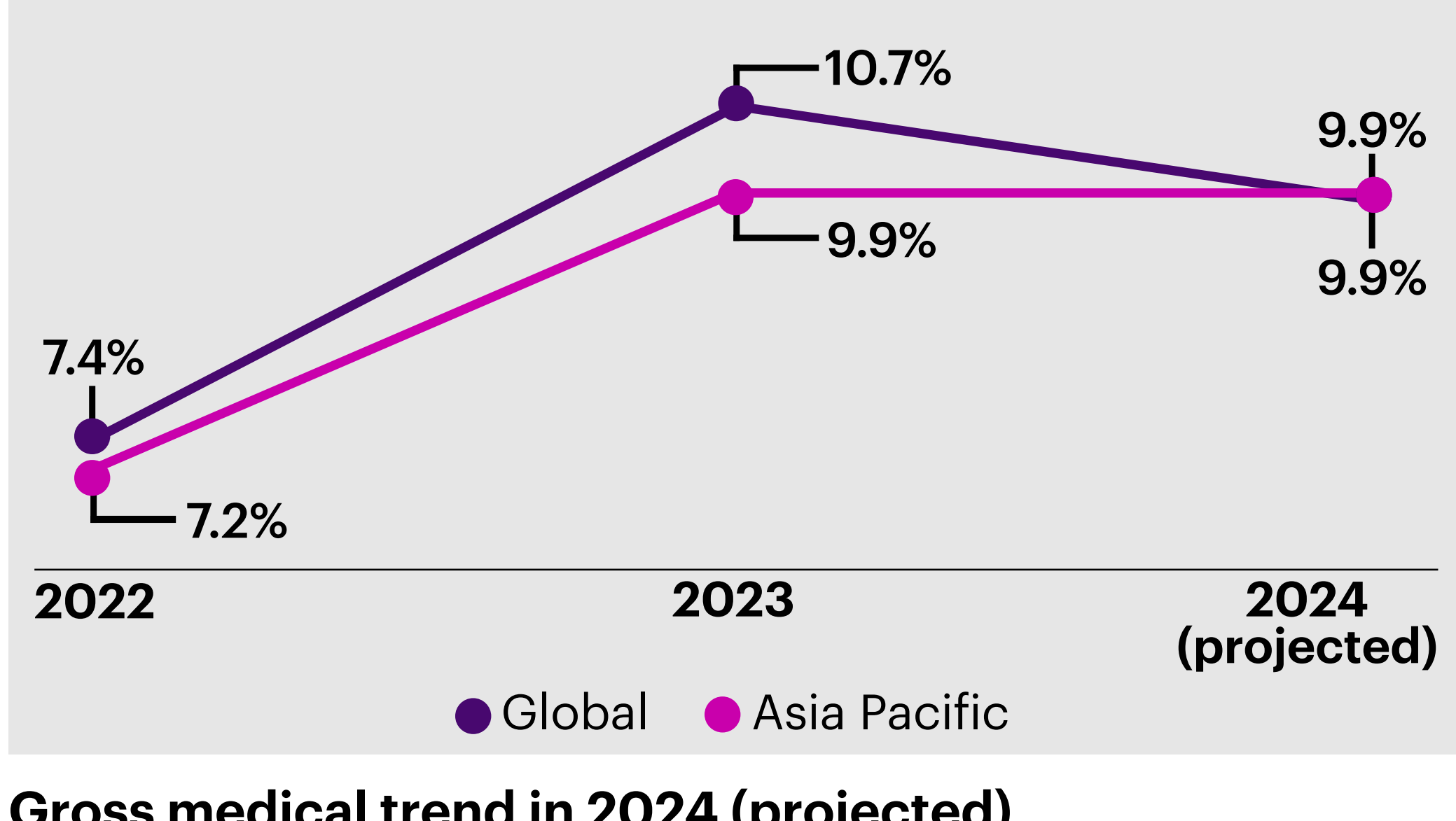


Healthcare benefit cost increases projected to continue into 2024

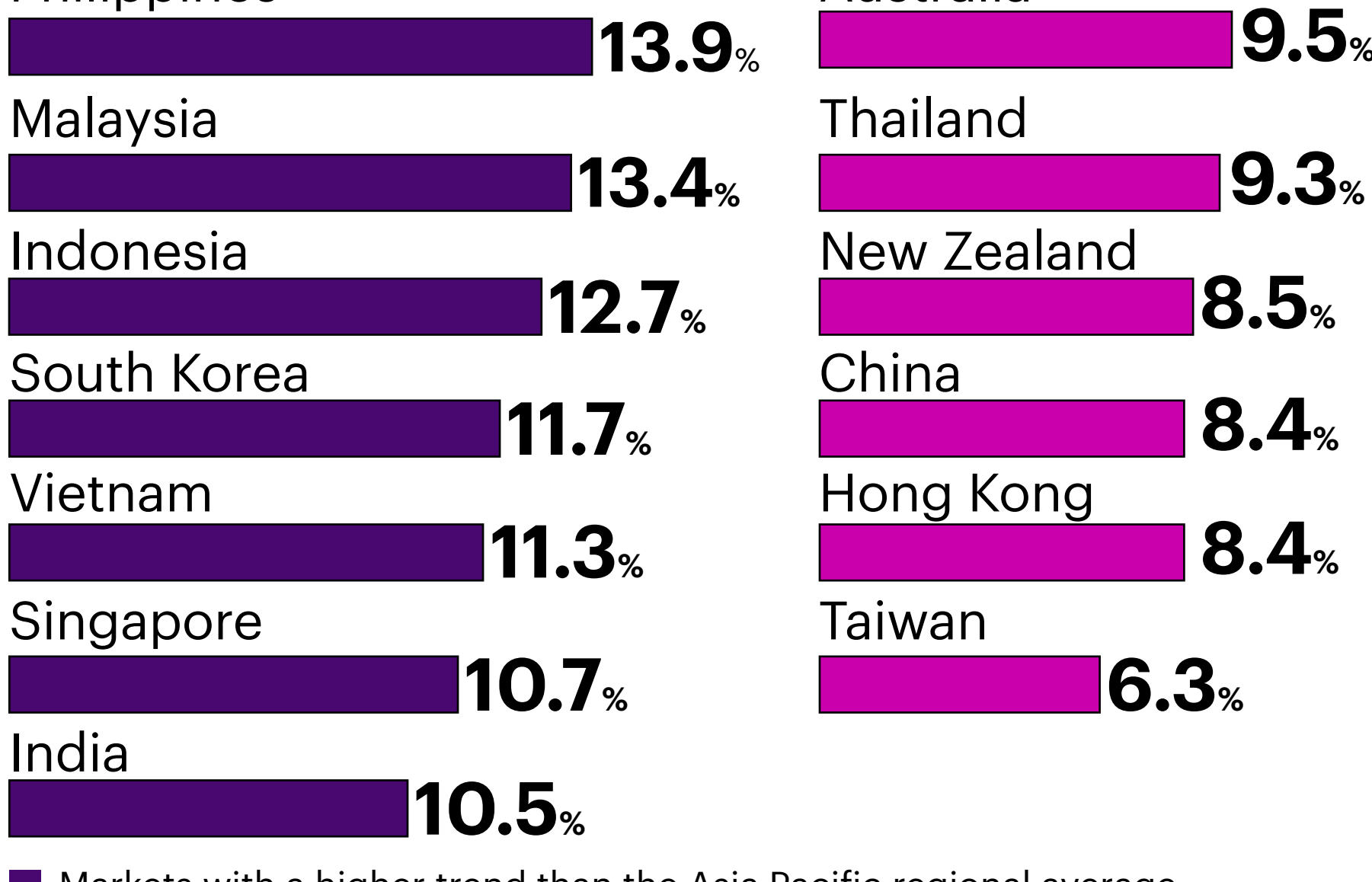


Asia Pacific highlights from the 2024 Global Medical Trends Survey

Some markets will continue to see double-digit growth in medical trend



Gross medical trend in 2024 (projected)

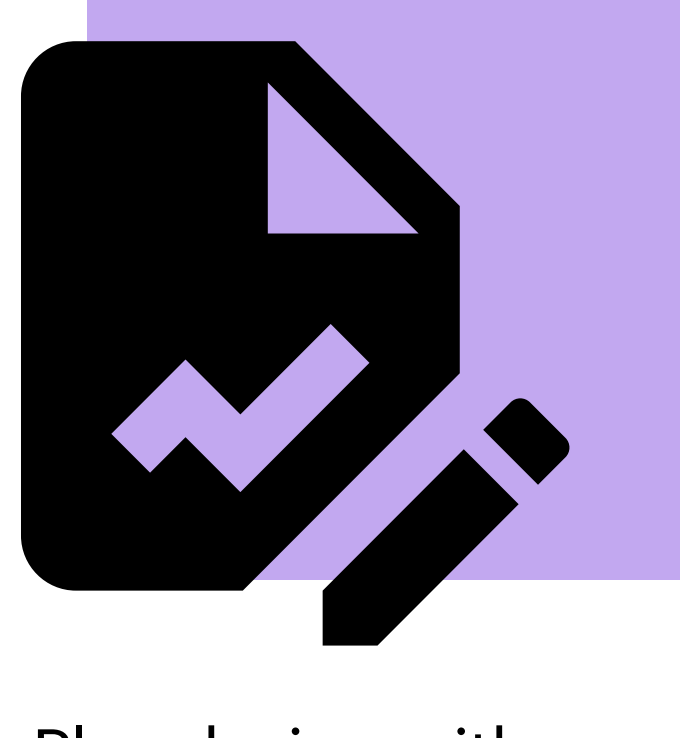


Almost 6 in 10 insurers also anticipate higher or significantly higher medical trend over the next three years.

What's driving the cost increase?

External factors

- 62%** Higher costs due to new medical technologies
- 35%** Plan design with little or no cost-sharing
- 33%** Profit motives of providers
- 27%** Changes in employee demographics



Plan design with limited cost-sharing is less of a concern globally (**19%** versus **35%**)

Insured members/provider behaviour

- 72%** Overuse or misuse of care due to medical practitioners recommending too many services
- 50%** Insured members' poor health habits
- 44%** Overuse or misuse of care due to lack of integration between primary, specialty and facility care
- 39%** Underuse or lack of preventive services



Globally, this factor has declined since 2022 (from **74%** to **59%**) — but in Asia Pacific it remains high.

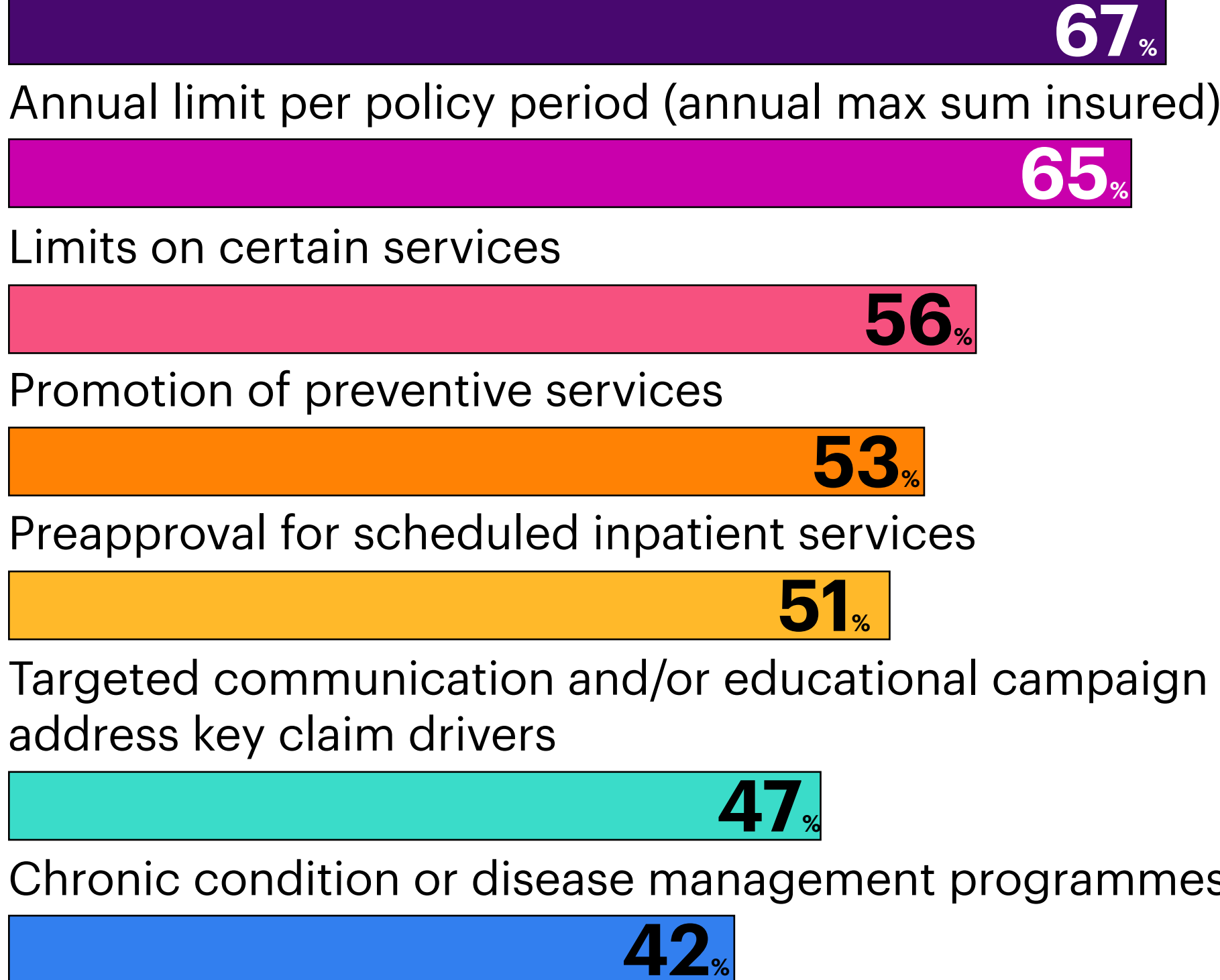
- #### Top three conditions in 2023 – by costs, currently and in the next 18 months
- 1 Cancer (neoplasms)
 - 2 Circulatory system (cardiovascular)
 - 3 Musculoskeletal and connective tissue

- #### Top three fastest growing conditions over the next 18 months by incidence
- 1 Circulatory system (cardiovascular)
 - 2 Cancer (neoplasms)
 - 3 Digestive system (gastrointestinal)

Mental health is one of the fastest-growing conditions globally — but it doesn't make the top five in Asia Pacific. Could this be due to social stigmas and policy exclusions?

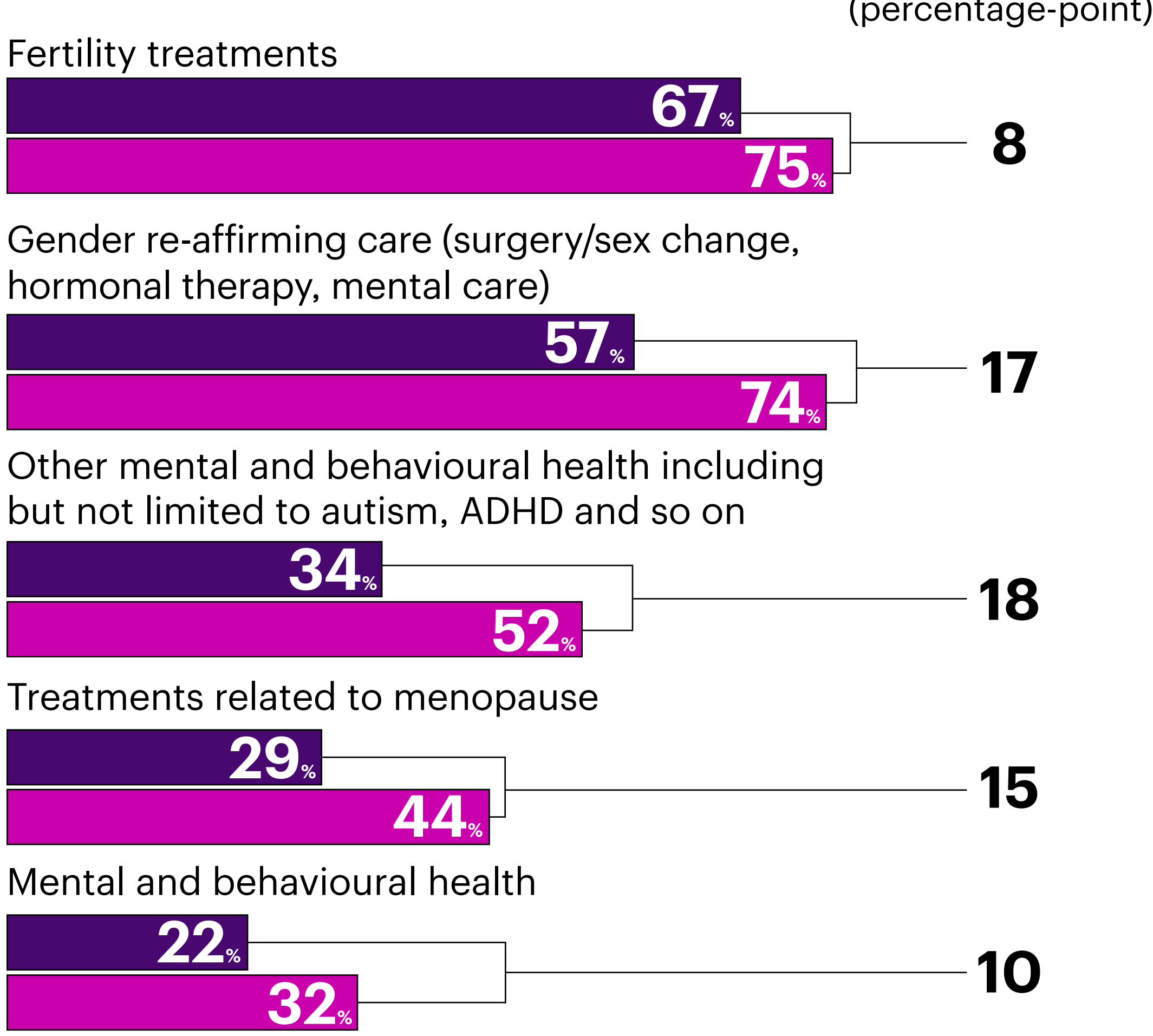
Managing the medical trend

How do you help clients effectively manage medical costs?



DEI-related coverage is more likely to be excluded from Asia Pacific programmes than globally

Does your organisation's standard medical insurance programmes exclude any of the following?



Note: Group policies for more than 500 employees.

Next steps for employers

- Conduct a programme review** and identify gaps to analyse if coverage is the right fit and assess the inclusiveness of programme
- Optimise communications** so that employees understand what is available, when and how to use what coverage
- Use data and analytics** to understand health risk and key drivers specific to your organisation and take more targeted actions
- Prioritise wellbeing** by setting a clear corporate strategy or direction and ensuring benefits are accessible to all employees