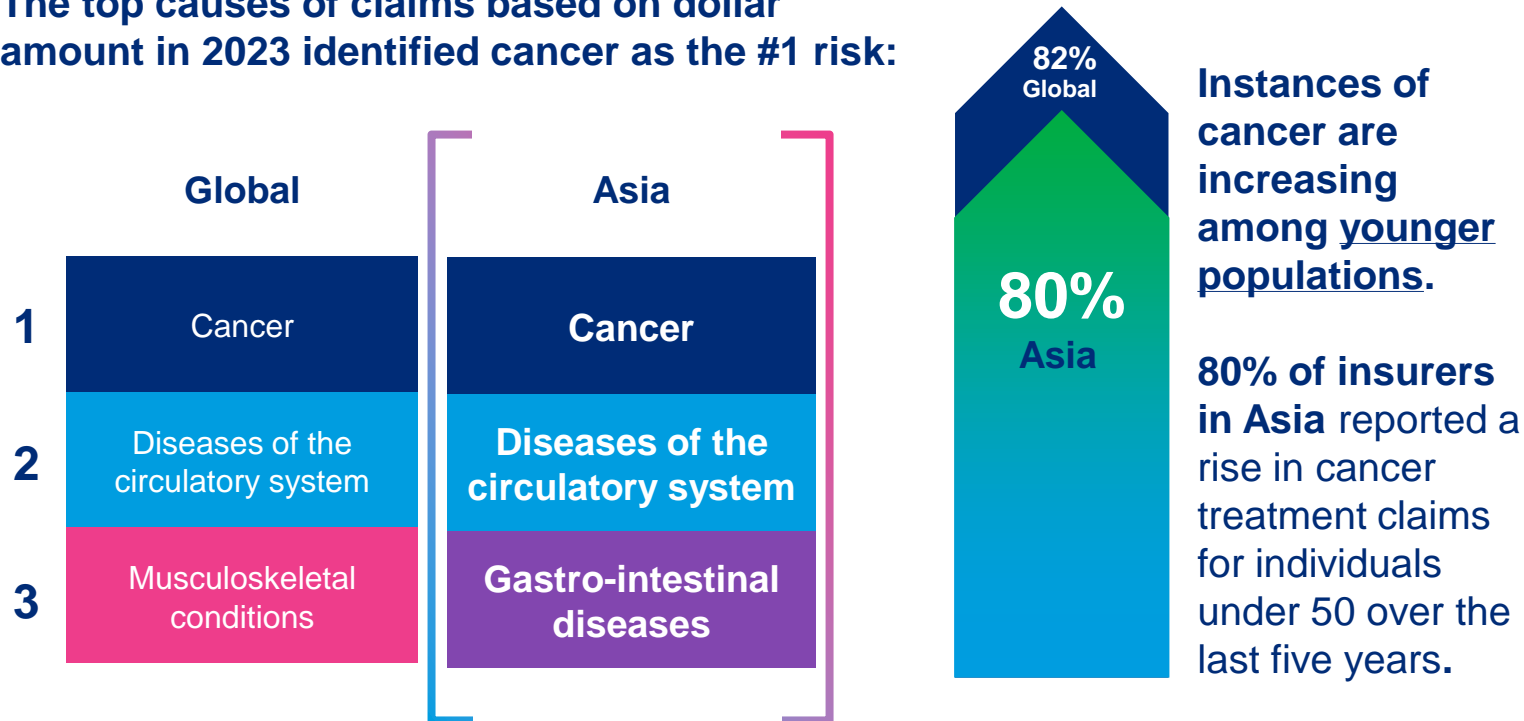
## Meet the unique needs of the workforce

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.

# Trend 1: Manage cancer as an intensifying risk

Asia sees the growing needs of different intervention capabilities as claims were driven by a mix of conditions:

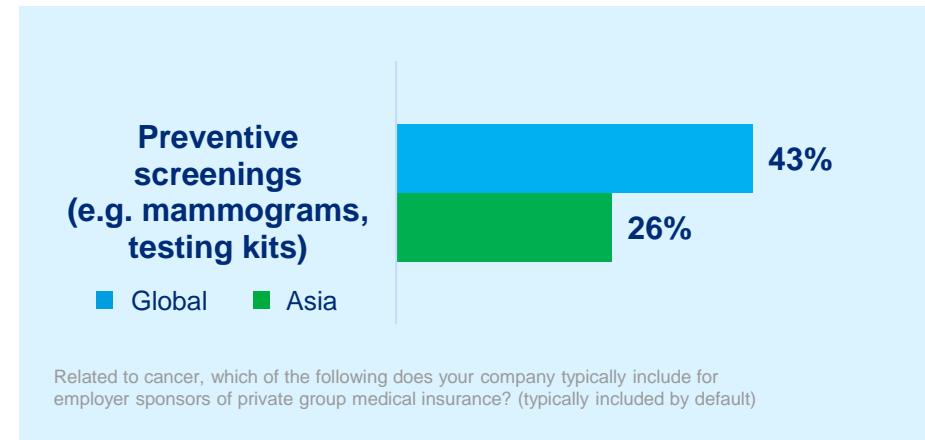
The top causes of claims based on dollar amount in 2023 identified cancer as the #1 risk:



Instances of cancer are increasing among younger populations.

80% of insurers in Asia reported a rise in cancer treatment claims for individuals under 50 over the last five years.

Despite this, only 26% of insurers in Asia offer preventive screenings by default.



What were the top three causes of claims cost in 2023, based on the dollar amount claimed, from your book of group or overall business?

# Trend 2: Deploy new techniques to keep plans affordable

Insurers in Asia lag global in deploying new techniques to keep plans affordable even though comprehensive benefits plan design is key to cost management

## Coinsurance structure cost management approach

	Asia	Global
Tiered coinsurance/copays for preferred vs. non-preferred treatments or providers	26%	32%
Tiered coinsurance/copays to incentivise virtual-first care	10%	22%
Steering members to high quality care (e.g. narrow networks) through plan design incentives	26%	40%

## Steering members to effective solutions approach

	Asia	Global
Steering members away from unproven or unnecessary treatments or technologies	40%	49%
Education to make plan members smarter consumers of healthcare	44%	46%
Steering members to quality care (e.g. narrow networks), through a navigation or advocacy service	27%	37%

## Cost containment management approach

	Asia	Global
Pre-authorisation focused on assessing reasonableness of procedure/supply cost	53%	61%
Negotiated packaged or bundled pricing for specific procedures	47%	58%

■ Typically included by insurers in Asia  
■ Typically included by insurers globally

# Trend 3: Meet the unique needs of the workforce

## Notable disparities between insurers and the workforce in Asia concerning the inclusion of mental and reproductive health benefits



### Employees

% of employees who find the benefits helpful for them or their family  
(Health on Demand – Asia)

Asia



### Insurers

% of insurers who included the benefits by default  
(Health Trends – Asia vs Global)

Asia

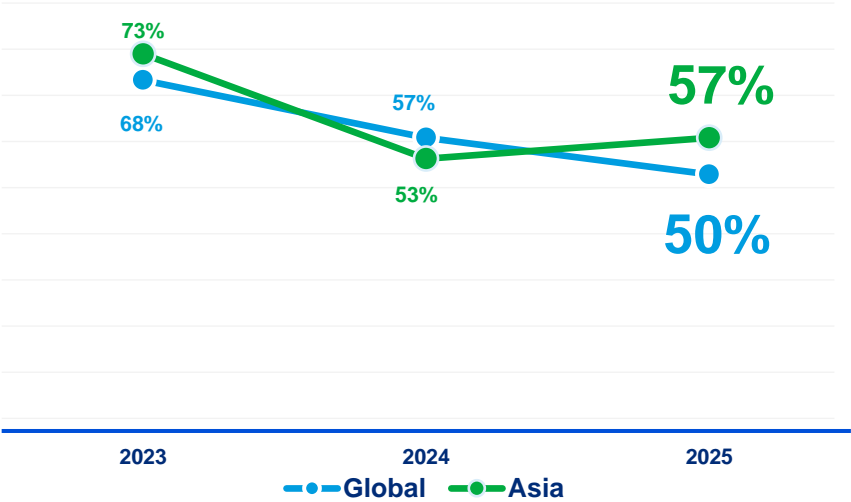
Global

	Asia		Asia	Global
<b>Mental health</b>	<b>46%</b>	Coverage for targeted services for children, teenagers and parents to assist with mental health, socialisation and learning issues faced by youths	<b>9%</b>	<b>27%</b>
	<b>42%</b>	Virtual mental health counselling via video chat with a therapist to manage anxiety, sadness or personal relationship issues	<b>16%</b>	<b>33%</b>
	<b>41%</b>	Training to recognise and address own and others' mental health challenges (e.g. mental health first aid)	<b>10%</b>	<b>21%</b>
<b>Reproductive health</b>	<b>44%</b>	Menopause care/support	<b>4%</b>	<b>22%</b>
	<b>43%</b>	Contraceptive access/coverage	<b>4%</b>	<b>13%</b>
	<b>43%</b>	Fertility support	<b>1%</b>	<b>5%</b>

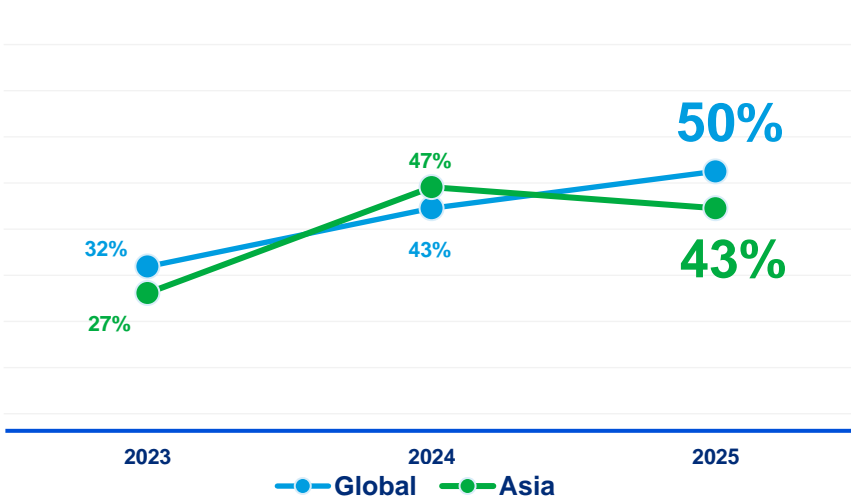
# 57% of employers in Asia are making plan improvements instead of reducing plan coverage as opposed to their global counterparts (50%)

A well-executed and active plan management strategy can control costs without reducing plan scope

### Making plan improvements to help address attraction, retention and engagement



### Reducing plan coverage to manage cost



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

# Conclusion

## 5 key takeaways...

1

Prepare for double-digit cost increases.

2

Manage cancer as an intensifying risk.

3

Deploy new techniques to keep plans affordable.

4

Meet the unique needs of the workforce.

5

Continue the dialogue with advisors and insurers.

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 2025 report for more actionable solutions.







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
- 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

Businesses of Marsh McLennan

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.