2025 Global Medical Trends

Survey report

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Double-digit global medical increases projected to continue in 2025 for a third year in a row

The WTW Global Medical Trends Survey reveals that medical costs are projected to remain high at a global average rate of 10.4% in 2025, continuing the double-digit growth from 2024 and 2023, when it peaked at 10.7%.

Several major factors are contributing to continued high medical costs. The rise in new medical technologies and pharmaceuticals has greatly contributed to increased costs of care globally. Public healthcare systems around the world have been overwhelmed due to high demand and limited available resources, leaving members to turn to and rely on private medical providers. Additionally, there has been a surge in healthcare utilization over the past few years, (with a growing trend in utilization of mental health services) which continues to add to the overall cost of care.

The projected growth in medical costs varies by region (Figure 1). Medical trend is projected to continue to rise in North America, up from 8.1% in 2024 to 8.7% in 2025, and in Asia Pacific, from 11.9% in 2024 to 12.3% in 2025. Trend is projected to grow most significantly in the Middle East and Africa (MEA), where it's anticipated to increase from 10.4% in 2024 to 12.1% in 2025; however, trend has been slightly slowing in Europe and Latin America. But while trend may be slightly cooling in some regions, it is projected to remain elevated over the longer term.

Over the next three years, 64% of insurers anticipate higher or significantly higher medical trends globally. This projection is higher in Asia Pacific, where over three-quarters (76%) of insurers predict higher or significantly higher trends for the region. Furthermore, two-thirds (67%) of insurers anticipate higher or significantly higher global demand for healthcare services over the next three years. This is especially the case in Europe, where insurers overwhelmingly are predicting significant increases in demand for healthcare.

64%
of insurers anticipate higher or significantly higher medical trends globally.

Figure 1. **Global medical trend 2023 – 2025, globally and by region**

	Gross			Net*		
	2023	2024	2025 (projected)	2023	2024	2025 (projected)
Global†	10.7	10.4	10.4	5.5	7.4	7.8
Latin America†	10.8	10.4	10.1	6.0	7.6	7.4
North America	7.8	8.1	8.7	3.7	5.3	6.8
Asia Pacific	10.9	11.9	12.3	7.0	9.1	9.8
Europe†	11.0	10.1	9.4	5.0	7.4	7.0
Middle East and Africa	10.9	10.4	12.1	5.5	5.4	8.0

†Global, Latin America and Europe numbers exclude Argentina, Venezuela and Turkey (excluded due to volatile inflationary environments)
*Net of general inflation

Key findings

The key factors influencing medical trend rates

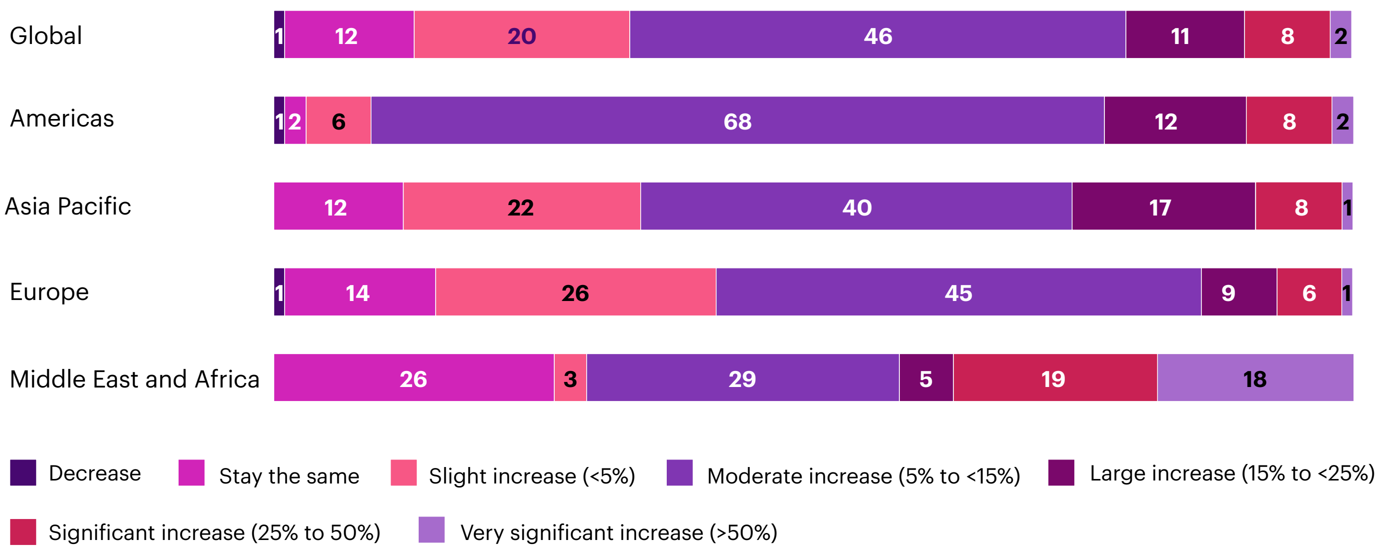
Increased utilization of mental health services is expected to lead to sizable increases in costs. A third (33%) of insurers expect substantial increases of 15% or more in costs per person for mental health services over the next three years. This is reported to be highest in Europe, where 44% of insurers expect such increases, followed by about a quarter of insurers in Asia Pacific (25%) and MEA (23%). Globally, claims for mental and behavioral disorders continue to be the fastest-growing conditions by incidence over the previous 18 months, as reported by about half of insurers (48%). This is reported to be the highest in Europe, where 70% of insurers report it as the fastest-growing condition.

Mental healthcare coverage is becoming more widely available to employees, thus allowing for more utilization of services. Insurers either do not exclude mental health or have removed exclusions in the past one to two years in their medical portfolios. We're seeing this trend even in regions where mental healthcare coverage has historically not been included. The impact of recent global events (e.g., ongoing geopolitical conflicts, global inflation, global pandemic, climate change, change in ways of working) on mental health continues to be challenging. The need for mental healthcare will continue to exist and grow.

Pharmacy costs are expected to grow over the next three years. One in five (21%) insurers expects substantial increases of 15% or more in pharmacy costs, while almost half (46%) expect moderate growth (5% to 15% increase). MEA is the region where the trend is expected to be highest (Figure 2). High pharmacy costs in MEA can be attributed to issues with supply chains, regulatory systems, inflation and more.

A prominent driver behind these cost increases is advancements in pharmaceuticals. Over half (55%) of insurers in MEA and the Americas cite advancements in pharmaceuticals as a significant factor driving medical costs. Pharmaceutical costs are typically higher in the United States than in other countries, which explains some of the discrepancy between regions.

Figure 2. **Expected change in pharmacy cost per person over the next three years**



Moreover, the majority of new pharmaceuticals are developed in the United States (followed by Japan, Germany and the United Kingdom). There are some new expensive drugs that are prevalent in the U.S. market, such as GLP-1s (anti-obesity drugs), that other countries limit access to.

The pressure to continually develop and improve medical technology and delivery infrastructure has contributed to an increase in healthcare costs. Globally, about two-thirds (69%) of insurers report the cost of new medical technologies as the top driver of medical costs. This is also reported as the top cost driver in both the Americas (88%) and Asia Pacific (73%). The demand to make healthcare cost-efficient and sustainable in the long term, while not compromising on patient care, is fueling medical technology development worldwide. And as technology is becoming increasingly omnipresent in many aspects of daily life, members are expecting healthcare services and processes to be digitized, seamless and integrated.

Leveraging technology to improve healthcare delivery infrastructure is essential to managing costs. Globally, 56% of insurers report that the overuse of care due to a lack of integration between different facilities is a significant factor to increased medical costs. With investments in artificial intelligence (AI), insurers aim to enhance delivery of care, provide risk assessments, make processes more efficient and lighten administrative burden on providers; however, AI in healthcare programs is still a developing field and today is largely utilized for member communications.

Continued pressure is being placed on private healthcare providers as public healthcare systems are overwhelmed. Fifty-seven percent of insurers report the decline in quality or funding of public healthcare as a top driver of increase in medical costs. Europe stands out as the region where the largest number of insurers (75%) cite the decline in public health systems as the primary reason for cost increases. In the Americas, half of insurers (46%), and in Asia Pacific, 41% choose it as a top reason.

Across many countries, local public healthcare systems are reported to be understaffed, under-resourced and unable to meet the demands they are facing. Employees report long wait times, poor quality of care, lack of integration and overall difficulty dealing with the public systems. As a result, more employees are relying on private medical plans for coverage that would otherwise be provided through public healthcare. In turn, private insurers and providers are now facing more demand and utilization than ever, which has affected the cost of care.

The impact of provider and employee behaviors on medical costs persists, leading to a higher medical trend. Globally, approximately three-quarters (72%) of insurers report overuse or misuse of care due to practitioners recommending too many services as a top factor driving costs, which is an increase from 59% in 2023. This is the top behavioral driver of costs in all regions but the Americas.

Employees are also using their healthcare plans at higher rates. Generally, members are more invested in their health than ever and are more proactive in obtaining healthcare services. Consumer-driven health monitoring has become increasingly prevalent (i.e., wearable technology, sleep tracking, heart monitoring devices), which has made engaging in healthy behaviors more attainable and manageable. Yet healthy lifestyle habits remain a challenge for most employees. WTW's 2024 Global Benefits Attitudes Survey shows that only two in five employees surveyed globally report maintaining good lifestyle habits. Globally, almost half of insurers cite members' poor health habits (45%) and the underuse of preventative services (43%) as significant drivers of medical costs. These are behaviors that eventually lead to worse health outcomes and, consequently, more expensive medical services and plan utilization.

The rise in availability of telehealth and other virtual care offerings is expanding access to healthcare but contributing to increasing costs. The biggest change made to medical portfolios in 2024 across all regions is the addition of telehealth and wellbeing services. Insurers continue to add telehealth services and features to their medical portfolios, with almost half (47%) of global insurers making these changes in 2024 — an increase from 41% in 2023. This is especially the case in MEA, with 58% of insurers reporting adding these benefits, and in Europe (50% of insurers).

Virtual care is now available to members to address more than just acute care needs; many employers offer primary care, behavioral healthcare and specialty care through virtual modules. Employees are using virtual care more frequently because it has fewer barriers to access than traditional in-person care. WTW's 2024 Global Benefits Attitudes Survey shows that virtual care helps solve access issues faced by employees, where almost half (46%) of employees surveyed globally say that without it they would struggle to get the care they need. While virtual care does improve access, it also contributes to overall healthcare utilization and costs.

Figure 3. **Global medical trends, by market**

	Gross			Net^			Inflation rates (From IMF World Economic Outlook)		
	2023	2024	2025 (projected)	2023	2024	2025 (projected)	2023	2024	2025 (projected)
Weighted									
Global†	10.7	10.4	10.4	5.5	7.4	7.8	5.2	3.1	2.7
Latin America†	10.8	10.4	10.1	6.0	7.6	7.4	4.9	2.8	2.8
North America	7.8	8.1	8.7	3.7	5.3	6.8	4.1	2.8	2.0
Asia Pacific	10.9	11.9	12.3	7.0	9.1	9.8	3.9	2.8	2.5
Europe†	11.0	10.1	9.4	5.0	7.4	7.0	5.8	2.7	2.4
Middle East and Africa	10.9	10.4	12.1	5.5	5.4	8.0	5.5	5.1	4.2
Americas									
Latin America									
Argentina	230.0	155.0	75.0	96.5	–94.8	15.4	133.5	249.8	59.6
Brazil**	15.5	11.1	12.2	10.9	7.0	9.1	4.6	4.1	3.0
Chile**	3.9	4.2	5.6	–3.7	1.1	2.6	7.6	3.2	3.0
Colombia**	11.9	12.2	8.0	0.1	5.8	4.4	11.7	6.4	3.6
Costa Rica	11.6	15.5	11.8	11.1	15.2	8.8	0.5	0.3	2.9
Ecuador	9.6	13.0	11.0	7.4	11.6	9.5	2.2	1.4	1.5
El Salvador	10.7	13.6	13.3	6.7	12.7	11.6	4.0	0.9	1.7
Guatemala	10.0	10.2	11.6	3.8	6.2	7.6	6.2	4.0	4.0
Honduras**	10.1	10.1	11.5	3.4	5.7	7.4	6.7	4.4	4.1
Mexico**	19.1	13.3	14.9	13.6	9.3	11.6	5.5	4.0	3.3
Nicaragua	22.0	10.5	10.5	13.6	5.5	6.5	8.4	5.0	4.0
Panama	9.1	8.0	9.0	7.6	6.3	7.0	1.5	1.7	2.0
Paraguay*	6.0	6.0	8.0	1.4	2.2	4.0	4.6	3.8	4.0
Peru**	7.6	8.0	7.8	1.4	5.7	5.7	6.3	2.3	2.0
Trinidad and Tobago	10.0	10.0	10.0	5.4	8.5	7.8	4.6	1.5	2.2
Venezuela**	20.0	21.3	23.8	–317.5	–78.7	–126.3	337.5	100.0	150.0
North America									
Canada	4.0	4.4	4.2	0.2	1.8	2.3	3.9	2.6	1.9
United States	9.0	9.3	10.2	4.8	6.4	8.2	4.1	2.9	2.0

*Countries where trend was provided by WTW brokers
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Figure 3. **Global medical trends, by market** *(continued)*

	Gross			Net^			Inflation rates (From IMF World Economic Outlook)		
	2023	2024	2025 (projected)	2023	2024	2025 (projected)	2023	2024	2025 (projected)
Asia Pacific									
Australia	9.2	8.5	11.1	3.6	5.0	8.1	5.6	3.5	3.0
China	8.7	10.5	10.8	8.5	9.5	8.8	0.2	1.0	2.0
Hong Kong	10.3	10.3	9.8	8.2	8.0	7.5	2.1	2.3	2.3
India**	10.4	12.5	13.2	5.1	7.9	9.1	5.4	4.6	4.2
Indonesia**	12.4	15.6	19.4	8.7	13.0	16.8	3.7	2.6	2.6
Malaysia	16.6	14.9	16.4	14.1	12.1	13.9	2.5	2.8	2.5
New Zealand	11.0	16.0	16.0	5.3	12.9	13.5	5.7	3.1	2.5
Philippines	17.9	19.3	18.3	11.9	15.7	15.3	6.0	3.6	3.0
Singapore**	13.7	12.0	12.0	8.8	9.0	9.5	4.8	3.0	2.5
South Korea**	11.7	11.6	11.9	8.1	9.1	9.9	3.6	2.5	2.0
Sri Lanka*	20.0	15.0	10.0	—	—	—	—	—	—
Taiwan	8.0	9.0	11.0	5.5	7.1	9.4	2.5	1.9	1.6
Thailand**	12.3	15.2	14.2	11.1	14.5	13.0	1.2	0.7	1.2
Vietnam**	4.8	20.5	11.2	1.6	16.8	7.8	3.3	3.7	3.4

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(Figure 3 continued on next page)

Figure 3. **Global medical trends, by market** *(continued)*

	Gross			Net^			Inflation rates (From IMF World Economic Outlook)		
	2023	2024	2025 (projected)	2023	2024	2025 (projected)	2023	2024	2025 (projected)
Europe									
Armenia**	7.5	10.0	12.5	5.5	6.9	8.8	2.0	3.1	3.7
Belgium**	5.6	7.0	6.3	3.3	3.4	4.3	2.3	3.6	2.0
Bulgaria**	17.1	17.8	19.1	8.5	14.4	16.4	8.6	3.4	2.7
Denmark	5.0	6.5	5.0	1.6	5.0	3.0	3.4	1.5	2.0
Finland	14.0	9.0	7.0	9.7	7.8	5.1	4.3	1.2	1.9
France	6.4	7.2	7.4	0.7	4.8	5.6	5.7	2.4	1.8
Georgia**	13.9	12.8	9.6	11.4	10.2	5.4	2.5	2.6	4.2
Germany	6.4	8.0	6.7	0.4	5.6	4.6	6.0	2.4	2.0
Greece**	6.6	8.6	7.7	2.5	5.9	5.7	4.2	2.7	2.1
Hungary**	19.6	15.0	11.7	2.4	11.3	8.1	17.1	3.7	3.5
Ireland**	11.4	10.3	7.9	6.2	7.9	5.9	5.2	2.4	2.0
Italy	7.0	7.0	7.3	1.1	5.3	5.3	5.9	1.7	2.0
Latvia**	17.3	12.2	11.5	8.3	10.2	7.9	9.1	2.0	3.6
Lithuania**	21.4	11.6	12.2	12.7	10.2	9.8	8.7	1.5	2.3
Luxembourg*	4.0	5.0	5.0	1.1	2.5	1.9	2.9	2.5	3.1
Malta*	—	10.0	10.0	—	7.1	7.9	5.7	2.9	2.1
Netherlands**	6.5	3.4	6.5	2.4	0.7	4.4	4.1	2.7	2.1
Norway	13.6	13.6	14.0	8.1	10.3	11.4	5.5	3.3	2.6
Poland**	26.5	17.3	13.3	15.1	12.2	8.3	11.4	5.0	5.0
Portugal**	8.4	11.8	11.2	3.2	9.5	9.2	5.3	2.2	2.0
Romania**	15.5	16.5	18.7	5.1	10.5	14.6	10.4	6.0	4.0
Serbia**	20.8	15.0	15.5	8.4	10.2	12.4	12.4	4.8	3.1
Spain**	6.5	6.6	6.2	3.1	3.9	3.8	3.4	2.7	2.4
Sweden	11.0	8.0	8.0	5.1	5.4	6.0	5.9	2.6	2.0
Turkey**	93.0	80.5	69.4	39.2	21.0	31.0	53.9	59.5	38.4
United Kingdom	14.3	12.1	12.6	7.0	9.7	10.6	7.3	2.5	2.0

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(Figure 3 continued on next page)

Figure 3. **Global medical trends, by market** *(continued)*

	Gross			Net^			Inflation rates (From IMF World Economic Outlook)		
	2023	2024	2025 (projected)	2023	2024	2025 (projected)	2023	2024	2025 (projected)
Middle East and Africa									
Algeria*	6.0	8.0	6.0	–3.3	0.4	–0.4	9.3	7.6	6.4
Angola	17.8	23.4	25.0	4.2	1.4	12.2	13.6	22.0	12.8
Benin*	12.0	10.0	10.0	9.2	7.0	8.0	2.8	3.0	2.0
Congo (DRC)*	5.0	6.0	10.0	–14.9	–11.2	1.5	19.9	17.2	8.5
Cote d'Ivoire	21.0	10.0	10.0	16.6	6.2	7.0	4.4	3.8	3.0
Egypt**	25.8	31.9	31.0	1.4	–0.6	5.3	24.4	32.5	25.7
Ethiopia	12.0	10.0	10.0	–18.2	–15.6	–8.2	30.2	25.6	18.2
Gabon*	5.0	4.0	6.0	1.4	1.9	3.8	3.6	2.1	2.2
Ghana*	25.0	23.0	—	–12.5	0.7	0.0	37.5	22.3	11.5
Guinea*	3.0	5.0	10.0	–4.8	–6.0	–0.2	7.8	11.0	10.2
Israel*	23.0	12.0	—	18.8	9.6	0.0	4.2	2.4	2.5
Jordan**	6.0	7.1	10.6	3.8	4.4	8.2	2.2	2.7	2.4
Kenya	5.0	—	—	–2.7	—	—	7.7	6.6	5.5
Kuwait*	6.3	6.5	6.8	2.6	3.3	4.0	3.6	3.2	2.7
Lebanon*	5.0	10.0	15.0	—	—	—	—	—	—
Liberia	3.0	5.0	5.0	–7.1	–1.3	–0.1	10.1	6.3	5.1
Madagascar**	8.3	8.5	7.1	–1.6	0.7	–0.2	9.9	7.8	7.3
Mali*	45.0	20.0	30.0	42.9	19.0	28.0	2.1	1.0	2.0
Mauritania*	0.0	0.0	5.0	–4.9	–2.8	1.0	4.9	2.8	4.0
Mozambique**	13.0	11.0	8.5	6.9	6.6	3.0	6.1	4.4	5.5
Nigeria**	11.2	17.4	31.8	–13.5	–8.9	8.8	24.7	26.3	23.0
Pakistan**	22.6	21.2	25.1	–6.6	–3.6	12.5	29.2	24.8	12.7
Qatar**	6.5	7.5	12.0	3.4	4.9	9.6	3.1	2.6	2.4
Saudi Arabia**	15.0	14.0	13.5	12.7	11.7	11.5	2.3	2.3	2.0
Sierra Leone*	8.0	8.0	9.0	–39.7	–31.1	–12.7	47.7	39.1	21.7
South Africa**	8.4	8.4	8.5	2.5	3.6	4.0	5.9	4.9	4.5
Uganda	16.5	25.0	30.0	11.1	21.2	25.1	5.4	3.8	4.9
United Arab Emirates**	9.5	11.0	11.5	7.9	8.9	9.5	1.6	2.1	2.0
Zimbabwe	9.5	5.0	8.0	—	—	—	—	—	—

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Medical trends by market

Americas

Latin America

Argentina

Argentina is expected to remain in a high inflationary environment, although less severe than in recent years. In 2024, the cost increases of medical fees were deregulated, leading the Obras Sociales and prepaid medical entities to adjust their healthcare prices above Argentina's general economic inflation to recover the losses of the previous years where the adjustments were regulated. Similar price adjustments that are above general inflation are also expected in 2025, but they will not be as high as recent years.

Brazil

In 2025, Brazil is expected to face another year of double-digit medical inflation. WTW anticipates an even higher rate of medical trend rate (15.3%) than what insurers are projecting (12.2%), which is driven by factors such as the emergence of new technologies, new treatments established by the National Health Agency, new oncology drugs and exchange rate pressures.

Additionally, there will be a significant increase in mental health-related care, including clinical therapy and psychiatry, as well as treatments for autism spectrum disorder. A notable trend for 2025 will be the rise in reimbursement amounts for out-of-network accredited services, which will necessitate specific resizing studies. There is also growing interest in supplemental coverage for private medicine and fertility treatments (egg freezing and in vitro fertilization).

To mitigate costs, there are opportunities to redesign healthcare plans by implementing measures such as introducing a moderator factor, restructuring accredited networks, freezing reimbursement tables, utilizing disease management programs or various health education and prevention initiatives for employees, and fraud control measures.

Chile

Medical costs in Chile continue to rise, driven by an increase in medical consultation, including those for mental health, and a significant rise in prescription drug costs, particularly long-term mental health.

The Chilean health system crisis continues. In 2022, the Supreme Court ruled that private health insurers owe USD 1.4 billion in overcharges to enrolled beneficiaries. The affected companies are currently submitting a payment plan to the government. As a result, these companies are raising health plan costs, prompting younger and healthier insured members to switch to the public system. This shift leaves older, less healthy members in the private healthcare system, further straining it. Consequently, complementary health insurance contracted by employers will get reduced contributions from the social system, forcing them to cover a higher percentage of medical costs.

Costa Rica

For 2025, medical inflation in Costa Rica is expected to remain a significant challenge, driven by several key factors. Rising medication costs, particularly for chronic diseases, are a primary concern. Additionally, the growing demand for healthcare puts a strain on the Costa Rican Social Security Fund (CRSS), prompting more individuals to turn to private insurance. This shift is driving up costs for insurers due to higher demand for consultations and specialized treatments. Furthermore, advancements in medical technology come with high costs that directly affect medical expenses. Together, these factors are pressuring employers, insurers and the private healthcare system in Costa Rica to find more efficient solutions to control costs without compromising the quality of healthcare services.

Mexico

In Mexico, accessing quality medical care continues to be a growing challenge. With limited public healthcare funding from the government, there is increasing pressure on private insurers to provide care and on members to cover out-of-pocket expenses. This is likely to affect the health outcomes of the general public negatively, further driving up healthcare costs in the country. The most significant component of medical inflation is the rising cost of private hospital care.

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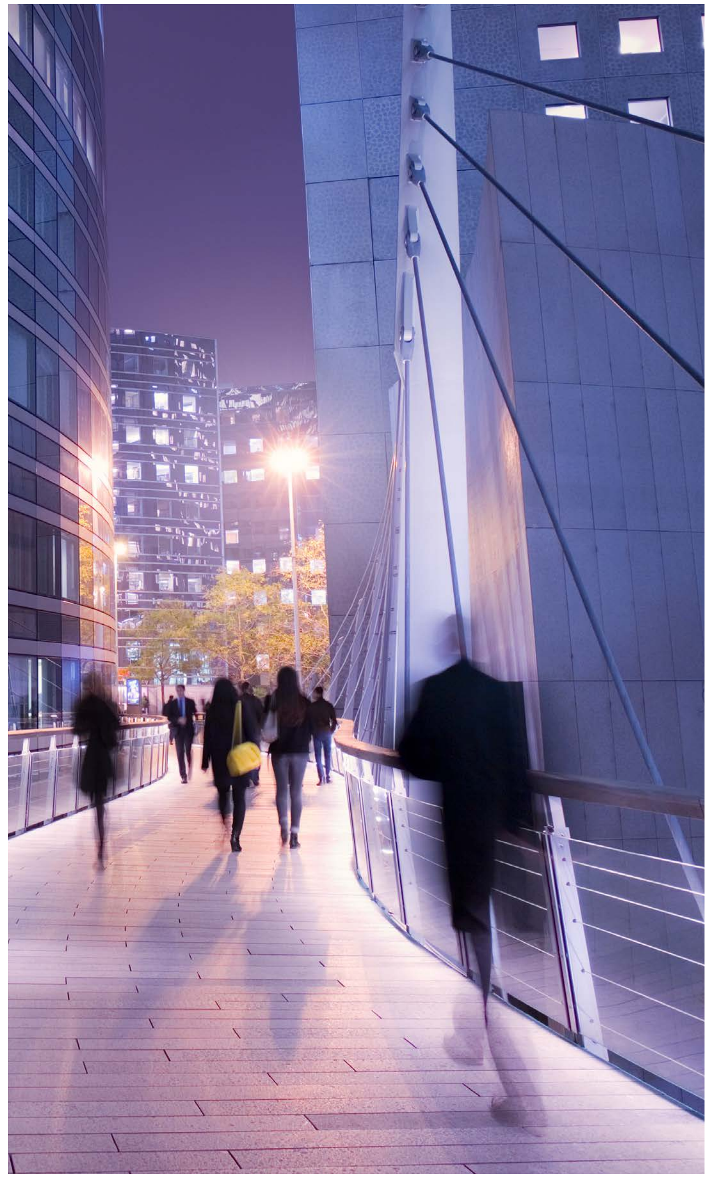
North America

Canada

Healthcare costs have continued to outpace general inflation. Historically, plan sponsors' cost increases were driven by prescription drugs costs, which accounted for nearly 60% of healthcare costs (physician and hospital costs are covered by the public healthcare system). More recently, the costs of other healthcare services have been driving overall healthcare trend, especially paramedical services, where costs have increased significantly. This reflects higher costs for supplies and services, higher utilization and many sponsors enhancing coverage, particularly for mental health services.

Prescription drug costs have remained stable in recent years in part due to the introduction of biosimilars and generics that helped push down costs and contain the overall growth rate of specialty drug spend; however, with carriers continuing to increase healthcare pooling charges, plan sponsors should review design to manage plan costs effectively, (e.g., by considering a biosimilar strategy). The growing use of GLP-1 drugs for diabetes and weight loss is putting additional pressure on plan costs; plan sponsors should consider reviewing plan provisions and cost management strategies before these costs escalate. In addition, the development of new drugs, as well as new indications for current drugs, especially related to cancer, could significantly affect plan costs in coming years.

The growing use of GLP-1 drugs for diabetes and weight loss is putting pressure on plan costs in the U.S.



United States

Inflation remains a driving force behind the rising cost of healthcare in the United States. Healthcare providers are responding to inflationary pressure, labor shortages and pandemic-related revenue losses by negotiating higher prices as multiyear hospital contracts come up for renewal, contributing to a higher medical trend for employers. Cancer treatment is another major contributor, with cancer costs growing by double digits, particularly for screenable cancers, such as breast and colon cancers. Surging prescription drug costs further exacerbate the issue, with prescription drugs now accounting for roughly a quarter of total healthcare costs. Specialty medications, particularly high-cost weight management drugs (GLP-1s), remain in great demand.

More than half of employers (52%) plan to implement programs (e.g., pharmacy benefit managers) that will reduce total costs, and just as many (51%) intend to adopt plan design and network strategies that steer to lower-cost, higher-quality providers and sites of care, according to WTW's 2024 Best Practices in Healthcare Survey.

52%

of U.S. employers plan to implement programs to reduce the cost of prescription drugs

Asia Pacific

China

Post-pandemic health challenges have persisted into 2024, particularly with ongoing outbreaks of various upper respiratory viruses, leading to higher-than-expected growth in medical inflation.

The utilization of medical services in China has seen an increase due to an aging population, increased health awareness spread by online media especially around preventive care and checkups, the convenience of hospital visits and the surge in visits due to respiratory viral outbreaks.

There has also been an increase in cancer incidence, primarily due to heightened health screening awareness, the popularization of online medical information and new detection technologies. Although early detection helps to identify cancers sooner, it is still a high-cost process that contributes to increased healthcare expenditures. Additionally, newer precise and effective cancer treatments also drive cost increases.

Despite government efforts to control costs through measures such as the Diagnosis Related Group management system, centralized drug procurement and adjusting deductible thresholds for the social medical system, medical costs remain high. The effectiveness of these control measures may not be evident in the short term.

Hong Kong

Insurers in Hong Kong have seen a return to pre-pandemic levels of outpatient claims. While the incidence of chronic diseases remains stable, there has been a sharp increase in claims due to a surge in upper respiratory tract infections. Additionally, patients from China continue to utilize Hong Kong's private hospitals for maternity care and surgeries, contributing to an increasing medical cost trend despite low general inflation and an economic downturn in the territory.

India

For 2025, medical inflation in India is projected to hover around 10% to 15%, reflecting a continuation of trends observed in previous years. This rate is influenced by various factors, including increasing healthcare demand, rising costs of pharmaceuticals and medical technology, and the overall economic environment. The anticipated rise in medical inflation is expected to have significant repercussions for healthcare pricing in India, likely causing insurers to recalibrate premium rates to maintain profitability.

In addition to the high prevalence of diabetes and cardiovascular disease, India also faces a rising incidence of cancers over the past few years. The market is seeing significant changes in cancer-related coverage and healthcare utilization in 2024. There is greater focus on early detection and screening, innovative treatments and expanded coverage. An emerging trend is the inclusion of genetic testing for cancer risk assessment in insurance plans, particularly for high-risk individuals, which helps with early detection and personalized treatment planning.

India faces a rising incidence of diabetes, cardiovascular disease and cancer.

Employers are altering their coverage options, implementing cost-sharing arrangements (imposing higher deductibles and copayments) or excluding certain high-cost treatments to mitigate the impact of rising costs. Yet, at the same time, they are seeking even more tailored insurance products that align with their employees' specific healthcare needs and that offer customizable coverage options, thus allowing individuals to choose plans that fit their financial and health needs — and in the process making their health benefits more flexible and attractive.

Indonesia

The average claims loss ratio in Indonesia reached 105.7% in the first quarter of 2024 and is expected to increase even more in 2025. This is partly influenced by global medical inflation, primarily driven by the rising costs of raw materials for pharmaceuticals and medical equipment. Additionally, the weakening local currency further affects pricing, as most pharmaceutical raw materials and medical equipment are imported.

To maintain financial stability, the insurance industry has been adjusting premium rates and regularly reviewing health products. Insurers are shifting focus away from large employers and are more interested in small and midsize enterprises for clientele base, as the market has been reluctant to underwrite medical risks for corporations with large populations and comprehensive benefits.

While insurers are trying to manage rising medical costs, they face challenges from hospitals and providers who continue to recommend excessive and unnecessary services using new medical technologies. As a result, more insurers are imposing reimbursement payment methods instead of cashless systems, as reimbursement costs for regular patients are 15% to 35% lower than for those using cashless payments for similar diagnoses, treatments and drugs.

Malaysia

As Malaysia aims to become a leading destination for medical tourism, the costs of infrastructure, technology and training continue to drive up healthcare costs. The country continues to attract patients from overseas due to the affordability and quality of the medical care; however, public hospitals are struggling with overwhelming patient volumes, pushing many to seek care in private hospitals. Lifestyle shifts have also contributed to a surge in non-communicable diseases such as diabetes, hypertension and cancer, further affecting healthcare costs.

Medical cost escalation is exacerbated by rising wages for healthcare workers and limited pricing transparency. Recently, there have been calls for the Health Ministry to consider regulating private hospital charges under health financing reform. Outpatient costs are expected to rise further if the current call for harmonizing the private general practitioner fee schedule with that of private hospitals is implemented.

Effective September 1, 2024, all insurers are required to introduce cost-sharing schemes to contain medical costs. The objective is to provide a lower premium option and increase patient awareness of charges. Service providers are also introducing telehealth and virtual consultation services and encouraging patients to manage their health via specialized medical devices.

Philippines

The health maintenance organization (HMO) industry in the Philippines experienced significant losses of PHP 1.433 billion (USD 25 million) in 2022, and nearly tripling to PHP 4.269 billion (USD 75 million) in 2023, due to a substantial increase in claims and benefits paid. In response, the HMO industry has adjusted its pricing assumptions annually to address the continuous increase in utilization trends, with 15% to 18% medical inflation assumptions over the past three years. Factors affecting medical inflation include rising hospital and clinic costs, increased professional fees and a higher frequency of diseases. Claims frequency has significantly rebounded, now surpassing the pre-pandemic levels of 2019, with the cost per claim rising primarily due to higher costs of medical services and procedures.

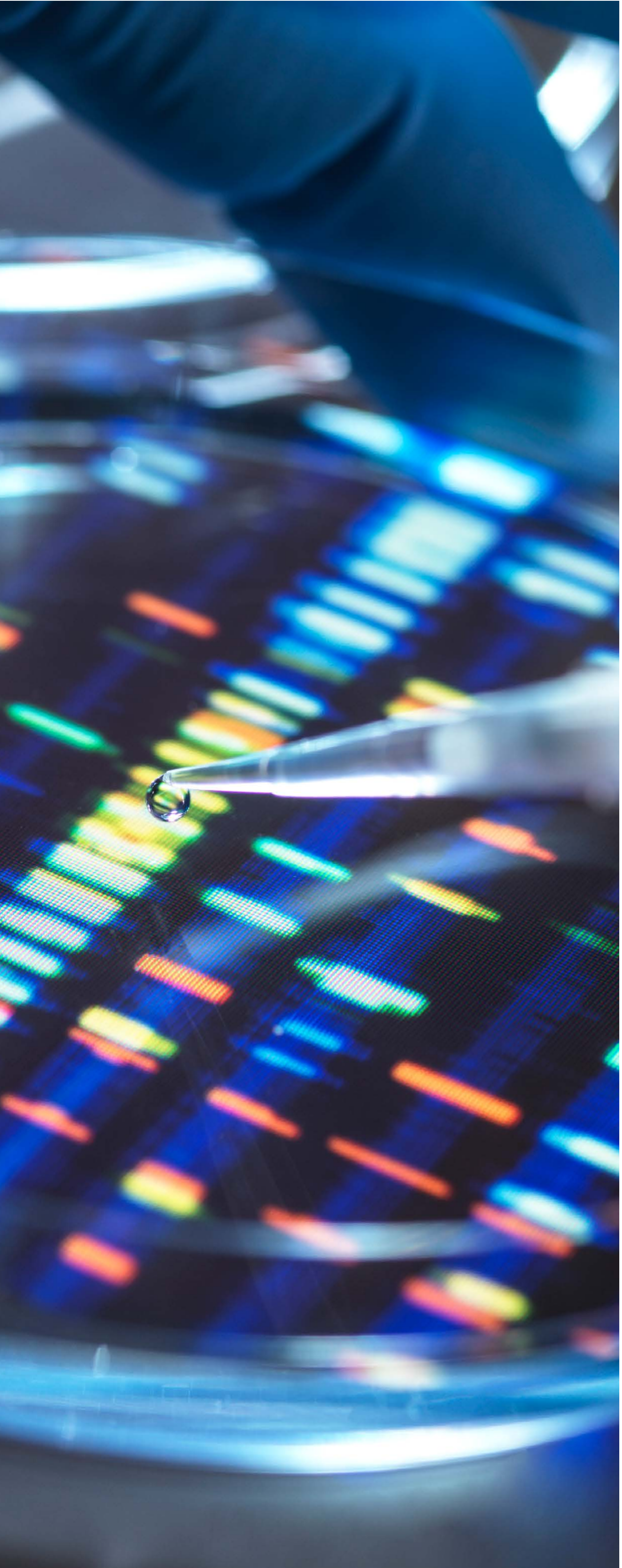
The prevalence of healthcare claims in the Philippines has rebounded since the pandemic and now surpasses pre-pandemic levels of 2019.

Although reports indicate that HMOs are recovering in the first half of 2024, ongoing negotiations between two HMO associations and various doctor groups regarding a potential 80% to 150% increase in professional fees are still driving the projected double-digit medical inflation for 2025.

Singapore

Singapore's medical inflation rate seems to be moving into a stable trend for 2025. The key contributing factors remain the same as previous years, including high real estate costs, rising cost of healthcare talent and Singapore's status as a popular medical treatment hub in the Asia Pacific region. The inflation rate remains constant with strong effort by Singapore's Ministry of Health advocating constantly on workforce wellbeing, with high emphasis on preventive care.

Additionally, Singapore remains invested in transforming the health of its population, particularly by focusing on workplace transformation through innovative and sustainable strategies. The goal is to build a future-ready healthcare workforce that is ready for challenges ahead, especially to cater for diverse workplace demographics. The Ministry of Health has launched the Industry Transformation Map 2025 for healthcare, which revises the initiative first launched in 2017. Goals include enhancing digitization of healthcare, leveraging data more effectively for research, and attracting and retaining healthcare professionals. The objective is to provide employees more resources to understand the importance of taking care of their own health, supported by quality patient-centric care at an affordable price.



Europe

Germany

Medical inflation is higher than previously anticipated and is expected to be nearly 8% for 2024. The main drivers for the increase in treatment costs in the outpatient and inpatient sector are rising salaries, operating costs for doctors and hospitals, new surgical techniques, a complete change in patient behavior and new medications. We expect a rise in premiums for statutory health insurance in 2025, as announced by the federal minister of health. Employers in Germany are not able to influence their own premiums, as premiums are rated based on the general population rather than by an employer's individual member pool; however, employers can provide supplemental health insurance plans as an additional offer of benefits and services for their employees. For that, we see stable premiums in the market and a high number of insurers and tariff options (additional programs or features that provide flexibility, cost share, access to discounts and so on). Recently, new budget tariffs have grown in popularity, with more insurers offering these alongside their classic tariffs.

Poland

The medical trend in Poland remains high in 2025, despite some relief over the past few years. WTW anticipates an even higher rate of medical trend rate (15%) than what insurers are projecting (13.3%), due to general inflationary pressures, rising healthcare utilization and wage increases for healthcare workers. In addition to the financial challenges, the public healthcare system continues to struggle with meeting demand, leading to a greater uptake of private healthcare services. Consequently, the private healthcare sector has faced significant pressure to meet the demands of insured members. These factors are expected to result in substantial premium increases on medical plans in the future.

Portugal

Portugal's medical inflation is expected to remain elevated in 2025. The elements that contribute to the high costs include an increase in perceived deficits in the national healthcare system, higher demand for private healthcare services as the insured population expands (already reaching 4 million in 2024) and the rising cost of advanced treatments, along with a higher incidence of serious illnesses. There is also a paradigm shift taking place in the health insurance market as both insurers and employers begin to focus more on prevention, digital health and promoting healthy lifestyles. This presents an opportunity for the market to rethink plan design, adjust cost-sharing arrangements and shift focus from consumption to risk management.

Romania

In 2025, medical cost increases in Romania are projected to be high; WTW is anticipating an even higher trend rate (23%) than what insurers are projecting (18.7%). One major contributor is general economic inflation, which has affected the cost of medical supplies, equipment and pharmaceuticals — leading to higher treatment costs. Additionally, advancements in medical technology and treatments, while improving care quality, also come at an increased cost. The rise in demand for healthcare services, driven by an aging population and increasing prevalence of chronic diseases, further elevates costs. Lastly, workforce shortages in healthcare lead to higher wages, increasing the overall cost of medical care delivery.

In 2024, cancer remains a significant health challenge in Romania, with increased claims and utilization, particularly for breast, lung and colorectal cancers. There has been a growing emphasis on early detection, with more companies offering enhanced benefits for regular screenings such as mammograms, colonoscopies and CT scans for lung cancer. Genetic testing for hereditary cancer risks is gaining traction, leading to earlier and more personalized intervention. Employers are focusing on including second medical opinion services and coverage for advanced treatments to ensure access to cutting-edge care. To manage rising medical costs, several cost-cutting measures are employed in Romania, including wellness and preventative health initiatives, preferred medical networks, copayments and the use of telemedicine.

Spain

The impact of inflation, increased utilization and the difficulties insurers face with rising premiums continue to affect health insurance in Spain. Although premiums have increased, the sector continues to see a decline in its profitability. Undoubtedly, further increases in premiums are expected in the coming months as insurers implement new strategies, notably the revision of coverage, greater rigor in underwriting, management optimization and the renegotiation of agreements with providers. Opportunities for cost management include utilization review and implementing coordination of care to better manage use of specialists and other services.

Turkey

The medical trend in Turkey is projected to remain relatively high in 2025, albeit a reduction compared with 2023 and 2024. The high inflationary environment and devaluation of the local currency in Turkey will continue to affect all sectors, including healthcare. While technological advancements — such as new medical devices, treatment methods and medications — enhance the efficacy of healthcare services, they come at a high cost. Hospitals utilizing advanced technologies face higher expenses due to maintenance fees, which are foreign currency-indexed; this further increases costs in an environment of worsening international currency exchange rates. Additional factors driving healthcare costs include the aging population, the rise in chronic diseases and increasing hospital expenses, including higher salaries for healthcare staff. Cost management is effective through making changes to plan network structures: Hybrid structures allow insured members to utilize both the social security system and private healthcare simultaneously, significantly reducing claims.

United Kingdom

In 2024, the factors driving medical inflation in the U.K. remain significant and interconnected. The aging population and ongoing challenges with timely access to state healthcare services (the NHS) continue to increase the demand for private healthcare services, while advancements in medical technology and new treatments are also contributing to rising costs. The emerging field of genomics/epigenomics is leading to more targeted interventions but also has an impact on the overall medical trend. High-cost innovations, such as CART-cell therapy (cancer immunotherapy treatment), and the prevalence of chronic diseases requiring specialized care further strain resources. A shortage of healthcare workers has led to higher wages and an increased reliance on costly agency staff (temporary workers), while discussions about public health funding and resource allocation remain critical in the face of economic pressures. The backlog of services from the COVID-19 pandemic persists, exacerbating the demand for healthcare.

Consequently, while an increase in telehealth utilization has improved access to care, carriers are taking steps to ensure that they can best manage costs (for example, by implementing guided care models. Without such measures, there could be hidden costs associated with rising utilization due to an increased number of secondary care referrals taking place following virtual appointments compared with in-person appointments. Finally, rising pharmaceutical costs, influenced by patent expirations and market dynamics, continue to be a concern. Together, these factors create a complex landscape for healthcare costs in the U.K.

Middle East and Africa

Egypt

In Egypt, WTW is anticipating a higher medical trend rate (35%) than what insurers are projecting (31%). The rising trend is primarily driven by increasing healthcare expenses, including pharmaceuticals, medical equipment and hospital services. General economic inflation and currency depreciation are driving up costs, particularly for imported medical supplies. Additionally, the growing demand for advanced medical treatments and technologies (such as surgical operations using laparoscopic or laser), along with a rise in chronic diseases, contributes to higher utilization of healthcare services, further increasing costs. Lastly, regulatory changes and tax increases in the healthcare sector may also influence pricing but with lower impact.

This year, the Egyptian market has seen an increase in cancer-related claims and utilization. Although there is rising awareness of the importance of early detection, with a greater emphasis on preventive screenings such as mammograms leading to earlier diagnoses and better outcomes, this may also increase claim volumes. Insurers are also enhancing their coverage options by including second-opinion services, providing patients with more effective treatment options.

Nigeria

In Nigeria, WTW is anticipating a higher medical trend rate (40%) than what insurers are projecting (31.8%). Nigeria's medical costs are rising due to a complex interplay of economic and healthcare factors. General inflation, coupled with the depreciation of the Nigerian naira, has significantly increased the costs of imported medical supplies and pharmaceuticals. Respiratory infections and noncommunicable diseases, such as hypertension and diabetes, have also become increasingly prevalent. Hypertension affects an estimated 28% to 46% of Nigerian adults, placing additional strain on the healthcare systems. Additionally, the emigration of healthcare professionals, with an estimated 2,000 doctors leaving Nigeria annually, exacerbates staffing shortages and drives up labor cost

In the past two years, Nigeria has witnessed a marked increase in the prevalence of breast, colon and prostate cancers. Much of this can be attributed to early detection, thanks to an increase in adoption of preventive wellness initiatives such as annual health checks.

In Nigeria, hypertension affects an estimated 28% to 46% of adults

South Africa

The Council for Medical Schemes recommended that Medical Aid schemes in the country limit their price increases in 2025 to 4.4% plus reasonable utilization estimates. It is widely reported, however, that Medical Aid inflation outpaces headline inflation and Consumer Price Index (CPI) in South Africa, running between 3% to 4% above CPI. The primary cost drivers fueling this trend in South Africa includes rising prices of health services and treatments, driven by an aging workforce and increasing demand for healthcare services. Additionally, there has been an increasing burden of chronic diseases such as diabetes and hypertension, requiring ongoing chronic disease management. Recent advancements in medical technology and new medicines also add to the rising trend, with costs being passed through to members. Insurers are aiming to keep rate/contribution increases in line with medical inflation and expected member claims, in an effort to keep plans sustainable.

U.A.E.

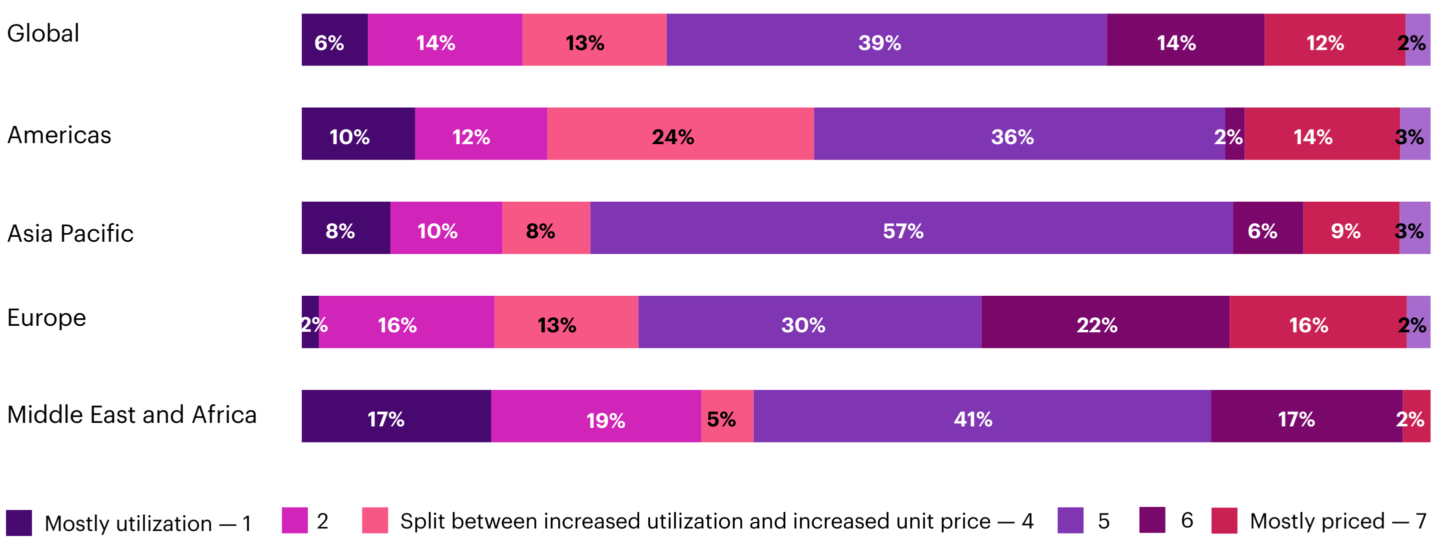
One major factor contributing to rising costs in the United Arab Emirates (U.A.E.) is the growing claims for high-cost medical providers. Members are increasingly utilizing these providers, motivated to receive the best medical care available. Generally, there's been an upward trend in overall utilization of healthcare, as members are becoming more health conscious. Healthcare providers across the board have been raising service costs annually to increase profit margins. At the same time, there are no consistent tariff rates (application of fixed rates for services) across insurers among their providers, which hinders consistency and stability of pricing.

There is no consistent tariff rates (application of fixed rates for services) in the U.A.E., which hinders consistency and stability of pricing.

There is also a tendency for overprescription in the region, particularly with diagnostic testing and medications. Pharmacy costs are high due to issues with not only overprescription but also international supply chains combined with worsening currency exchange rates, deregulation of price caps and inflation. Additionally, the introduction of new and costly technologies in healthcare facilities is contributing to higher service costs as providers seek to ensure a return on investment. To manage these rising costs, a strategy that's becoming more commonly implemented is to restrict network access to limit the use of costly providers.

What's driving medical trend

Figure 4. **What is driving the increase in the overall book of business?**



Globally, insurers are divided on whether the main driver of the upward trend in medical costs is the increase in unit cost or increased utilization. About two in five anticipate the rise in cost to be an equal split between the increase in the unit price of providing healthcare services and increased utilization. One in three believes that utilization will be the main driver of the increase in costs, while just about three in 10 believe it to be increases in unit price; however, this varies significantly by region (Figure 4).

Internal and external cost drivers

The external factors that insurers cite as healthcare cost drivers in 2024 include higher cost of new medical technologies (69%), the decline in quality and funding of public health systems (57%), lack of cost sharing in plan design (28%) and higher costs due to advancements in pharmaceuticals (28%).

Compared with last year, the cost of new technologies and the decline in public health systems have risen significantly as reported external causes of cost increases. The cost of new technologies, as the top reason, increased by 12% compared with last year, especially in the Americas where this increase is 31%. The decline in public health systems, as a top reason, has also increased by 23% from last year's survey — but especially so in Europe (by 32%), where it is now the leading external reason for rises in medical costs as described above, and in Asia Pacific (by 21%).

Insurers also point to the internal drivers of medical costs, which are perpetuated by behaviors of providers and insured members. The top reported internal driver is medical practitioners recommending too many services (72%), followed by the lack of integration between primary, specialty and facility care (56%) and members' poor health habits (45%).

The overuse or misuse of care due to medical practitioners recommending too many services has risen since last year as a top driver of costs, increasing by 13%. It is now the top internal driver of medical cost in all regions except in the Americas. Many regions are reporting overprescription of both medications and diagnostics, which results in unnecessary and excessive costs.

Top conditions

Top conditions by incidence

Globally, insurers report the top conditions by incidence to be musculoskeletal, cardiovascular and cancer.

These conditions remain the same top three conditions as reported from last year's survey, with diabetes and mental and behavioral health closely following in fourth and fifth place, respectively. The number of insurers reporting musculoskeletal as the top condition has decreased (49% in 2024 versus 57% in 2023), showing less variation between top reported conditions (Figure 5).

Mental and behavioral health conditions remain the top fastest-growing conditions by incidence over the past

18 months

Top conditions by cost

Cancer, cardiovascular and musculoskeletal remain the top conditions by cost this year. The number of insurers reporting cancer as the top condition has decreased (67% in 2024 versus 78% in 2023), showing less variation between top reported conditions.

This also mirrors the top conditions in last year's survey, with the exception that the digestive system or gastrointestinal (GI) conditions have replaced mental health and now ranks as the fifth top condition by cost globally. In Europe, GI has replaced diabetes as the fifth top condition by cost. GI is also reported as one of the fastest-growing conditions by cost over the previous 18 months, which was a difference from last year's survey. This is aligned with a global trend of GI conditions being on the rise, due to lifestyle factors (e.g., diet, eating late at night/irregularly, smoking), environmental factors and aging.

The only differentiation regionally in the top conditions is that Europe's top condition by cost is musculoskeletal. Cancer is listed as the third condition by cost in Europe, which is a striking difference from all other regions where it the top condition by cost (Figure 6).

Insights

Musculoskeletal issues continue to be the top condition by incidence and have also jumped up in position as a top condition by cost in the Americas and Europe. This rise can be attributed to the overall aging of the working population as well as increasingly sedentary lifestyles, which are perhaps exacerbated by remote working arrangements. While working remote, employees may not have the proper ergonomics for a home office, which can also lead to stress on the body and injury over time.

Overall, a rise in cardiovascular conditions is reported across several regions, both in terms of incidence and cost. The prevalence of cardiovascular disease, heart failure and peripheral artery disease is increasing worldwide and has been reported as a top cause of death. Notable contributing factors to cardiovascular conditions include obesity, diabetes and hypertension.

Mental and behavioral health conditions remain the top fastest growing conditions by incidence over the past 18 months. The growing prevalence of depression, anxiety and loneliness (especially among adolescents and young adults) is likely driving this trend, as well as the impact of taxing global events on citizens' mental wellbeing. However, mental health conditions have dropped in ranking slightly from last year's survey as a top condition by incidence in the Americas and Europe. This does not necessarily mean that it is less of a health issue but rather that other conditions are largely on the ascent.

Figure 5: **Top five conditions by incidence**

Rank	Global	Americas	Asia Pacific	Europe	Middle East and Africa
1	Musculoskeletal and connective tissue	Circulatory system (cardiovascular)	Circulatory system (cardiovascular)	Musculoskeletal and connective tissue	Diabetes, endocrine, nutritional and metabolic diseases
2	Circulatory system (cardiovascular)	Diabetes, endocrine, nutritional and metabolic diseases	Digestive system (gastrointestinal)	Circulatory system (cardiovascular)	Respiratory
3	Cancer (neoplasms)	Cancer (neoplasms)	Cancer (neoplasms)	Mental and behavioral health	Circulatory system (cardiovascular)
4	Diabetes, endocrine, nutritional and metabolic diseases	Musculoskeletal and connective tissue	Musculoskeletal and connective tissue	Cancer (neoplasms)	Digestive system (gastrointestinal)
5	Mental and behavioral health	Mental and behavioral health	Respiratory	Diabetes, endocrine, nutritional and metabolic diseases	Musculoskeletal and connective tissue

Figure 6: **Top five conditions by cost**

Rank	Global	Americas	Asia Pacific	Europe	Middle East and Africa
1	Cancer (neoplasms)	Cancer (neoplasms)	Cancer (neoplasms)	Musculoskeletal and connective tissue	Cancer (neoplasms)
2	Circulatory system (cardiovascular)	Circulatory system (cardiovascular)	Circulatory system (cardiovascular)	Circulatory system (cardiovascular)	Circulatory system (cardiovascular)
3	Musculoskeletal and connective tissue	Musculoskeletal and connective tissue	Musculoskeletal and connective tissue	Cancer (neoplasms)	Diabetes, endocrine, nutritional and metabolic diseases
4	Diabetes, endocrine, nutritional and metabolic diseases	Diabetes, endocrine, nutritional and metabolic diseases	Injury	Mental and Behavioral Health	Musculoskeletal and connective tissue
5	Digestive system (gastrointestinal)	Mental and Behavioral Health	Respiratory	Digestive system (gastrointestinal)	Respiratory

Managing medical cost

Cost sharing

Cost sharing has various forms, all aiming to apportion medical costs between insurers and members. Globally, the most common approaches are the use of deductibles (58%) and member coinsurance (48%). The use of deductibles is the most common form of cost sharing in the Americas and Europe, whereas in Asia it is coinsurance and in Middle East and Africa (MEA) it is member copay.

Cost management

Insurers also help their clients to manage costs effectively in several ways, including using contracted network of providers (71%), enforcing limits on some services (41%) and requiring preapproval for scheduled inpatient services (35%) as the top reported methods. The use of a contracted network of providers continues to be the top cost management method across all regions in our survey. Medical provider networks help manage costs, as they have agreed-upon fixed reimbursement rates and pricing for services, thus minimizing member utilization of high-cost providers. Also, there is better continuity of care with in-network providers to provide consistency and coordination of care for members, which minimizes overuse and overprescription of care. Other cost management methods include the use of chronic condition/disease management programs, which is in the top three methods used in the Americas and MEA, and the promotion of preventive services, which is in top three for MEA.

It is worth noting that the use of telehealth to manage medical costs has dropped in ranking of top cost management methods used from second place in 2023 to fourth place in 2024, as reported by insurers globally. In fact, telehealth only persists as a top method in Europe, whereas in all other regions it fails to make it to the top five cost management methods used. While this may seem counterintuitive, since virtual care was largely introduced as a low-cost alternative to in-person care, the surge in telehealth use has negatively affected plan utilization and overall costs in many cases. As telehealth has lowered the barriers to access care, many members are accessing services they might not have sought otherwise.

Country spotlight: U.K.

Increasingly, employers are looking to implement a people risk management approach to improve employee health and to mitigate increasing healthcare costs. Examples of this include using data to understand overall employee health risk and what is driving health costs. Claims data and other health-related data sets, together with actuarial and clinical expertise, can be used by employers so they can make informed decisions about where best to target health awareness and improvement initiatives, how to optimize program design, where to implement condition management programs, and how to select vendors that support the risk management strategy of improving health outcomes and better managing healthcare costs.

71% of insurers help clients to manage costs using a contracted network of providers

Changes to plans

The biggest change made to medical portfolios in 2024 is the addition of wellbeing and telehealth services (Figure 7), a trend that continues from the previous year. In 2024, almost half (48%) of insurers added wellbeing services to their medical portfolios, most notably in Asia Pacific (64%) and MEA (54%). The addition of telehealth services and features has also globally increased from 41% in 2023 to 47% this year, especially in MEA, where 58% of insurers report adding these benefits, and in Europe (50% of insurers).

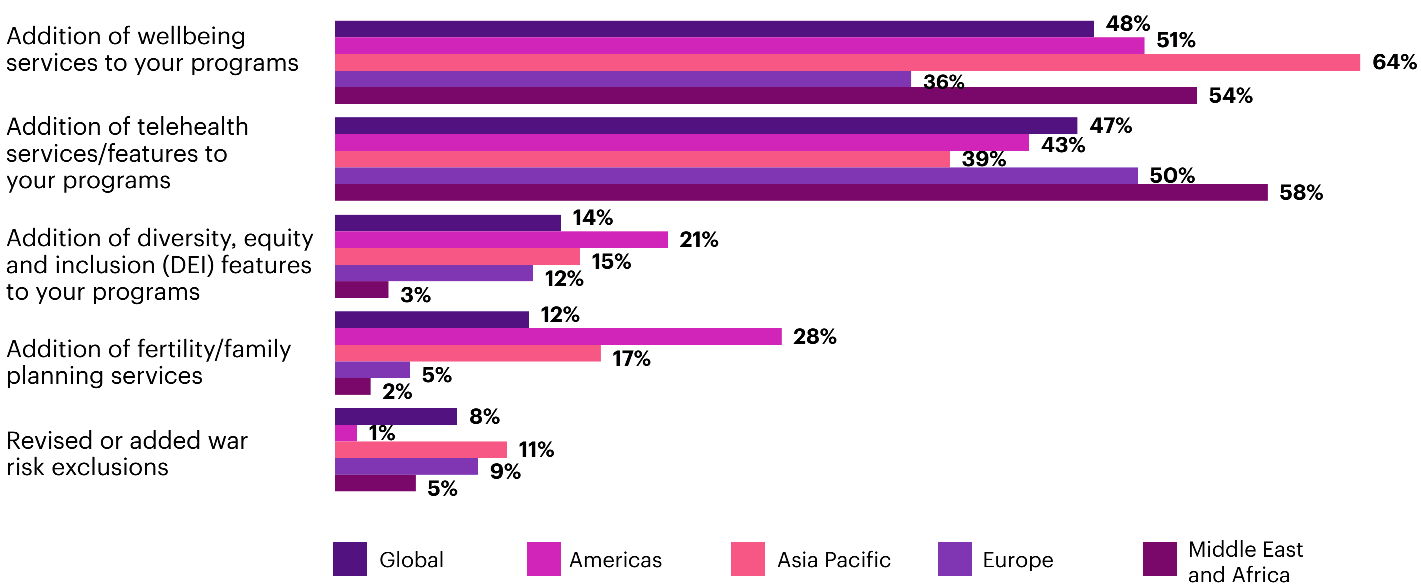
Notably, the revision or addition of war risk exclusions was a change made by 8% of insurers globally, which is a fourfold increase from 2023 when it was only 2% of insurers. In 2024 these changes have been in Asia Pacific (11%), Europe (9%) and MEA (5%), all representing multifold increases, which is not surprising given the rising geopolitical tensions and conflicts in these regions.

The trend of adding diversity, equity and inclusion (DEI) features to healthcare plans also continues from 2023, where 14% of insurers globally reported adding such features in 2024, particularly in the Americas (21%), Asia Pacific (15%) and Europe (12%). MEA is the region where only 3% of insurers added DEI features to their medical programs.

The trends in plan changes signal that insurers, as well as employers, are making strides to be more inclusive and expand coverage availability to groups of people who otherwise would be denied care. This is also apparent from the removal of exclusions from medical insurance programs. The most common exclusions removed from programs over the past one to two years (besides COVID-19) include preexisting conditions, alcoholism and drug use, mental and behavioral health conditions and same-sex/domestic partner (where it is not a legal restriction).

Over half (54%) of insurers reported excluding GLP-1s from their medical plans. Only 1% of insurers have removed them from their exclusion list in the past one to two years, with the Americas as the top region removing GLP-1s as an exclusion (2% of insurers). GLP-1 and semaglutide drugs have received lots of attention, interest and demand around the world. They have increasingly been used for weight loss outside of a diabetes management context. These anti-obesity drugs are highly effective but come with a significant price tag. With several more GLP-1 drugs anticipated to enter the market by 2026, the costs for employer health plans are expected to continue to rise.

Figure 7: **Biggest changes made to medical portfolios in 2024**



Fertility and family planning

About half of insurers report providing fertility and family planning services in some capacity. Specialist consultant services are the most common type of service across all regions, where it is covered by 48% of insurers globally. This is followed by coverage for men's health (low testosterone) (36%), fertility medications (28%) and in vitro fertilization (IVF) (28%). The fertility services least commonly provided are egg freezing/harvesting and preimplantation genetic testing. Europe is the region with the highest percentage of insurers covering fertility care, with 59% providing cover for specialist consultants. MEA is the region with the lowest percentage of insurers covering fertility care, with only 18% providing some form of coverage.

The addition of fertility and family planning services was one of the biggest changes made to plans (within the top three changes) in 2024 in the Americas and Asia Pacific. About 12% of insurers globally reported adding fertility services to their programs in 2024; however, most insurers report that they do not plan to cover additional fertility services in 2025. Most insurers still impose coverage exclusions for doulas and midwives (49%).

48%

of insurers provide coverage for fertility specialist consultant services.

Overall, this signals that there is a growing demand for fertility care, as employees need these services and as employers continue to drive DEI initiatives and value providing more inclusive healthcare. According to the World Health Organization, roughly one in six people worldwide experiences infertility in his or her lifetime. Thus, supplemental fertility benefits have been part of an emerging trend over the past few years among multinational employers; there has been growing interest in providing access to fertility services to cover treatments beyond the diagnosis of infertility. While barriers exist in providing cover through insured healthcare plans in some markets, many turn to stand-alone fertility care benefits and vendors to fill in the gaps. There has notably been progress in this space, but we anticipate further development in the coverage options available for this necessary and expensive care in the future.

Country spotlight: India

In India, fertility coverage has been gaining traction over recent years and becoming more prevalent. Employer interest is rising, particularly in sectors with competitive talent markets and those that follow emerging trends. An increasing number of multinational employers are offering egg and sperm freezing as part of fertility coverage, which is popular among employees who want to delay family planning but want the security of future fertility. The approach that companies are taking in offering fertility coverage is to provide optional add-ons or supplemental benefits, allowing employees to opt into this coverage based on their needs rather than embedding it in standard insurance plans. Fertility benefits are typically provided with specific caps or limits, such as offering coverage for a defined number of IVF cycles or setting annual financial limits to control costs.

Actions to take:

- Verify what fertility benefits are available through health insurance programs in the market, including what coverage and cost sharing options are available
- Explore third-party vendors to implement supplemental or standalone solutions
- Understand the demographic and needs of the employee group to provide fertility benefits to fit the needs of population
- Provide benefits through HR policies, including leave policies
- Offer family planning support and care by providing benefits regarding childcare/caregiving, mental healthcare, financial wellbeing, etc.

Cancer

As previously reported, cancer is the top condition by cost and the fastest-growing condition by cost over the past 18 months.

Globally, the top cancer type by both cost and incidence is breast cancer. Breast cancer is also the fastest-growing type of cancer over the past 18 months by incidence. Prostate and colorectal cancers follow shortly behind as the next top cancer types by cost and incidence.

This trend is generally reflected across all regions, with some exceptions, including in Asia Pacific and MEA where prostate and lung cancers are top cancer types in terms of both cost as well as incidence and growth (Figures 8 and 9). Other cancer types reported as common include skin and thyroid cancers. This differs in MEA, where leukemia and kidney (renal) cancers are higher in prevalence.

Cancer is a leading cause of death globally, with cases projected to continue to rise in the future. Several potential contributing factors include general aging and growth of the population, exposure to risk and environmental factors, and infections, in addition to genetics and family history. However, with more cancer treatments available today, and new ones being developed constantly, cancer patients are living longer than before. More early detection and screening options are now available, which can help prevent cancers from progressing to advanced stages. While these medical feats have contributed to improving prognoses and, in some cases, lifespans, the advanced treatments and technologies are expensive and can incur more costs.

There has been more discussion from medical communities around the importance of lifestyle in reducing likelihood of developing cancer or reducing severity of cancer. In addition to promoting early detection, insurers and employers can promote healthier lifestyle choices and educate employees on lifestyle risks that can be linked to or exacerbate cancer. While the exact correlation of lifestyle factors and cancer is not definitely determined, wellbeing initiatives have an opportunity to encourage heathier choices (e.g., quit/refrain from tobacco products, reduce alcohol consumption, maintain a healthy body weight, engage in physical activity).

Figure 8: **Top types of cancers by incidence**

	Global	Americas	Asia Pacific	Europe	Middle East and Africa
1	Breast	Breast	Breast	Breast	Breast
2	Prostate	Prostate	Lung	Prostate	Prostate
3	Colorectal	Colorectal	Colorectal	Skin	Leukemia
4	Lung	Skin	Prostate	Colorectal	Lung
5	Skin	Thyroid	Thyroid	Lung	Kidney

Figure 9: **Top types of cancers by cost**

	Global	Americas	Asia Pacific	Europe	Middle East and Africa
1	Breast	Breast	Breast	Breast	Breast
2	Lung	Prostate	Lung	Prostate	Lung
3	Colorectal	Colorectal	Colorectal	Lung	Leukemia
4	Prostate	Lung	Leukemia	Colorectal	Kidney
5	Leukemia	Leukemia	Thyroid	Leukemia	Colorectal

Country spotlight: United States

According to the WTW Best Practices in Healthcare Survey, cancer drives roughly 30% of medical costs in the U.S., and over the past several years, there has been an increase in both cancer costs and severity. Following the COVID-19 pandemic, deferred care has been a prominent issue in delaying preventive cancer screenings and care. This has likely hindered detection at earlier stages and early cancer interventions that may be consequential to overall prognoses. As a result, the U.S. market has experienced double-digit increases in cancer costs. There has also been an uptick in the prevalence of expensive cancer treatments and oncology medications.

Actions to take:

- Improve and promote access to screening and early detection services (especially mammograms, since breast cancer is the most prevalent cancer type across all categories)
- Provide global wellbeing programs and preventive care to encourage healthier lifestyle habits and overall positive health outcomes
- Protect healthcare plans against high-cost claims, including stop loss cover (where possible)
- Promote preventive actions with male employees, as cancer mortality rate is generally higher with men

Artificial intelligence

Artificial Intelligence (AI) and AI-enabled applications (e.g., generative AI models, natural language processing chatbots, recommendation systems) are global phenomena, the impact of which will be far-reaching. To understand insurer perspectives and the anticipated impact on healthcare programs, we included questions about AI in this year's survey.

Globally two-fifths (38%) of insurers consider AI capabilities to be very important or absolutely essential for their organizations. Insurers largely report that they consider AI capabilities to be of average importance to their organization, signaling that it is not yet a high priority but still on their radar.

Most insurers have just begun to evaluate AI opportunities for most aspects of their healthcare programs. The greatest opportunities in healthcare delivery as reported by insurers globally lie in plan administration (66%), communication (48%), navigation and personalized recommendations (48%), and program evaluation (37%). WTW also anticipates that AI will play a role in supporting the discovery of new clinical interventions, alongside supporting member navigation and engagement.

The more that insurers can lean on AI capabilities for internal purposes, the more potential for efficiencies in processes and costs. Regular communications generated by AI have the potential to spark engagement, push key updates and personalize outreach. In inpatient (hospital) settings, AI can help improve healthcare practitioners' workloads by reducing routine administrative workplace demands.

Healthcare is famously slow to adopt technology innovation (in part because most technology platforms used in the healthcare industry are built on decades-old and sometimes disparate systems); however, we expect that much in the same way that AI-enabled applications are revolutionizing systems around the world, the adoption curve and impact on healthcare will be quick when it arrives over the next 12 to 36 months. We expect insurer responses to reflect a rapidly evolving landscape in the next iteration of this report.

Call to action:

Gain a competitive advantage through your healthcare benefits

Global medical trend is in the double digits and is expected to rise in the near future. This poses a constant challenge for employers, who find healthcare cost increases unsustainable for their organizations.

While recognizing that some factors influencing costs may be out of their control, employers can hone in on key actions to drive the effectiveness and value of their healthcare plans.

- **Promote preventive care:** Facilitate and encourage opportunities for screenings, early detection measures, vaccines and educational sessions/campaigns to help prevent and detect health conditions earlier, while they are easier and less expensive to treat.
- **Evaluate vendor solutions:** Consider programs that target certain chronic conditions (e.g., musculoskeletal conditions, diabetes) and provide support services and behavioral intervention aimed to improve long-term prognoses.
- **Expand wellbeing offerings:** Broaden wellbeing benefits to encompass a multidimensional approach beyond physical and emotional wellbeing, to also include social and financial wellbeing, in order to foster overall positive health outcomes for employees and their families.
- **Ensure benefits are fit for purpose:** Review programs to verify that benefits offered fit your population's needs, to be able to identify opportunities to eliminate unnecessary or underutilized coverage, assess the appropriateness of your network coverage and effectiveness of providers, and optimize benefit spend (e.g., pharmacy coverage and utilization review).
- **Focus on employee experience:** Optimize employee access to their healthcare programs to promote how to best use the plan and drive awareness of benefits available, in an effort to avoid unnecessary services and claims.

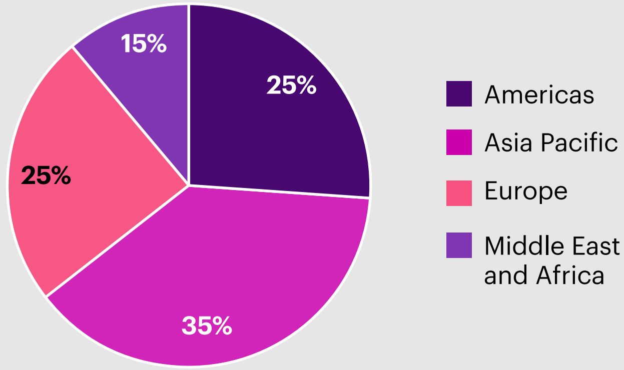
With WTW as your partner, together we can develop the best strategies for your organization to combat the ever-present challenge of rising healthcare costs.

About the survey

A total of 348 leading health insurers representing 75 markets participated in our survey. The survey was fielded June to August 2024. In addition to submissions from insurers, we received input for 55 markets from WTW brokers. The combined data covers 90 markets. In markets where we received data from both insurers and brokers, the market trend was calculated by taking an average of the insurer and broker trends. To lessen the effect of market size and currency issues, we have weighted regional and global trend rates using GDP per capita as the weighting factor.

Note our global, Latin America and Europe numbers exclude Argentina, Venezuela and Turkey, as the trends in these countries have been identified as outliers.

Regional profile of respondents



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About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organizational resilience, motivate your workforce and maximize performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at wtwco.com.

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