

Health Trends 2025

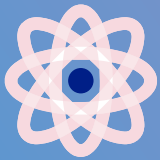
Global infographic

benefits that truly benefit



Key findings for employer-sponsored health plans

We surveyed 225 insurers across 55 markets



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.



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.



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.

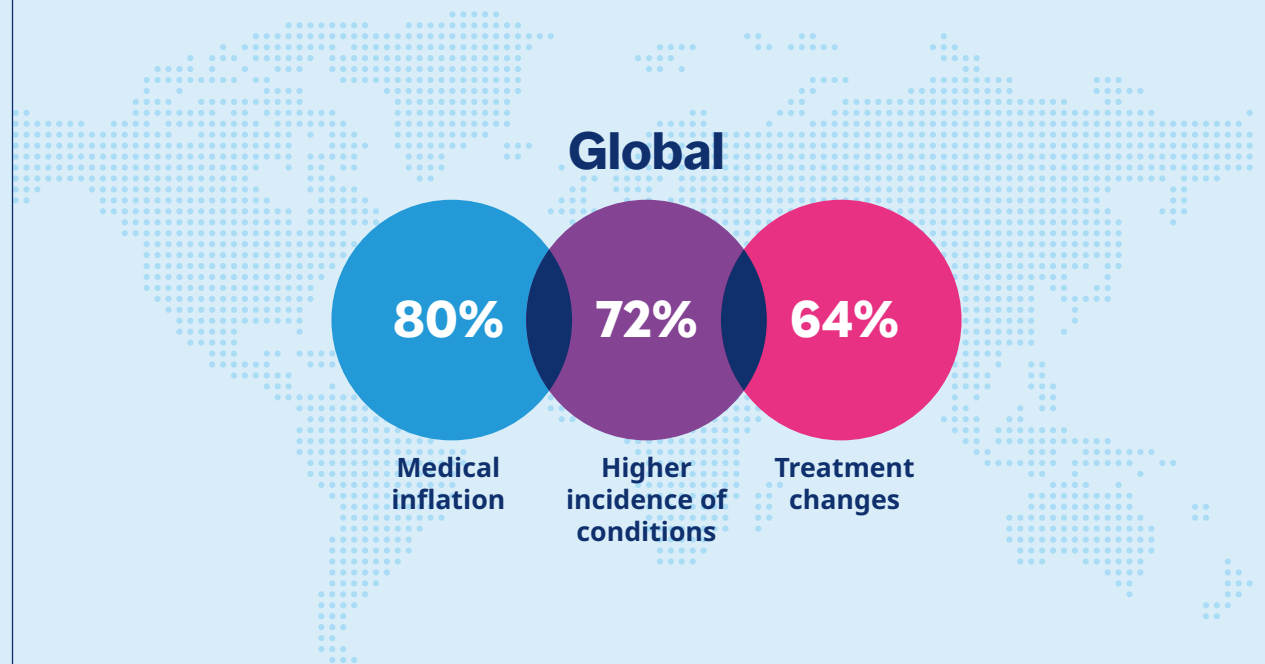
Although medical trend rates are persistently high, projected trend rates are stabilizing

2023-2025 Medical Trend

	2023	2024	2025
Global (Ex-US)	12.0%	11.4%	10.9%
Global Expat (IMPI)	11.9%	11.0%	10.8%
Canada	9.0%	9.0%	10.0%
Asia	12.7%	13.0%	13.0%
Europe	13.0%	11.7%	10.4%
Latin America and Caribbean	10.0%	10.6%	10.4%
Middle East and Africa	12.4%	10.6%	10.7%
Pacific	9.0%	11.5%	9.3%

Trend Rates and Inflation Rates for 2018-2023 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](#).

Top three components driving projected 2024 medical trend



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)

Trend 1: Managing intensifying risks

Cancer and diseases of the circulatory system are top causes of claims in all regions surveyed.

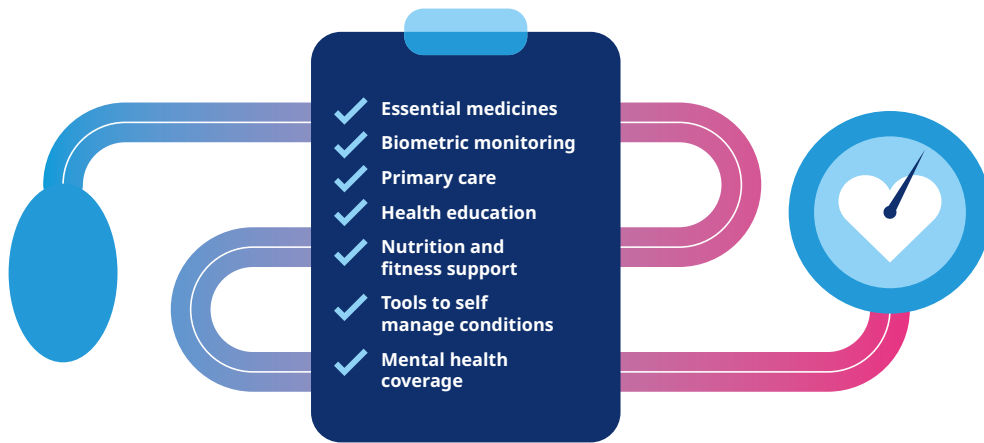
Top causes of claims based on dollar amount in 2023:

	Global	Asia	Europe	Latin America and the Caribbean	Middle East and Africa
1	Cancer	Cancer	Musculoskeletal conditions	Cancer	Diseases of the circulatory system
2	Diseases of the circulatory system	Diseases of the circulatory system	Diseases of the circulatory system	Diseases of the circulatory system	Cancer
3	Musculoskeletal conditions	Gastro-intestinal diseases	Cancer	Musculoskeletal conditions	Respiratory conditions

Metabolic and cardiovascular risk:

Cardiovascular diseases (CVDs) are the leading global cause of death. CVDs impact the heart and vascular system, and include coronary artery disease, heart failure, heart attack, stroke or hypertension.

Ways employers can support employees in prevention and treatment of cardiovascular and metabolic health diseases:

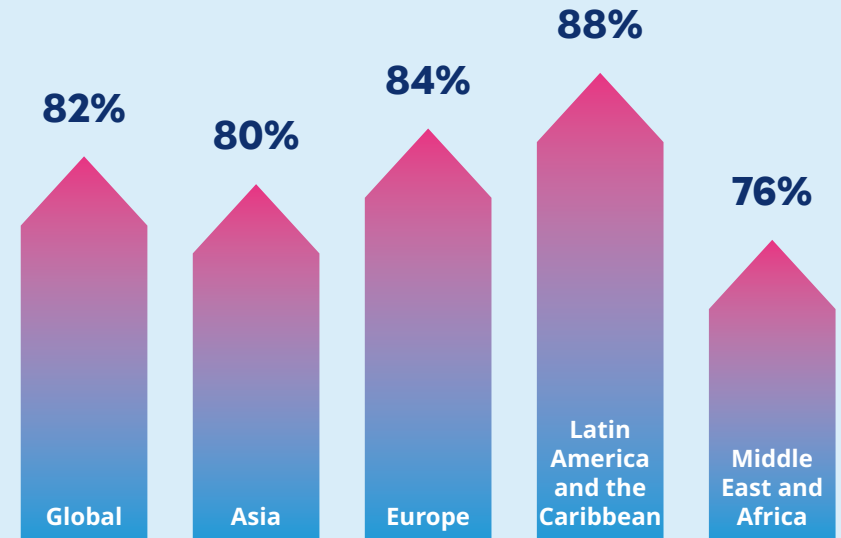


Treatments such as GLP-1 drugs, historically used for diabetes, are now found [effective for weight loss](#) in clinical trials. Our Health Trends 2025 report found that there is limited coverage for these drugs currently, but coverage approaches should be closely evaluated given efficacy and cost considerations.

Cancer:

Concerningly, instances of cancer are [increasing among younger populations](#) globally.

Over the last five years, have you experienced an increase in incidence/frequency of treatment related cancer claims in individuals under the age of 50?



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 better survival rates. Our report finds, however, that screenings and other prevention tools aren't always covered under plans by default.

Trend 2: Using new techniques to keep plans affordable

The People Risk 2024 Report found that

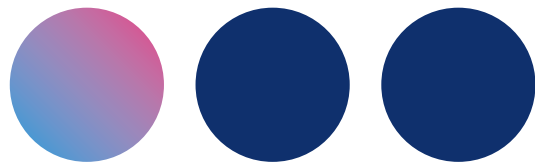
Increasing Health and Benefits Costs were the:

#1

People Risk Globally (of 25 risks; based on severity and likelihood)

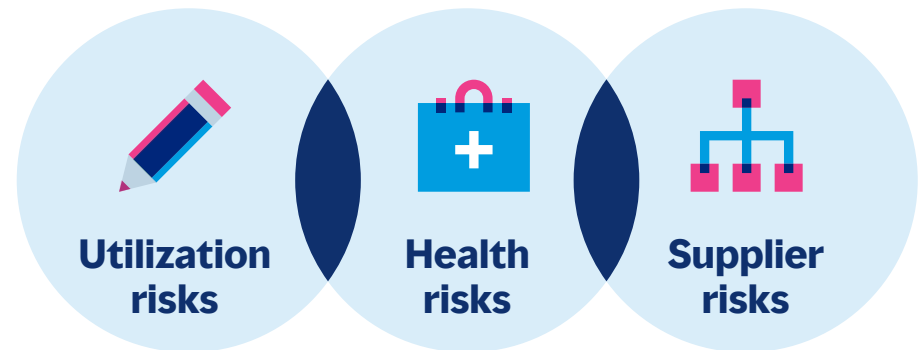
Despite this risk, only:

1/3



(31%) of HR and Risk managers globally say they have effective cost containment strategies in place to manage benefit costs (People Risk 2024)

Three elements of an effective health and benefit cost management strategy



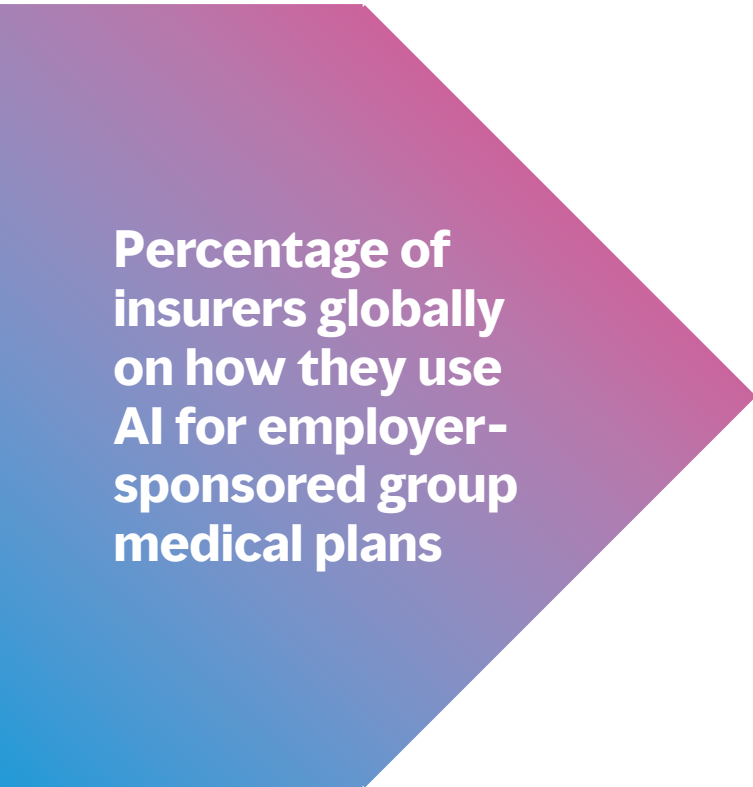
Design coverage to balance economics and empathy

Improve health outcomes through data-driven interventions

Drive efficiencies through vendor management and effective

Cost containment levers such as prior authorization, network steerage, and tiered coinsurance designs have significantly different insurer adoption by region.

AI presents opportunities for better health plan management and employee support



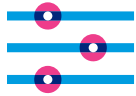
Percentage of insurers globally on how they use AI for employer-sponsored group medical plans

Global results:



48%

Detection of fraud, waste and abuse



46%

Analytics to enhance claims analysis provided to employers



20%

AI-driven health risk management programs



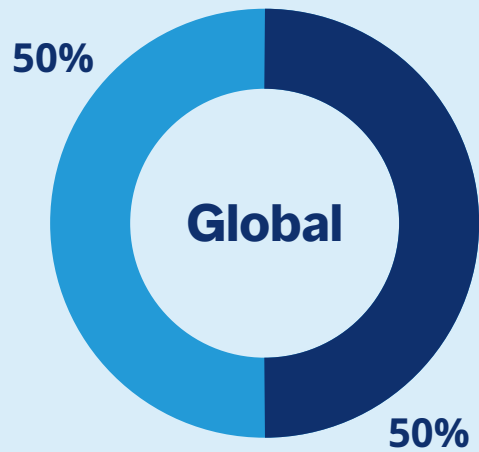
16%

Plan member benefit/policy navigation

Both 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.

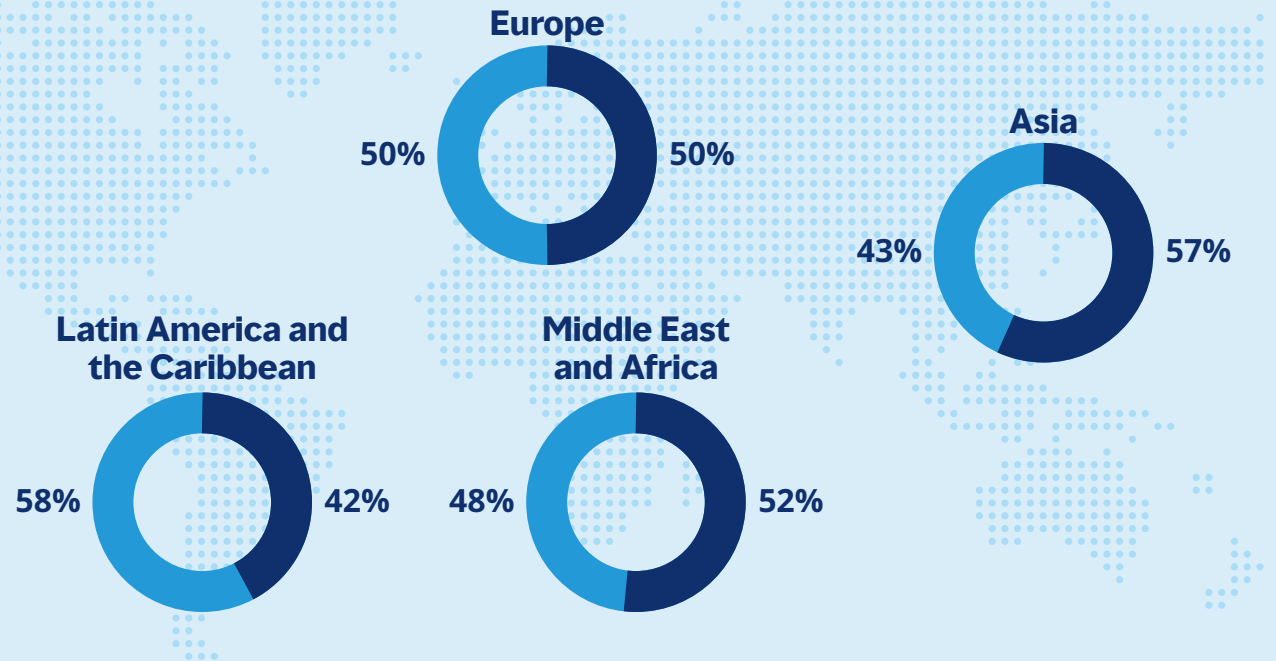
Trend 3: Meeting persistent workforce needs

Insurers in Asia expect plan improvements, while those in Latin America anticipate reductions in coverage



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

■ Reducing plan coverage to manage cost



There are gaps in what employees value and insurers cover

Employees

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

Insurers

% of insurers including under typical plans as a default
(Health Trends)

	Employees		Insurers
Mental health	44%	Coverage for targeted services for children, teenagers, and parents to assist with mental health, socialization, and learning issues faced by youth	27%
	42%	Training to recognize and address own and others' mental health challenges (e.g., mental health first aid)	21%
	41%	Virtual mental health counseling via video chat with a therapist to manage anxiety, sadness, or personal relationship issues	33%
Reproductive health	42%	Menopause care/support	22%
	41%	Fertility support	5%
	39%	Contraceptive access/coverage	13%

Conclusion

It is more important than ever that employers develop a meaningful benefits strategy.

If you only do 5 things

- 1
- 2
- 3
- 4
- 5

Prepare for double-digit cost increases.

Be aware of intensifying risks.

Develop a digital healthcare strategy.

Continue dialogue with advisors and insurers.

Create inclusive healthcare offerings.

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 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
- 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

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