Mercer Marsh Benefits

Health Trends 2026

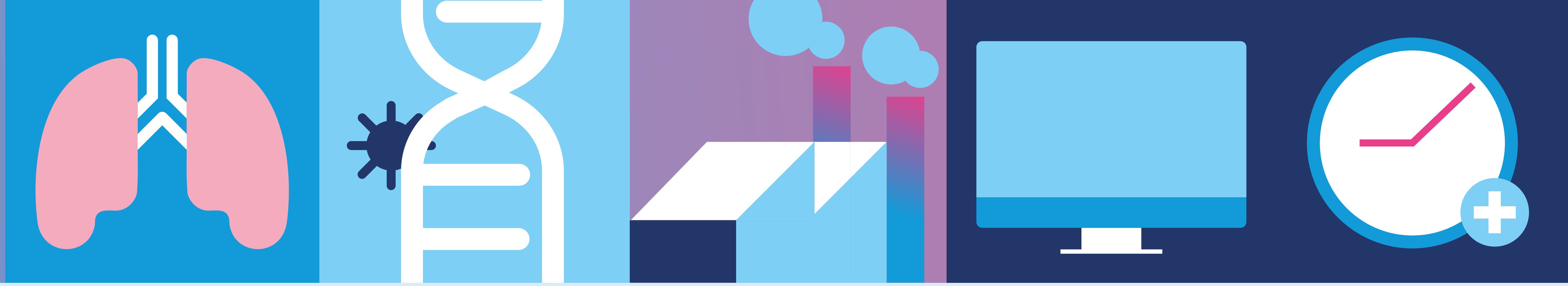
Balancing cost control with benefits optimization

Global infographic

benefits that truly benefit

Trend	Projected medical trend continues to be double digits in most markets.	Proactive risk management is a requirement for sustainable benefit programs.	Benefits coverage for varied needs remains limited.
What it means	While insurers are adjusting their projections for broader economic uncertainty, underlying claim costs continue to be driven by ever-present health conditions.	Most cost management levers are not typically included under plans today; some of these controls can curb spending, without impacting health outcomes.	Many existing plans are not designed to meet the needs of today's workforce, with gaps in cover for not just unique health needs, but universal needs as well.
Key finding	High-cost claimant management is the #1 intervention insurers plan to deploy or enhance in the next two years.	76% of insurers are concerned about inefficient and wasteful care making plans unaffordable over the next three years.	Just 50% of insurers globally typically cover mental health counselling; 23% cover hearings aids.

Projected medical trend continues to be double digits in most markets

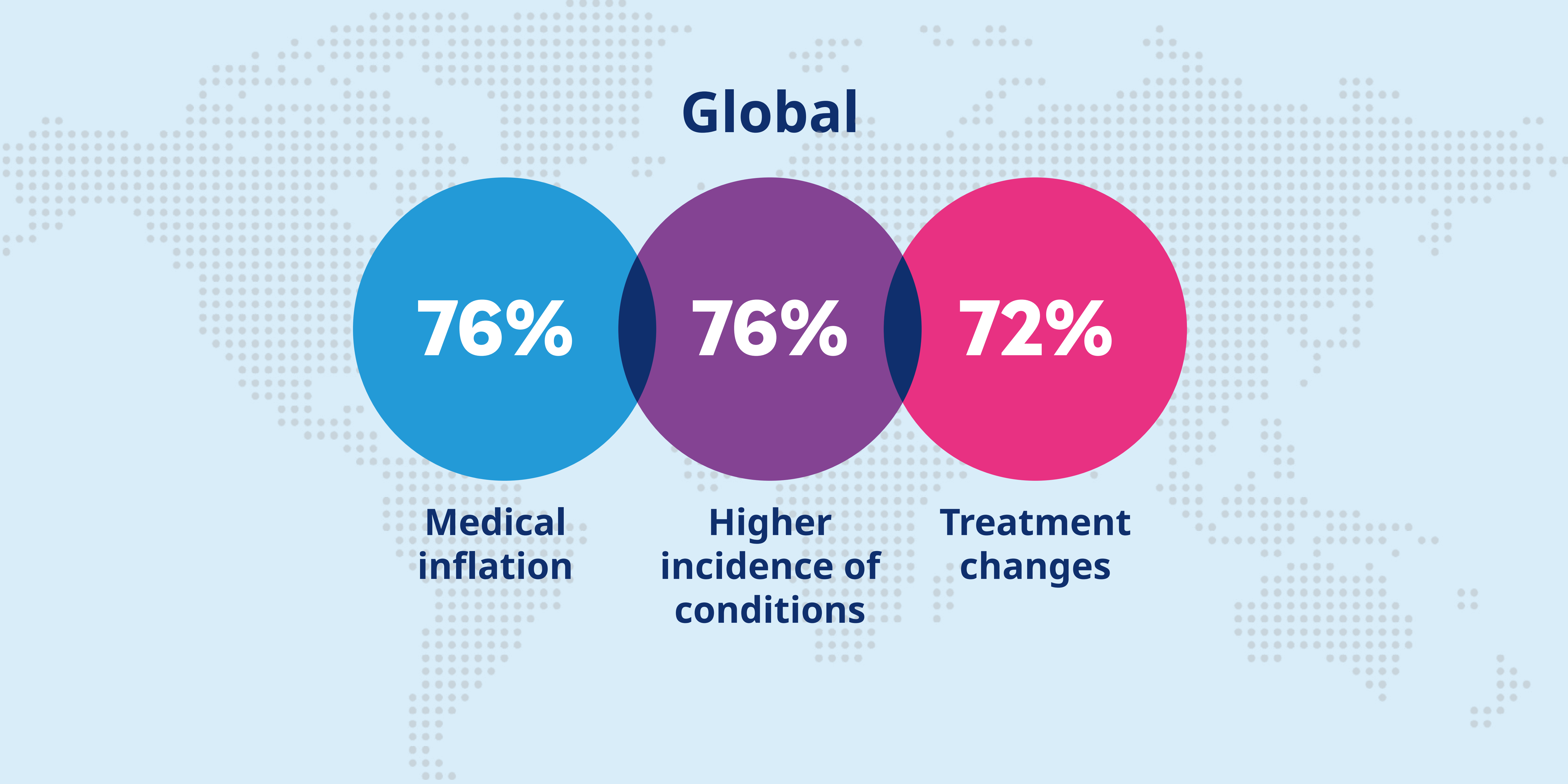


2024-2026 Medical Trend

	2024	2025	2026
Global (Ex-US)	10.6%	10.8%	11.1%
Canada	7.0%	6.9%	8.6%
Asia	12.2%	12.4%	12.5%
Europe	10.3%	9.5%	9.1%
Latin America and Caribbean	9.8%	10.1%	10.4%
Middle East and Africa	10.9%	12.5%	14.1%
Pacific	10.0%	11.4%	10.8%

Note: Rates for 2024 are retrospective. Rates for 2025 and 2026 are prospective. Unweighted global averages were used. This data was gathered in June and July 2025 from 268 insurers, with medical trend rates submitted by insurers and validated by our local teams using their own internal book of business data, market-specific insurer surveys, economic forecasts and subjective assessments. Please note the US is not part of the research. For more information related to the US, please see Mercer's 2025 National Survey of Employer-Sponsored Health Plans.

Top three components driving projected 2026 medical trend



How do you expect each of the following trend components will impact your market's projected 2026 medical trend rate? (Very significant + significant; top three)

Cancer, circulatory diseases, musculoskeletal and respiratory conditions continue to be top causes of claims in the majority of regions surveyed.

Top causes of claims based on dollar amount in 2024:

	Global	Asia	Europe	Latin America and the Caribbean	Middle East and Africa
1	Cancer	Cancer	Cancer	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	Respiratory conditions	Musculoskeletal conditions	Musculoskeletal conditions	Endocrine and metabolic diseases
4	Respiratory conditions	Gastro-intestinal diseases	Gastro-intestinal diseases	Endocrine and metabolic diseases	Respiratory conditions
5	Gastro-intestinal diseases	Accidents and injuries	Mental conditions	Respiratory conditions	Musculoskeletal conditions

What were the top causes of claims cost in 2024, based on the dollar amount claimed, from your book of group or overall business?

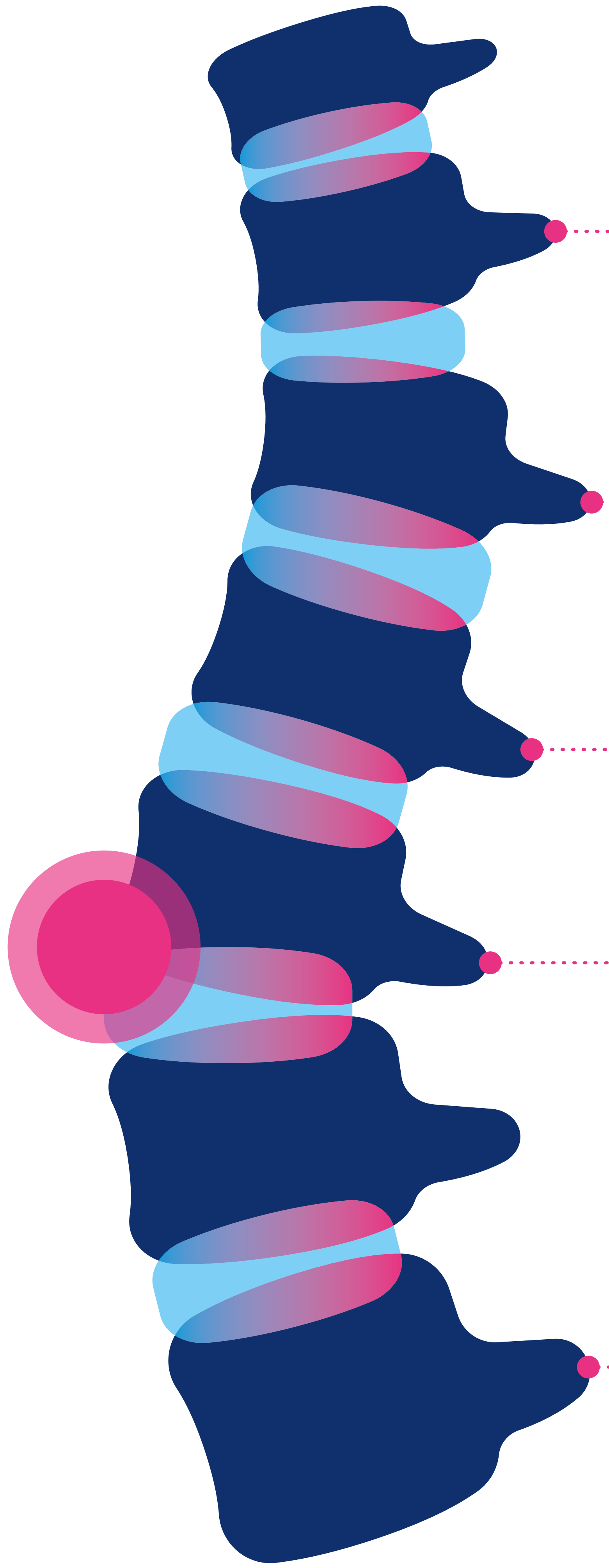
Musculoskeletal supports

Musculoskeletal (MSK) conditions affect the joints, bones and muscles, and can be marked by acute or chronic pain, reduced mobility and dexterity – often restricting people's ability to work and fully participate in daily life.

Several factors increase the risk of developing MSK – particularly lower back pain, including:

- Sedentary lifestyles and lack of regular physical activity
- Excess body weight
- Smoking and high alcohol consumption
- Working conditions including poor workplace ergonomic

Employers can support employees affected by MSK through introducing multi-level interventions and protective measures, from prevention and treatment to safe return to work.



Ergonomics and worksite safety:

- Desk jobs: chairs/supports for healthy posture
- Non-desk jobs: safety/manual handling training, lifting supports, workplace assessments, AI-powered or wearable sensor technology for movement tracking

Preventive care:

- Strength and flexibility programs and training
- Maintaining a healthy weight
- Physical activity

Early intervention:

- Early assessment
- Triage support

Treatment and rehabilitation:

- Cover for timely needed healthcare, while mitigating risk of unnecessary surgeries
- Physical therapy, including onsite, virtual and AI-powered options to increase adherence
- Cover for specialist pain management and optimization of medication

Support in returning to work:

- Graduated return to work plans to reduce re-injury
- Flexible arrangements, modified duties and accommodations
- Manager training

Respiratory conditions

Respiratory conditions, such as chronic obstructive pulmonary disease (COPD), the flu, asthma, pulmonary hypertension, consistently rank among the top five causes of global health claims, both by dollars billed and claims volume. These conditions take a heavy toll on daily life, work productivity and healthcare systems.

While asthma and COPD cannot be cured, effective management can help people to control the symptoms and greatly improve their quality of life. Employers and insurers can play a pivotal role by supporting workforce through comprehensive programs.

Environmental risk is ranked #8 risk factor for health claims globally; #6 in Asia[1]

1 in 4 (26%) employees say they or their family has experienced worsened physical health conditions (e.g., asthma, heart disease, allergies, etc.) due to a changing climate[2]

Asthma and COPD can be worsened by environmental factors, particularly air pollution[3]

Respiratory conditions are #2 cause of claims globally in terms of frequency

(#1 in Asia and Latin America and the Caribbean) and #4 cause of claims in terms of cost[1]

1. Mercer Marsh Benefits. Health Trends 2026
2. Mercer Marsh Benefits. Health on Demand 2025
3. WHO. Ambient Air Pollution Fact Sheet: https://www.who.int/news-room/fact-sheets/detail/ambient-(outdoor)-air-quality-and-health
4. WHO. Tobacco Fact Sheet: https://www.who.int/news-room/fact-sheets/detail/tobacco

Proactive risk management is a requirement for sustainable benefit programs

Top employer-sponsored medical affordability concerns for the next 3 years

Global

Inefficient and wasteful	High-cost claimants	Technological advancements
76%	72%	72%

Europe

- Aging population **77%**
- Inefficient and wasteful **65%**
- Technological advancements **60%**

Latin America and the Caribbean

- New cancer therapies **90%**
- Technological advancements **84%**
- Inefficient and wasteful **76%**

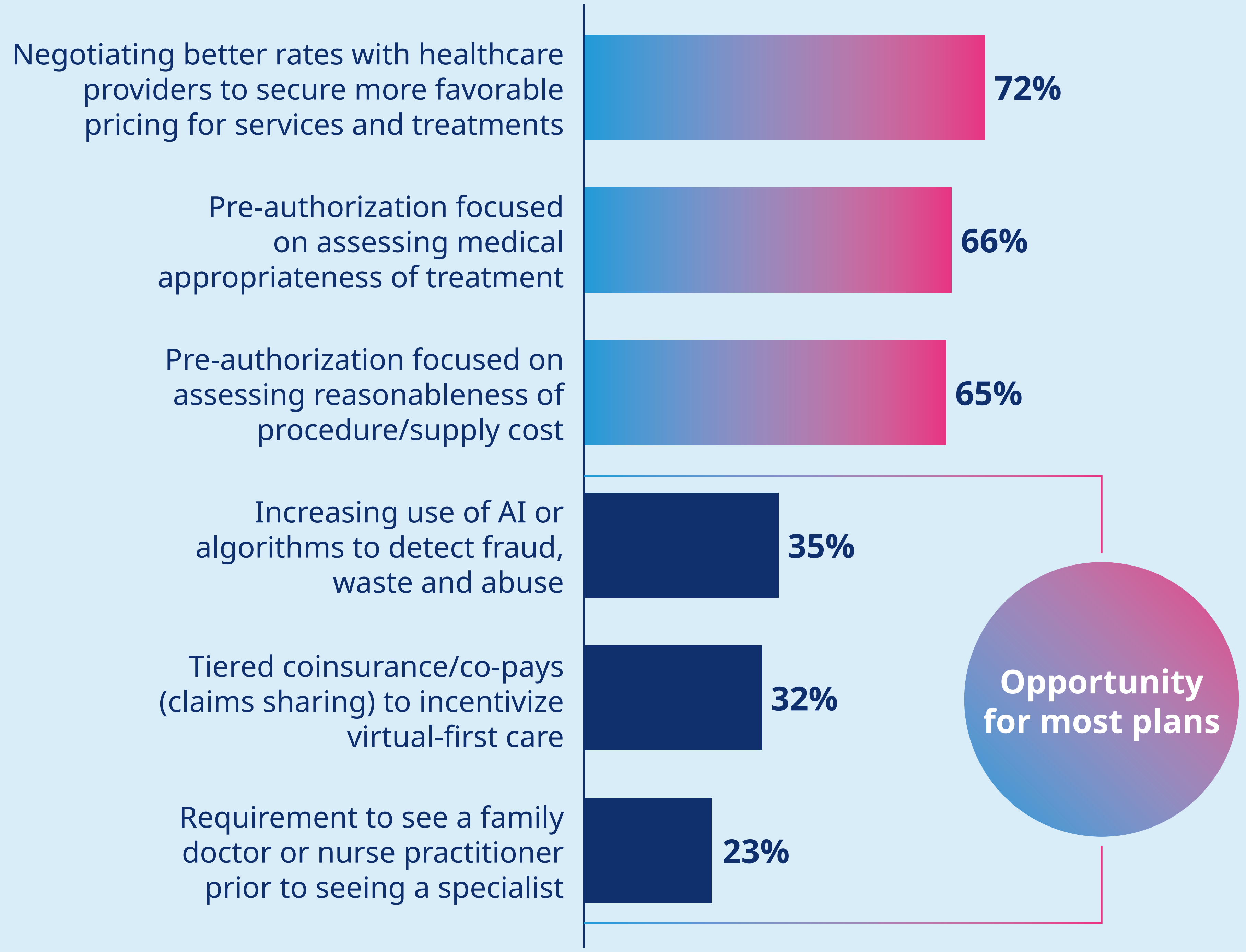
Asia

- High-cost claimants **87%**
- Inefficient and wasteful **85%**
- Aging population **77%**

Middle East and Africa

- Inefficient and wasteful **85%**
- High-cost claimants **78%**
- New cancer therapies **76%**

Cost containment options typically included for employer-sponsored private group medical insurance (Top 3 and Bottom 3)



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

Benefits coverage for varied needs remains limited

Meeting the workforce's unique benefit's needs sets you up for success and powers the productivity of your people.

Employees that say they are thriving in their role

When employees have benefits that meet their needs **79%**

When employees have benefits that do not meet their needs **30%**

Employees that say they are physically and mentally well

When employees have benefits that meet their needs **84%**

When employees have benefits that do not meet their needs **55%**

Source: Mercer Marsh Benefits. Health on Demand 2025.

To support healthy aging, employers can:

- Cover physical therapy/rehabilitation, mental health services and vision and dental support
- Cover hearing aids, reading glasses, as well as menopause and andropause support
- Invest in prevention by covering routine visits with a primary care practitioner and offering cancer screenings (e.g., mammograms, testing kits)

To support members' mental health employers can:

- Offer cover for psychological and/or psychiatric counselling sessions
- Promote high quality virtual solutions for anxiety, sadness or relationship issues
- Consider including substance use/abuse treatments

Conclusion

It is now crucial to optimize investment in your employees' health and benefits.

Benefit optimization

Changing benefits mix and strategy to deliver more value

- Maximizing value of benefits to the individual and organization across health, risk protection and well-being, time off and perquisites

Health and quality improvement

Managing utilization through higher value care and support

- Addressing benefit adequacy and gaps (e.g., global minimum standards)
- Prevention and managing health/disability
- Steering to high value care

Cost management

Addressing affordability for both employee and employer

- Packaged pricing
- Removing unneeded frictional costs
- Coordination with public health

Cost shifting

Increasing portion of cost paid for by employee vs employer

- Restricting eligibility
- Claims and premium sharing

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 2026 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
- Workforce communications
- Flexible working and work design
- Employee experience, listening and total rewards
- Living wage
- Retirement

Businesses of Marsh McLennan