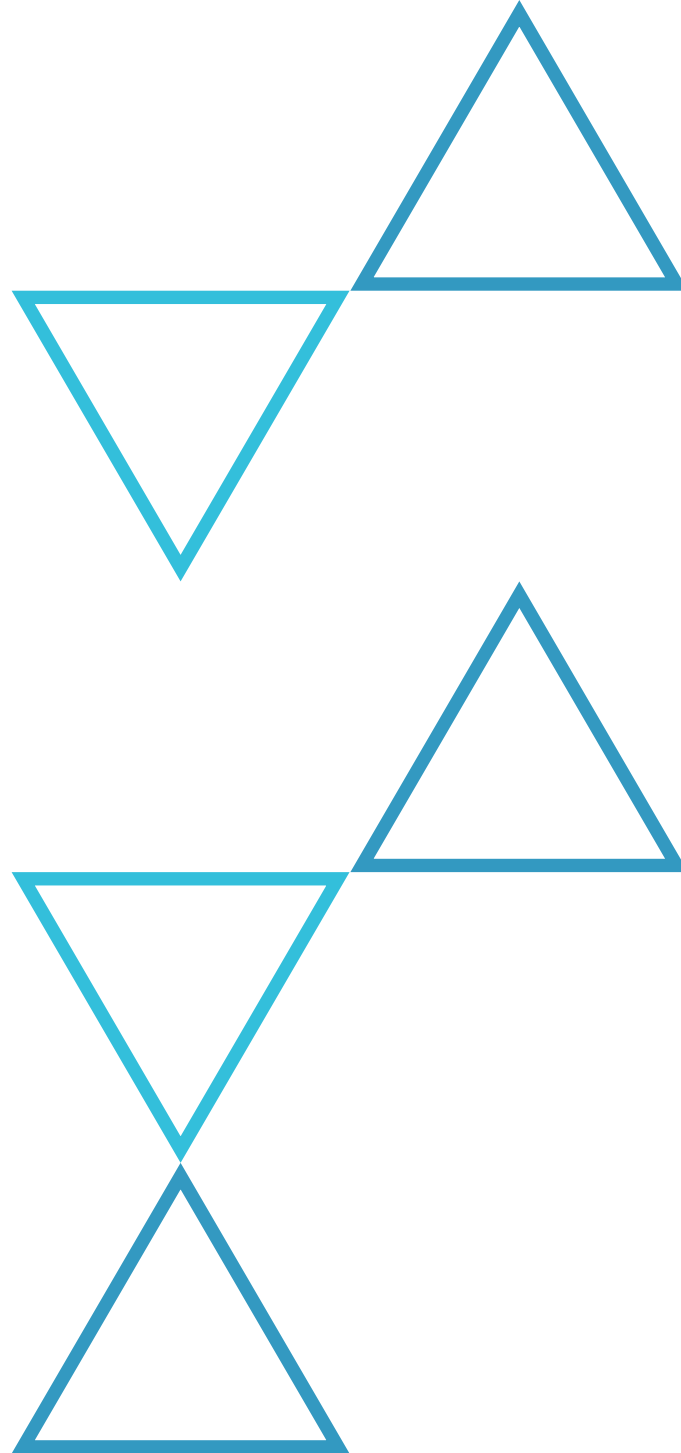
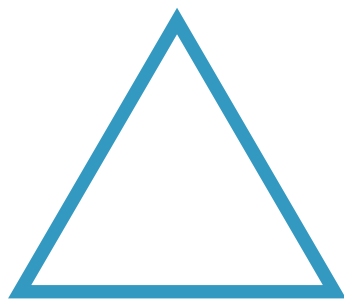
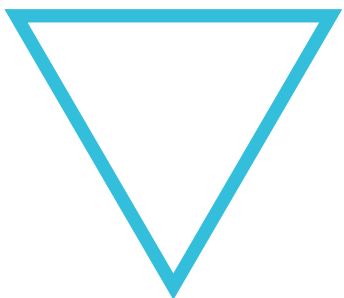


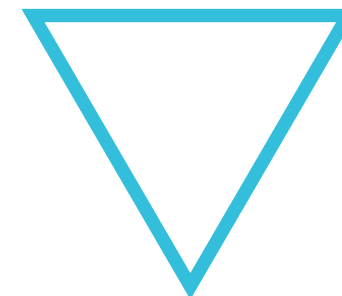
Medical Trends Around the World 2016

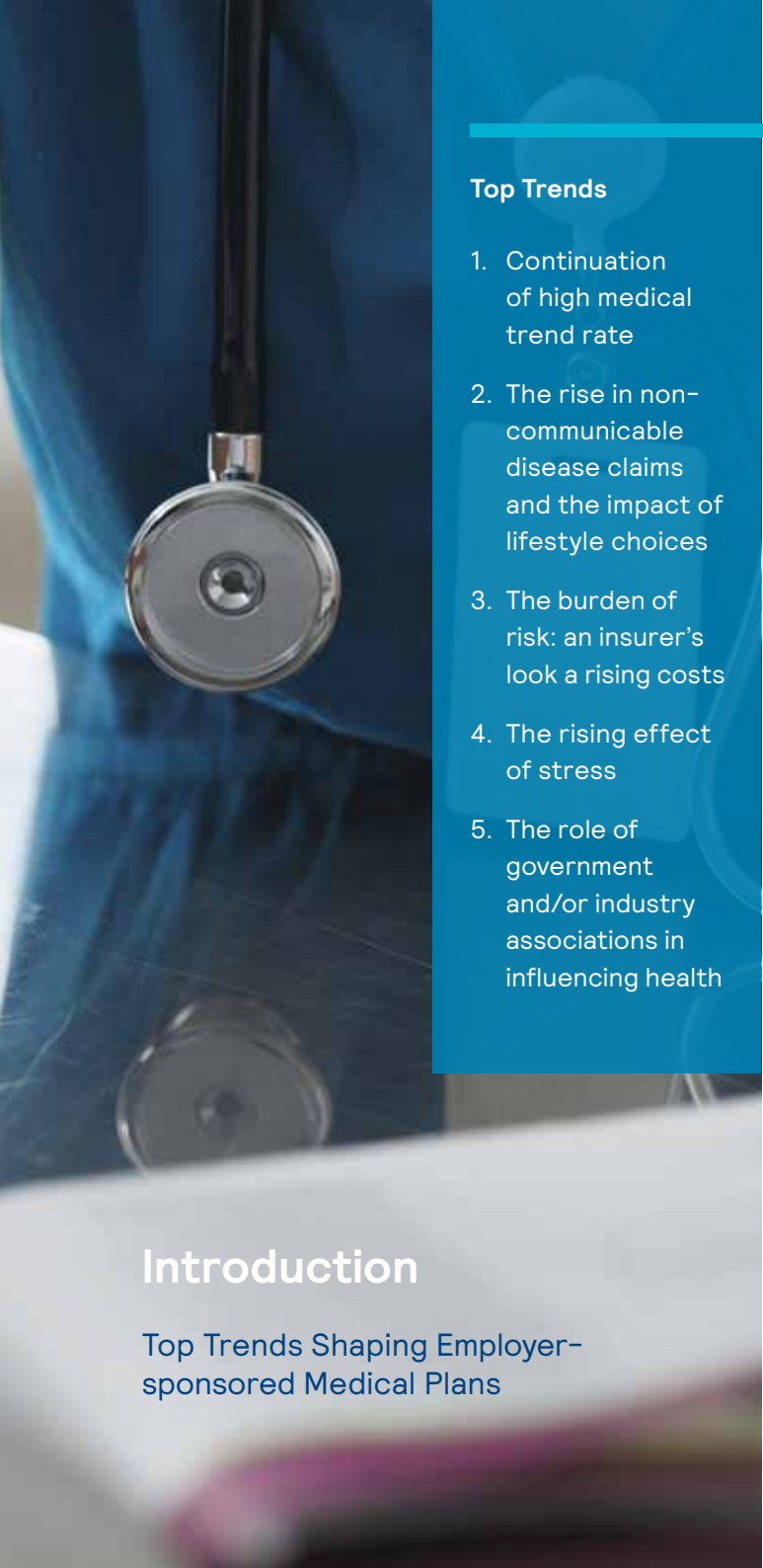




Contents

Introduction.....	2
1 High Medical Spend Continues: Is Lack of Action to Blame?	4
2 The Rise in Non-communicable Disease Claims: the Impact of Lifestyle Choices	8
3 The Burden of Risk: an Insurer's Look at Rising Costs	15
4 The Rising Effect of Stress Is Evident	21
5 The Role of Government and/or Industry Associations Influencing Health	29
6 Conclusion	30
About This Survey	31





Top Trends

1. Continuation of high medical trend rate
2. The rise in non-communicable disease claims and the impact of lifestyle choices
3. The burden of risk: an insurer's look at rising costs
4. The rising effect of stress
5. The role of government and/or industry associations in influencing health

The results of Mercer Marsh Benefits (MMB)'s second annual Medical Trends Around the World survey are in. From February to May 2016, we surveyed 180 insurers across 49 countries, including almost 90 network affiliates of multinational pools.¹

Despite remaining stable, medical trend rates continue to outpace local inflation and are on average three times the general inflation rate. They are driven by high healthcare spending in emerging markets and Western Europe. Several factors explain the growing costs: higher — often lifestyle-related — risk factors; regulations that transfer the burden of cost to private plans and, in some countries, foreign exchange rates.

It is no secret that an aging global population will likely increase healthcare costs. But you can optimize your health and well-being strategy by keeping on top of these trends to manage company spend while securing more rewarding futures for your business and your employees around the world.

We're grateful to the insurers that took the time and attention to respond to our survey. Without these insights, we wouldn't be able to produce such a comprehensive report. For a full list of participating countries and the names of insurers we're able to disclose, please refer to the Appendix. (Note: Because the US is a very different healthcare market, we haven't included it in this report. For information on US trends, please consult Mercer's [National Survey of Employer-sponsored Health Plans](#).)

Introduction

Top Trends Shaping Employer-sponsored Medical Plans

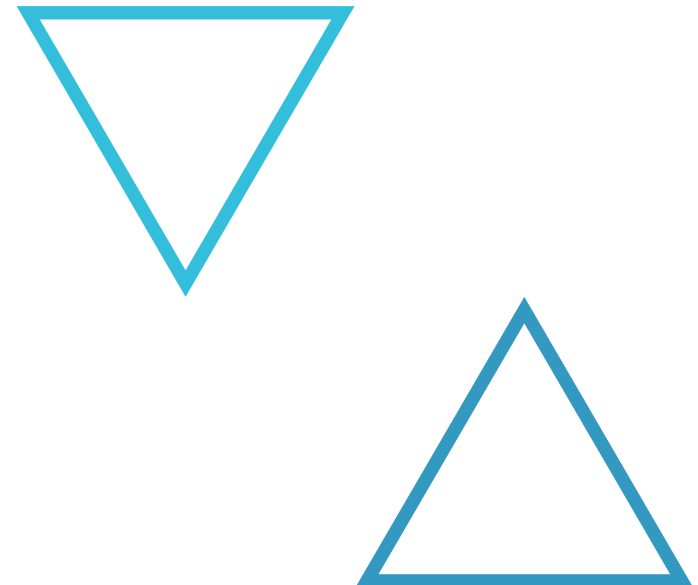
¹ 171 completed the full survey; 9 additional insurers provided medical trend data to support our findings.

About Mercer Marsh Benefits

Mercer Marsh Benefits (MMB) provides clients with a single source for managing every aspect of employee benefits. Located in 135 countries and servicing clients in more than 150 countries, our benefits professionals are deeply knowledgeable about their local markets. Mercer and Marsh have more than 75 years of experience in the employee benefits brokerage and consulting business, working with clients of all sizes.

In partnership with an integrated, multidisciplinary team of nearly 300 professionals advising multinational corporate headquarters, we provide expert advice and coordinated delivery of global and local solutions to help our multinational clients leverage their buying power. Blending technical knowledge with an understanding of global business issues and client-focused strategies, we have the expertise and tools you need to help manage your cross-border benefits and rewards programs.

In addition, our global health specialists work extensively with more than 100 health management and clinical resources around the world. Together, our integrated global teams help you enhance the physical and financial health of your multinational workforce.



A photograph of a man with short dark hair, wearing a blue button-down shirt, looking out of a window. The background outside the window is blurred green foliage. The image is partially covered by a blue overlay on the left side.

1

High Medical Trend Rate Continues: Is Lack of Action to Blame?

Medical Trend Rates Continue to Outpace Inflation

Insurers reported their actual 2015 and projected 2016 medical trend rates by responding to the following question:

Based on your block of group or overall medical insurance business, what actual medical trend rate did you experience in 2015, and what rate are you projecting for 2016? All aspects of healthcare including hospitalization, outpatient, medications, maternity and vision can be included in your assessment but where possible, please exclude dental. The trend rate should account for per person increases in cost due to medical inflation, changes in utilization patterns and other factors like changes in government regulation.

Seventy-three percent of countries (29 out of 40) who responded to this question still show a medical trend rate double that of inflation, similar to last year's results. We should note that inflation rates have generally been low and have held steady according to our source data.² However, we observed only moderate fluctuations in medical trend rates, with most only slightly higher than last year's results.

² Sources for inflation rates include:

- International Monetary Fund, World Economic Outlook Database, April 2016
- LA Economic Trends, April 2016 update
- International Labour Organization, *World Employment and Social Outlook*, 2016
- European Commission, February 2016

	2015 medical trend rate experience*	2015 estimated inflation†	2016 projected medical trend rate*	2016 forecast inflation†
Global†	9.9%	3.9%	9.8%	3.5%
North America				
Canada	6.3%	1.1%	6.0%	1.3%
Asia (average)	10.3%	1.7%	11.5%	2.1%
China	10.3%	1.4%	11.5%	1.8%
Hong Kong	7.5%	3.0%	7.7%	2.5%
India	9.7%	4.9%	8.5%	5.3%
Indonesia	12.7%	6.4%	11.8%	4.3%
Malaysia	14.4%	2.1%	17.3%	3.1%
Philippines	9.4%	1.4%	10.0%	2.0%
Singapore	9.9%	-0.5%	9.9%	0.2%
South Korea	7.0%	0.7%	10.0%	1.3%
Taiwan	8.7%	-0.3%	10.1%	0.7%
Thailand	9.3%	-0.9%	9.9%	0.2%
Vietnam	14.3%	0.6%	19.3%	1.3%
Europe, Middle East‡ & Africa (average)	9.1%	4.1%	7.8%	2.5%
Denmark	2.0%	0.5%	3.8%	0.8%
Egypt	14.8%	11.0%	16.6%	9.6%
France	2.0%	0.1%	1.8%	0.4%
Greece	5.7%	-1.1%	5.1%	0.02%
Ireland	9.7%	-0.03%	5.3%	0.9%
Italy	2.3%	0.1%	2.9%	0.2%
Latvia	10.8%	0.2%	9.1%	0.5%
Lithuania	22.3%	-0.7%	17.3%	0.6%
Netherlands	2.5%	0.2%	2.5%	0.3%
Norway	7.6%	2.2%	6.9%	2.8%
Poland	10.1%	-0.9%	7.8%	-0.2%
Portugal	2.9%	0.5%	4.0%	0.7%
Romania	5.1%	-0.6%	5.7%	-0.4%
Russia	15.8%	15.5%	17.8%	8.4%

	2015 medical trend rate experience*	2015 estimated inflation†	2016 projected medical trend rate*	2016 forecast inflation†
Spain	4.9%	-0.5%	5.1%	-0.4%
Sweden	5.5%	0.7%	5.7%	1.1%
Switzerland	4.2%	-1.1%	4.9%	-0.6%
Turkey	10.1%	7.7%	11.8%	9.8%
Ukraine	38.0%	48.7%	15.0%	15.1%
United Kingdom	5.9%	0.1%	6.4%	0.8%
Latin America (average)	11.8%	6.7%	12.8%	8.0%
Argentina	30.3%	28.1%	33.3%	33.7%
Brazil	16.0%	9.0%	18.6%	8.7%
Chile	6.5%	4.3%	7.8%	4.1%
Colombia	8.1%	5.0%	9.0%	7.3%
Dominican Republic	4.6%	0.8%	6.0%	3.6%
Mexico	10.5%	2.7%	11.0%	2.9%
Panama	10.8%	0.1%	10.5%	0.8%
Peru	7.4%	3.5%	6.3%	3.1%

*The above medical trend rates reflect insurer survey results and may not be MMB's view.

† Sources for inflation rates include:

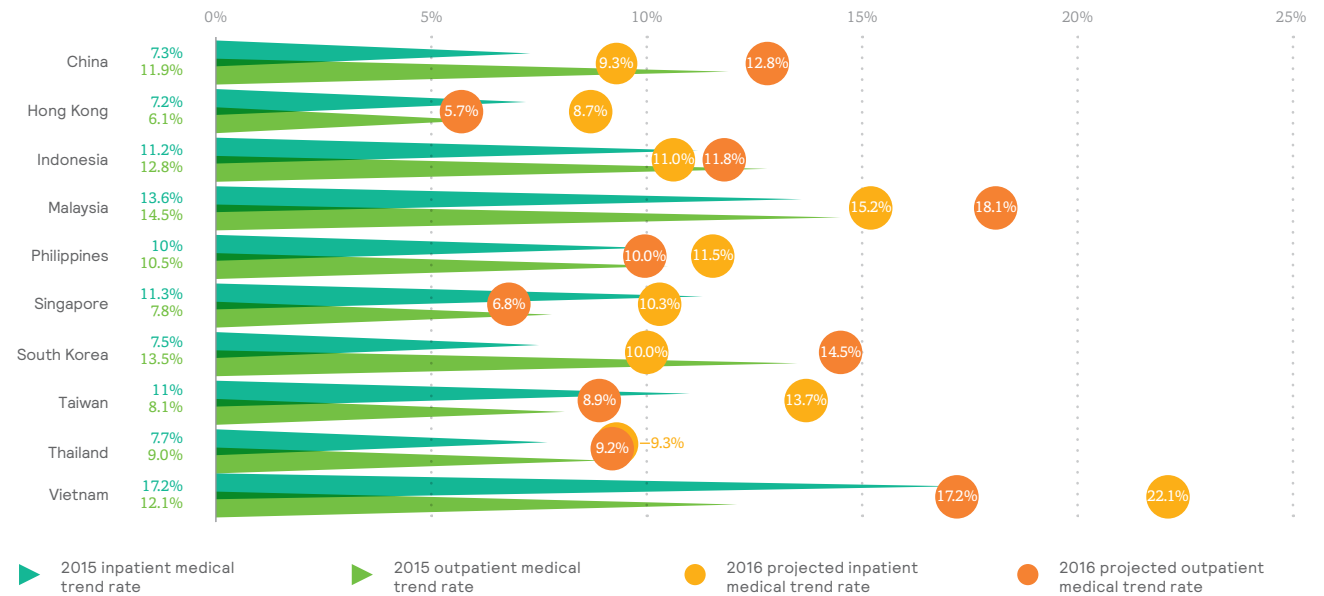
- International Monetary Fund, World Economic Outlook Database, April 2016
- LA Economic Trends, April 2016 update
- International Labour Organization, *World Employment and Social Outlook*, 2016
- European Commission, February 2016

‡ Average of 40 participating countries with an acceptable number of responses

§ Although we received insufficient responses for Middle East, in general, medical inflation there remains high and consistent with previous two years. Utilization trends show bias toward secondary healthcare facilities, which is often further compounded by overutilization and overprescribing, so this trend is set to continue. As a result, within medical insurance market we are seeing increased emphasis on risk control, either through proactive health management (wellness initiatives) or managed care approaches. The market, however, is not advanced in these approaches and, as such, we do not foresee this having significant impact on cost in short term.

^{||} Stated values due mainly to increase of deductible.

Medical Trend Rates: Inpatient vs. Outpatient



Insurers in Asia provided medical trend rates for inpatient and outpatient coverages separately, as is the norm in most countries across this region. The data are relatively similar to last year's findings, with the greatest changes reflected in South Korea, Thailand and Vietnam (which have experienced increased rates due to the high prevalence of respiratory conditions in conjunction with infectious diseases and new regulation for accessing healthcare. For example, in Vietnam, the Ministry of Health has recently issued a change to public hospital services that will increase charges and potentially drive up costs by 30%.³)

The current year's data confirm that medical rates continue to outpace inflation, which is a long-term

trend. Comparing our results to last year's, one may say little to no change is a step in the right direction; however, the trend may reveal the extent to which employers are leading and influencing employees regarding taking control of their health.

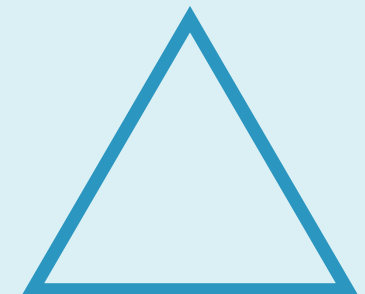
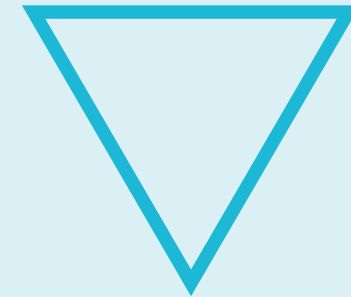
On a positive note, 13 countries (mostly in Europe, as evidenced by the regional average) suggest that medical trend rates will decrease next year. Such a decrease may indicate that this year's moderate change is a sign that health- and well-being-related actions being taken by employers and employees could have an impact, though the realization of these benefits will take time.

³ Hospital fees to increase by 30%, *Viet Nam News*, 15 February 2016, available at <http://vietnamnews.vn/society/282320/hospital-fees-to-increase-by-30-next-month.html>.

For information on US health trends, refer to Mercer's *National Survey of Employer-sponsored Health Plans* 2015 report.

This trend is not unlike our findings in the US. The 2015 Mercer US *National Survey of Employer-sponsored Health Plans* was completed in mid-2015 with the participation of 2,486 employers. When reviewing the results for the average per-employee cost of health benefits, the actual cost growth for 2015 and the projected cost growth for 2016 remain moderate overall. Overall results reflect a 3.8% increase in 2015, nearly unchanged from 2014's increase of 3.9%. Whereas large employers held the increase to 2.9%, small employers saw cost rise 5.9%.

After years of increases of around 6%, cost growth dipped to nearly 2% in 2013 and now seems to be settling at a new plateau of around 4%. Although health benefit cost increases are still outpacing CPI and growth in workers' earnings, the gap is smaller than in past years. Employers are predicting that costs will rise by 4.3% in 2016. That number reflects the changes they intend to make this year to medical plan offerings and plan design or contribution strategy. We asked them how much costs would rise in their largest medical plan if they made no changes, and the average estimated increase before changes was 6.3%. This is the lowest underlying trend we've seen in a long time, which has typically been closer to 8% or 9%. Of course, general inflation is also very low — in fact, it dipped below zero in 2015. In that context, a 6% underlying trend in health benefit cost still represents a significant real increase in costs.



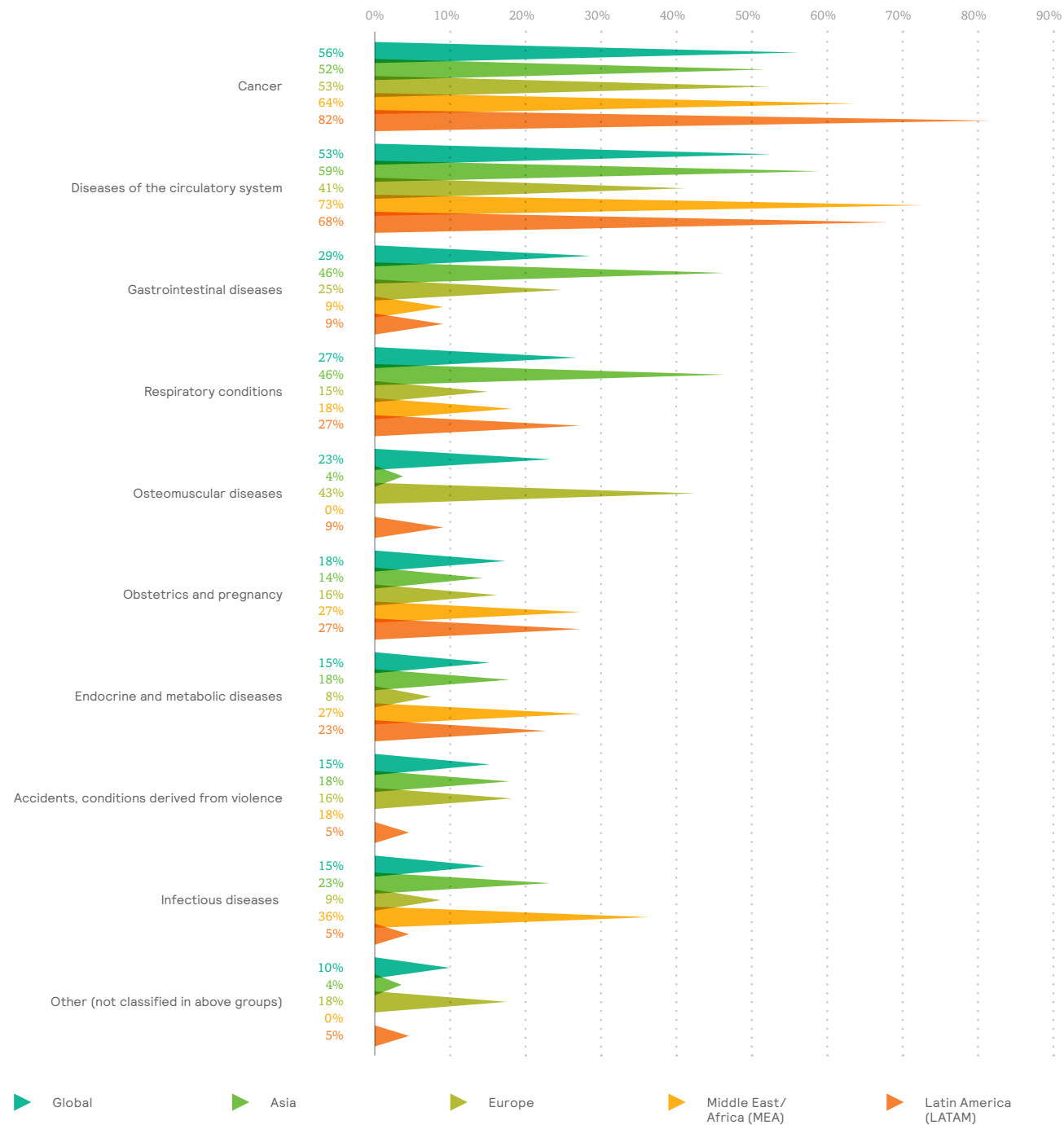


Based on (dollar) amount claimed, what were the top three causes of claims cost in 2015 based on your book of group or overall business?

2

Rise in Non-communicable Disease Claims: the Impact of Lifestyle Choices

Claims for Lifestyle-related Illnesses Continue to Increase



Although retrospective claims costs represent just one data point in understanding a population’s health profile and are heavily influenced by the scope of coverage, cost of treatment and other factors, they do provide an indication of key health risks and opportunities to promote preventive care. Employers seeking to rely on such data to inform wellness initiatives should also consider other data sources, such as annual medical examination anonymized aggregated results, health risk assessments and employee surveys.

The data show that “we” remain in control of the solution. Diseases of the circulatory system have risen to be the leading cause of claims cost in Asia and the Middle East/Africa, surpassing even cancer. Gastrointestinal disease is now ranked third highest in claims cost globally. Cardiovascular health concerns can often be attributed to health choices made by each person, and as such, there are actions that the collective “we” – employees and employers – can take to help control these issues, with the proper access to information to live healthier lives.

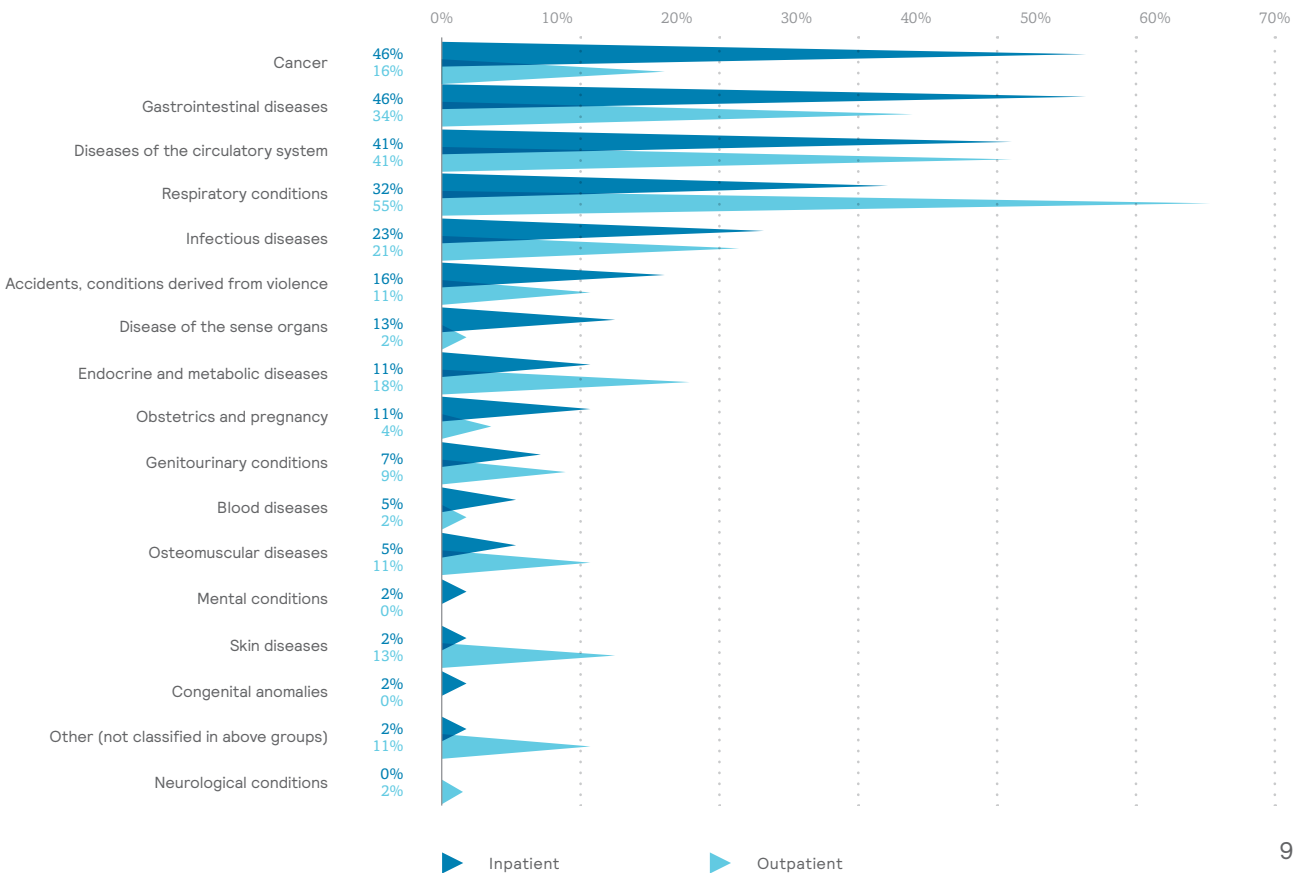
Only in Latin America did the top three causes of claims costs remain unchanged, with cancer, diseases of the circulatory system and obstetrics ranking highest respectively. This rise in the amount of medical spend on cardiovascular disease is particularly concerning in emerging markets, suggesting earlier onset of lifestyle-related diseases.

Gastrointestinal health concerns also have emerged into the top three claims categories globally. The prevalence of infectious diseases in emerging markets, the rise in liver diseases and diagnosis of inflammatory bowel disease are just a few issues that could be attributed to the increase in gastrointestinal infections and claims.

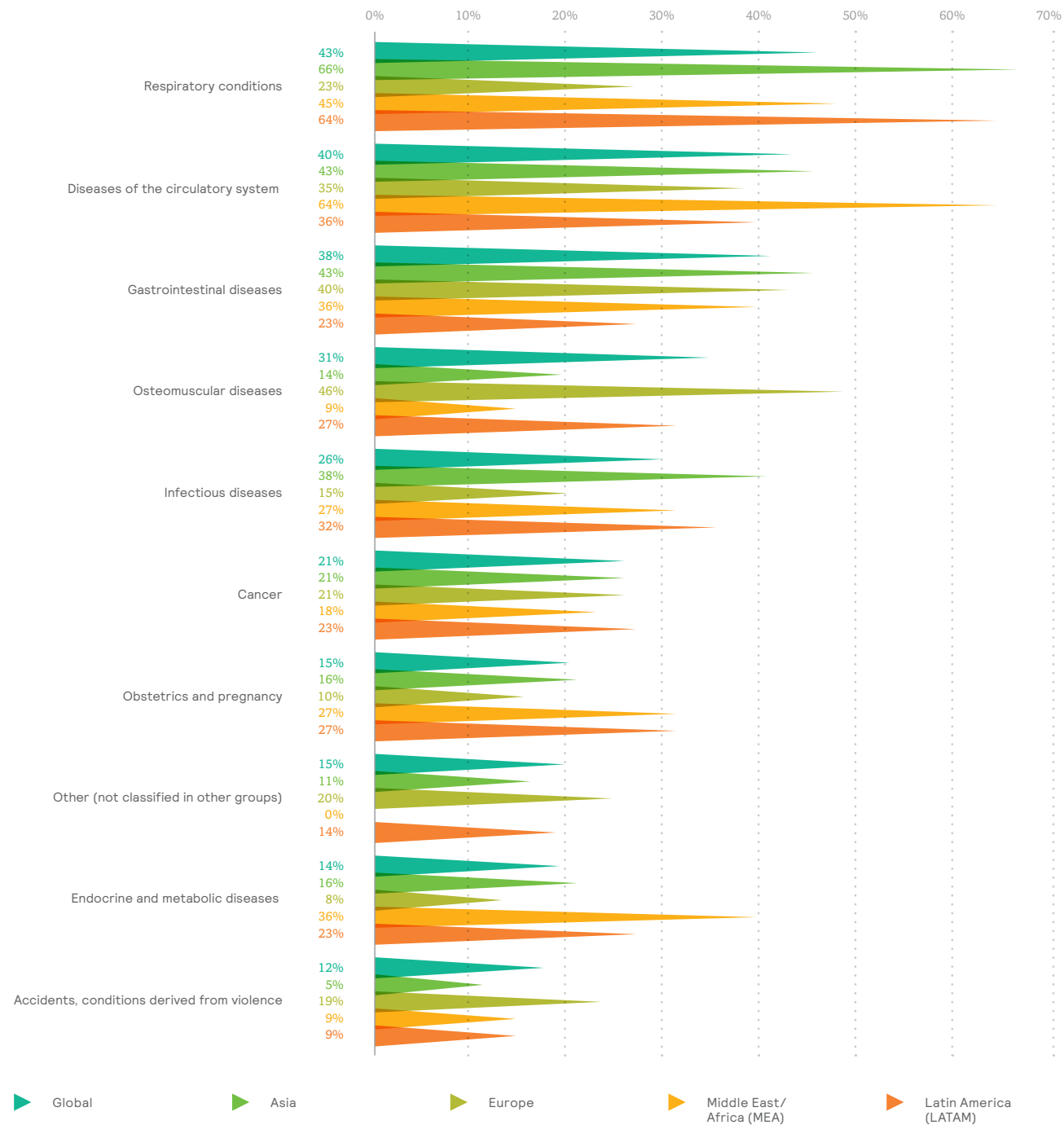
In Asia, inpatient claims for gastrointestinal conditions are trending higher than are circulatory claims. Cancer is now fourth in terms

of outpatient procedures, behind circulatory and gastrointestinal conditions. Cardiovascular conditions, cancer and respiratory diseases in Asia can be associated with exposure to polluted air, solid fuels used at home and infectious respiratory diseases including tuberculosis. Tobacco use is also high, with the 2015 World Health Organization reporting that, in some countries, more than 50% of adult males are smokers.

Asia Cost of Claims: Inpatient vs. Outpatient



Based on
(frequency)
incidence of claims,
what were the top
three causes of
claims in 2015
based on your
book of group or
overall business?



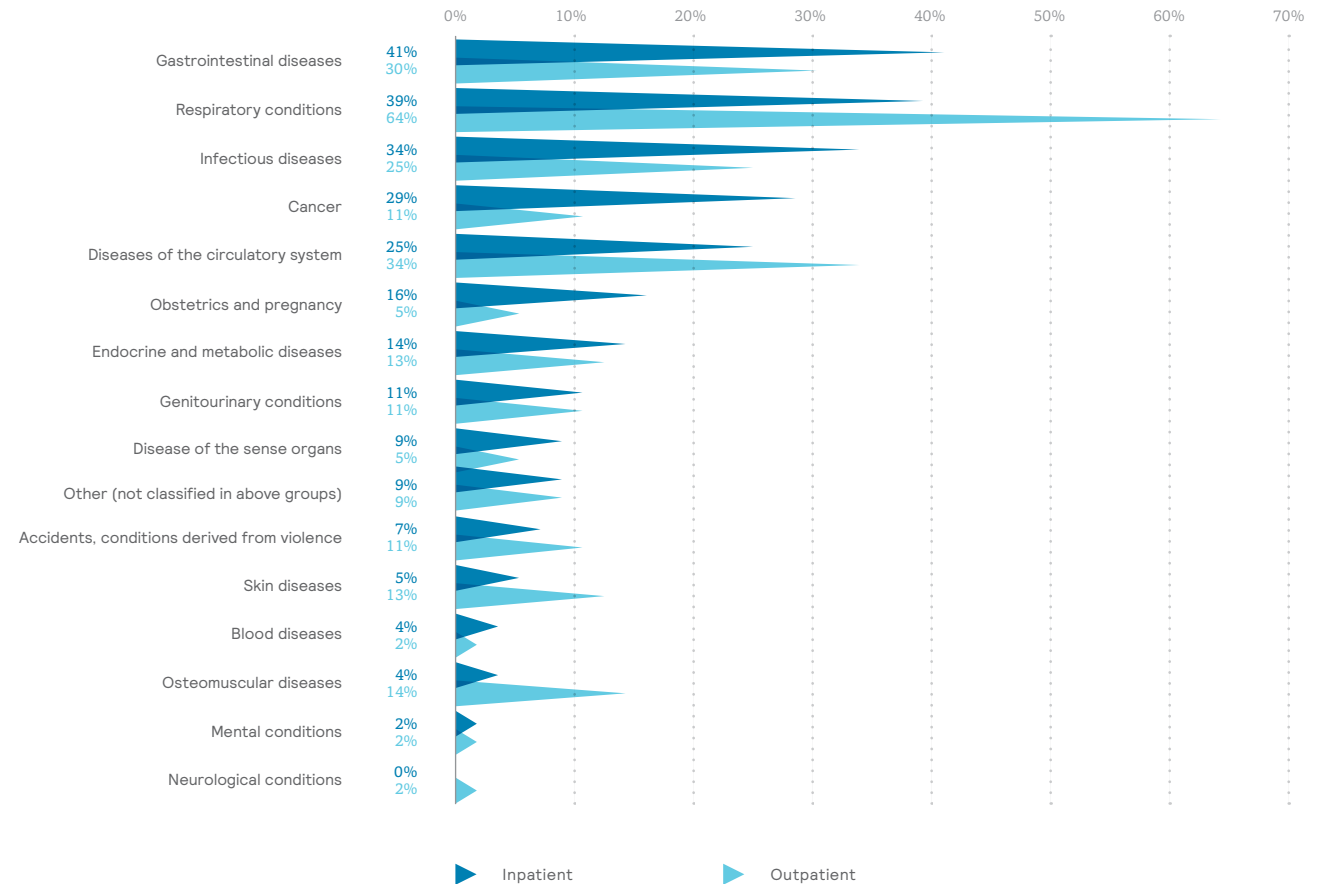
Lower Frequency of Cancer Claims

The survey revealed little change in the top three most frequent causes of claims, except that the amount of claims related to cancer has lowered in comparison to our results from last year. This could be due to changes in how carriers manage claims in terms of treatment arrangements with health vendors. The survey also confirmed the continued high frequency of respiratory conditions in growth markets.

Given the continued rise of cardiovascular illness, employers should expect to see a correlation between absenteeism rates and lowered productivity. As well as the direct cost of unplanned absence, such illness results in an associated reduction in productivity of 36.6% in the US and 31.6% in Europe.⁴

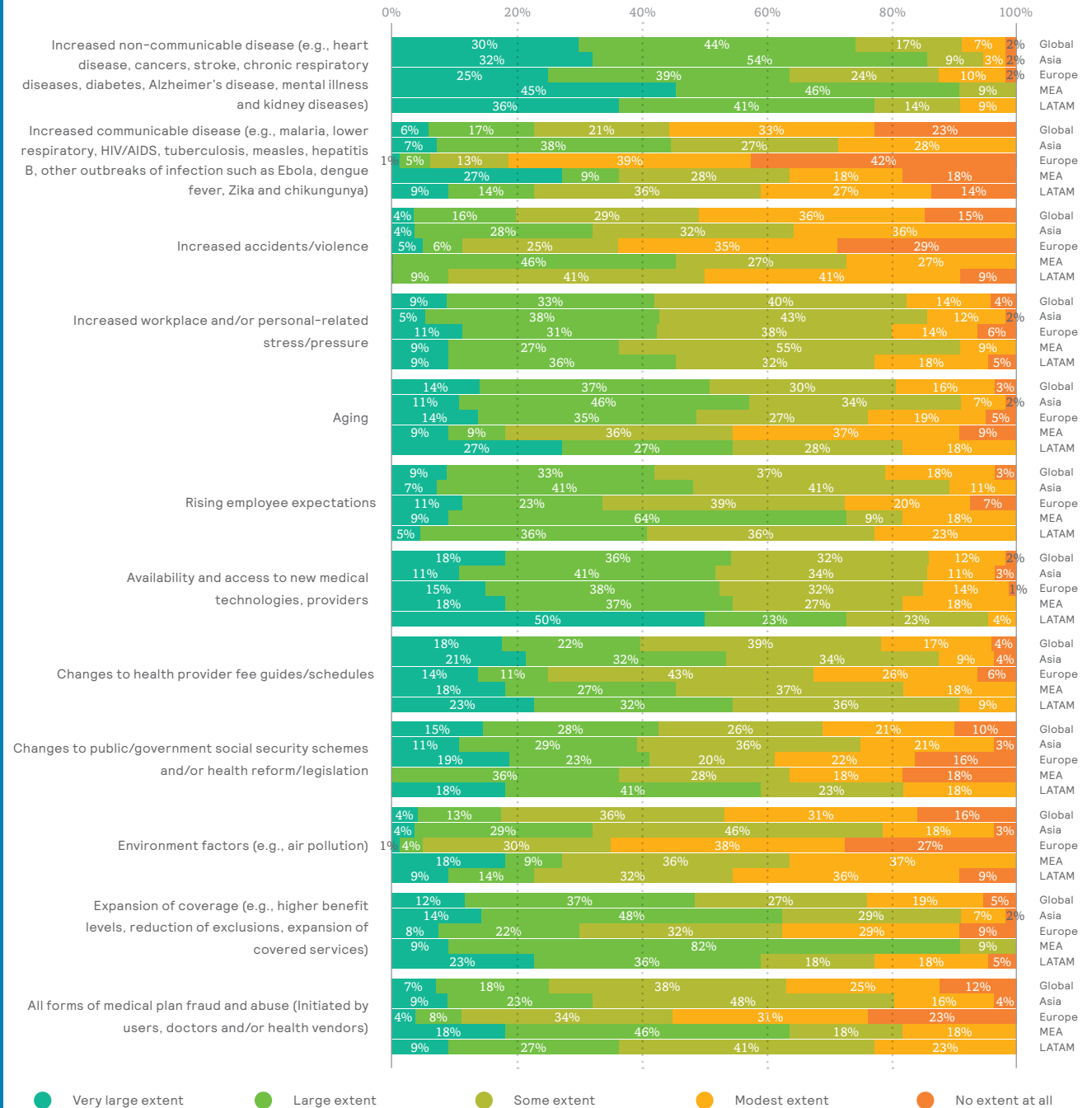
As observed previously, the survey also showed a rise in gastrointestinal conditions in Asia.

Asia Frequency of Claims: Inpatient vs. Outpatient



⁴ Society for Human Resource Management (in conjunction with Kronos). *Total Financial Impact of Absences across the United States, China, Australia, Europe, India and Mexico, 2014.*

To what extent do you think the following will increase employer-sponsored healthcare costs in your country over the next three years?



Very large extent Large extent Some extent Modest extent No extent at all

Lifestyle-related Conditions and Other Non-communicable Disease Conditions to Continue to Drive Cost

Not surprisingly, increased incidence of non-communicable diseases (for example, heart disease, cancers, stroke, chronic respiratory diseases, diabetes, Alzheimer's disease, mental illness and kidney diseases) is still projected to be the leading cause of higher healthcare costs over the next three years.

Increasing employer health plan costs can be attributed to three main causes:

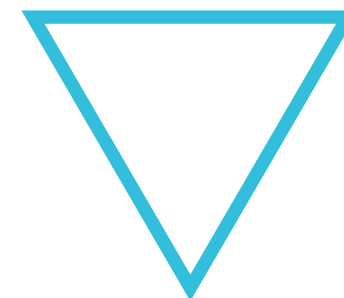
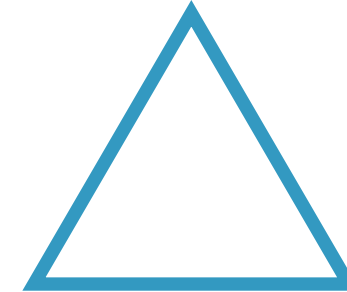
1. Changes in many social security systems over the past few years imply a greater transfer of the burden of cost to employers.
2. The increase in non-communicable diseases in an aging workforce drives the utilization of new, more expensive technologies.
3. The pressure of attracting and retaining diverse and competitive talent compels companies to offer enticing health benefits packages.

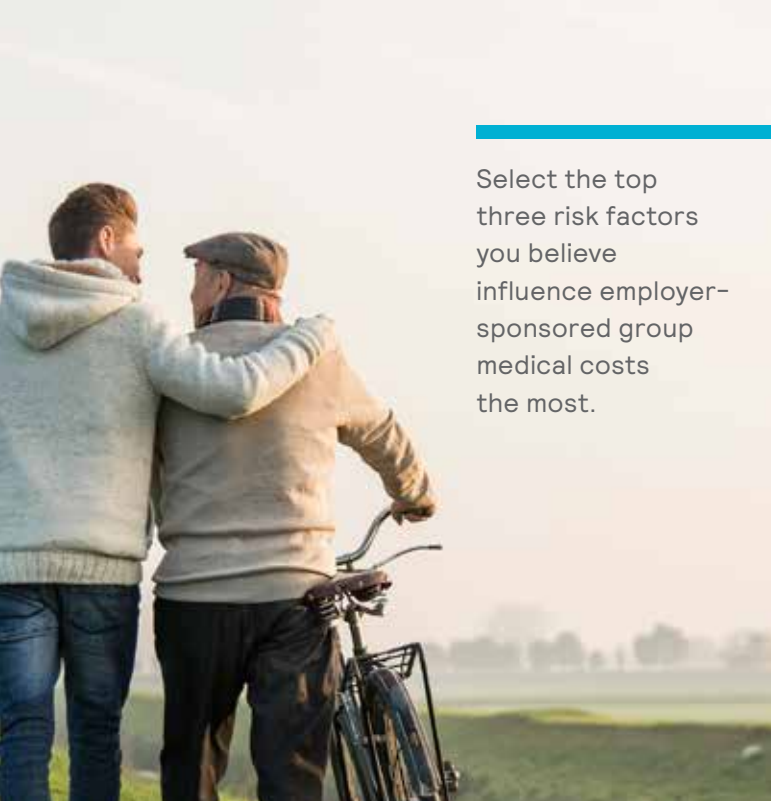
This requires consideration of accountable models under which employees take more responsibility for their health. Sharing the risk with employees and empowering them to make consumption and prevention decisions are important elements employers consider when defining a health and wellness strategy. Many

organizations seek to redesign the benefits strategy to make it more cost-effective, analyzing the level of employee contributions according to local resources and market needs. Many interventions are not possible without the combined efforts of employers, employees, carriers, governments and health providers.

A few notable changes from last year's findings include:

- In Asia, we observed an increase related to the expected rise in incidence of communicable diseases such as malaria, lower respiratory disorders, HIV/AIDS, tuberculosis, measles, and hepatitis B.
- Latin American insurers consistently indicated increased availability of and access to new medical technologies and providers.
- Increased workplace and/or personal-related stress/pressure is now more evident across all markets as a potential concern.
- On average, globally, insurers noted a growing trend toward the expansion of coverage (for example, higher benefit levels, reduction of exclusions, expansion of covered services).



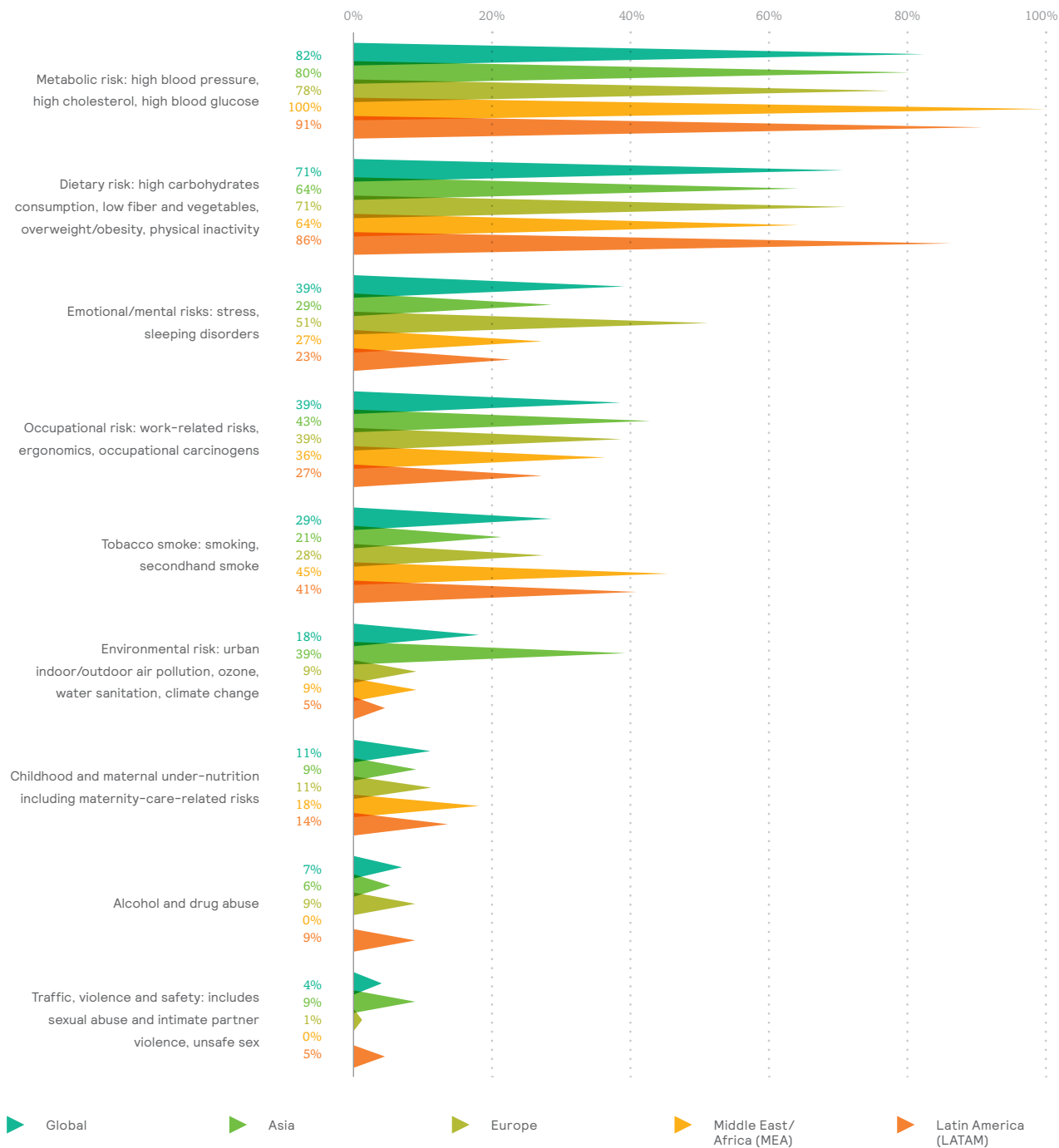


Select the top three risk factors you believe influence employer-sponsored group medical costs the most.

3

The Burden of Risk: an Insurer's Look at Rising Costs

Metabolic Risk, Poor Diet Trends Continue and Are Expected to Increase



	Global	Asia	Europe	MEA	LATAM
1	Metabolic risk	Metabolic risk	Metabolic risk	Metabolic risk	Metabolic risk
2	Dietary risk	Dietary risk	Dietary risk	Dietary risk	Dietary risk
3	Emotional/mental risks: stress, sleeping disorders	Environmental risk: urban indoor/outdoor air pollution, ozone, water sanitation, climate change	Emotional/mental risks	Tobacco smoke	Tobacco smoke
4	Occupational risk: work-related risks, ergonomics, occupational carcinogens	Occupational risk	Occupational risk	Occupational risk	Occupational risk
5	Tobacco smoke: smoking, second-hand smoke	Emotional/mental risks	Tobacco smoke	Emotional/mental risks	Emotional/mental risks

This year's survey also asked insurers to provide their perspective on the rising costs of healthcare.

Consistently across the world, metabolic risks such as high blood pressure, high cholesterol, obesity/overweight and high blood glucose were among the top three influencers of group medical costs, followed by dietary risk (defined as high carbohydrate consumption, low fiber and vegetable consumption, and physical inactivity). These data are supported by the belief that non-communicable diseases will increase healthcare costs to employers to a very large extent over the next three years, along with the rising cost of claims relating to circulatory system issues and diabetes and its complications.

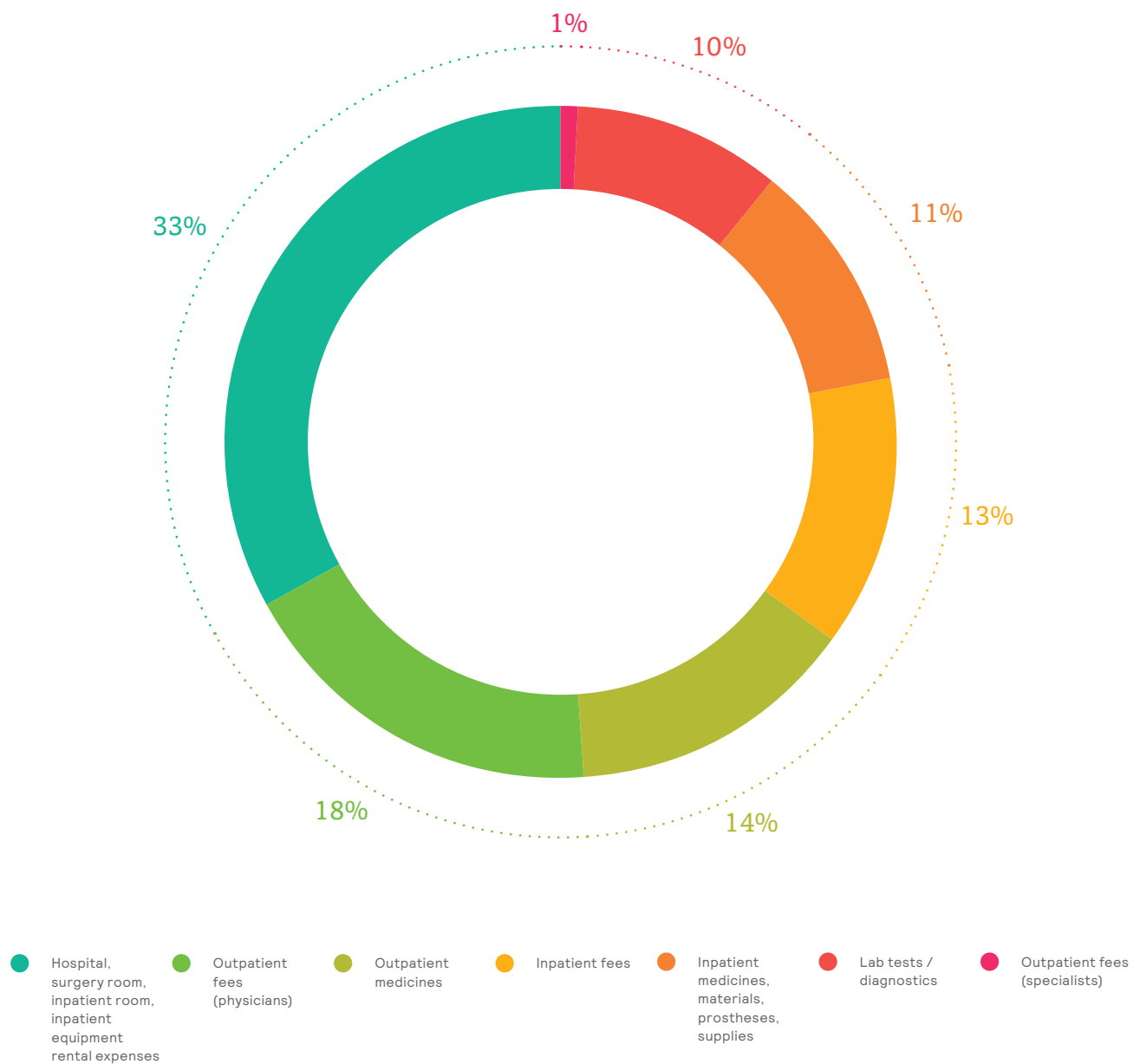
Offering a comprehensive medical plan to employees is no guarantee of optimal health outcomes in the working population. Prevention and health risk management now play an important role in the administration of the health and benefits strategies. Wellness and prevention programs that promote behavioral change and develop a culture of health will be the focus of high-performing organizations in the next few years in order to have in place the productivity and health resources necessary to support business needs.⁵

Emotional and mental health risks (such as stress or sleeping disorders) and occupational risks also ranked in the top five cost-influencers in each region. Our fourth trend, "The Rise of Stress Is Evident," will explore this area in more detail.

As we consider the top risk factors influencing group medical costs, we also asked insurers to name the top components of cost under their book of group or overall business.

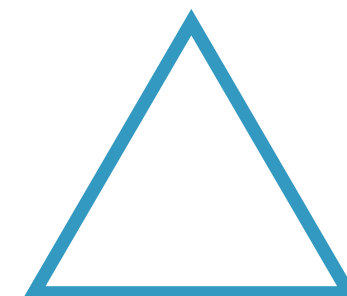
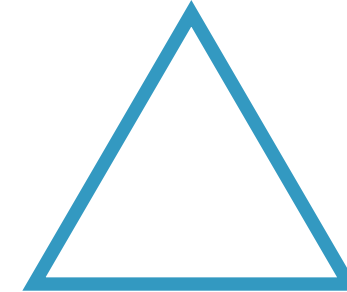
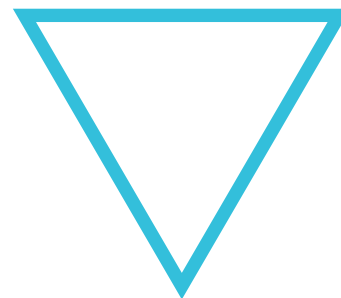
⁵ Grossmeier J, Fabius R, Flynn J, Noeldner S, Fabius D, Goetzel R, Anderson D. "Linking Workplace Health Promotion Best Practices and Organizational Financial Performance: Tracking Market Performance of Companies With Highest Scores on the HERO Scorecard," *Journal of Occupational and Environmental Medicine*, Volume 58, Issue 1 (2016), pp. 16-23.

In 2015, what were the top three components of cost under your book of group or overall business?

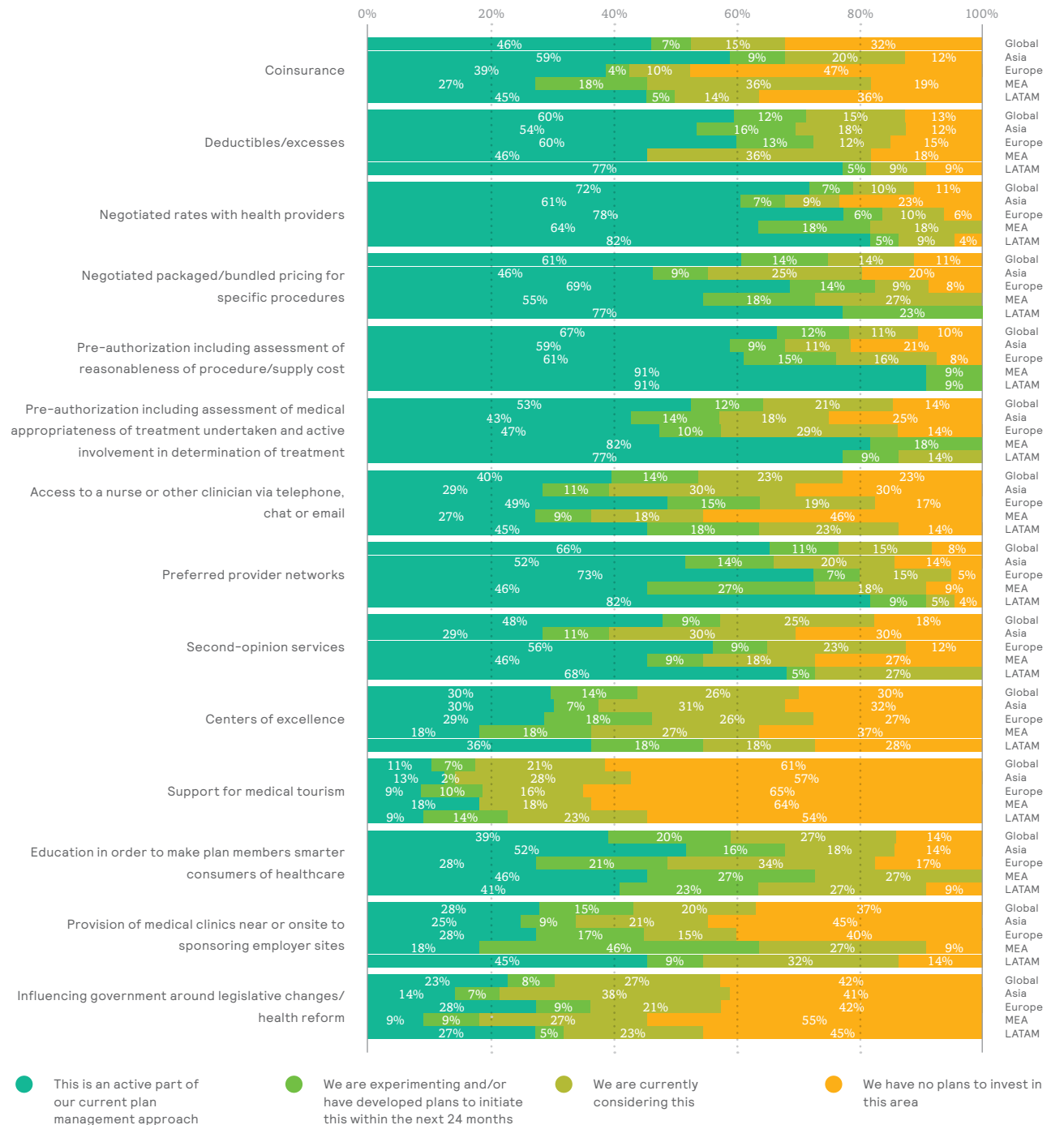


Globally, the survey results pointed to hospital and inpatient fees as the top components of cost; however, in emerging markets, the higher-ranked components included outpatient services and medicines.

A closer look at the sources of cost reveals that 57% correspond to inpatient services and 43% to outpatient services. Cost-management efforts might focus on fees paid to clinical staff (32%) or hospital rent fees (33%), and opportunities remain to negotiate prices for medicines, equipment and new technologies. Consumer-driven programs aim to empower users to make more informed choices, such as using closed networks or leveraging referral programs based on quality and cost-effectiveness. For example, centers of excellence for specialized services, including back surgery, cardiovascular conditions, maternity (promoting natural birth) and cancer, could be helpful in redirecting patients to institutions where services are provided on the basis of superior health outcomes, evidence-based practices and cost-effectiveness.



To what extent does your organization perform the following to help manage plan member health and/or contain medical costs for employer-sponsored medical insurance?



Insurers Are Expanding Their Role to Support Cost-containment

In many of the following categories, we see an increase in insurer action beyond the common deductible and co-insurance approaches. For example, the survey revealed a much greater percentage of insurers offering negotiated packaged/bundled pricing for specific procedures and an increase in preauthorization practice and second-opinion services. More insurers are also taking a more active approach to influencing government around legislative changes/health reform.

Although insurers are taking these actions to control costs, employers should recognize that these strategies are not addressing employee lifestyle choices. Employers can address the gap by creating a work environment that supports health and by educating individuals on the importance of making healthy choices.

To help understand best practices in this area, employers can use the HERO Health and Well-Being Best Practices Scorecard, an online survey tool designed by the Health Enhancement Research Organization (HERO®) in collaboration with Mercer. Data collected from organizations that complete the International Scorecard (released in early 2016) will help build country-specific normative databases to further the industry's understanding of best-practice approaches to workplace health and well-being around the world. This in turn will aid organizations in strategic planning, program evaluation/design and gap analysis.

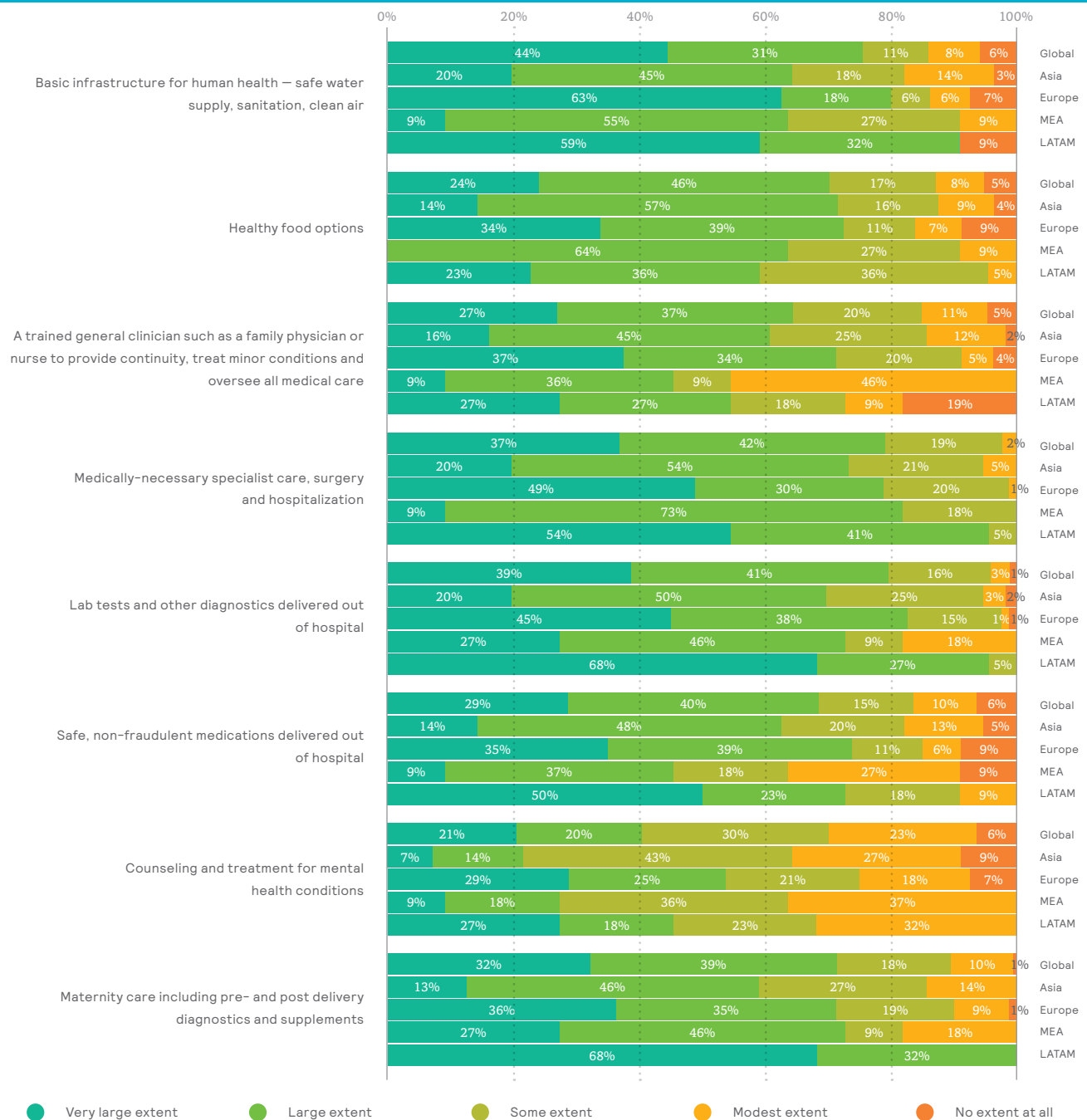


4

The Rising Effect of Stress Is Evident

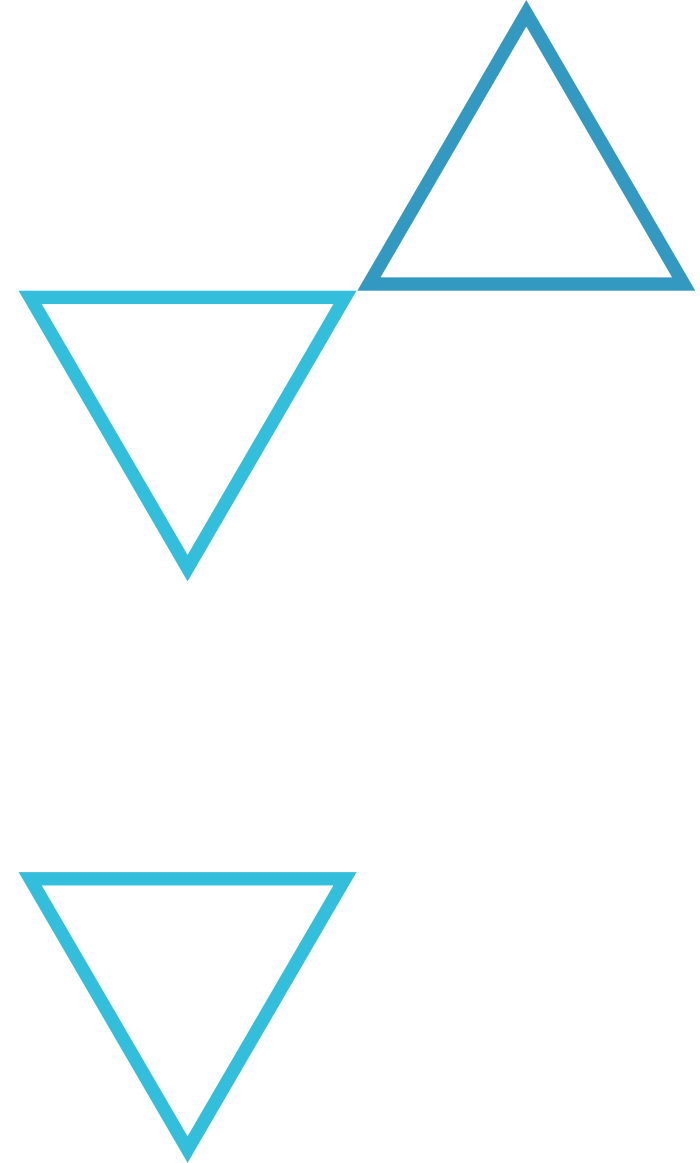
Employers Must Recognize the Need for Appropriate Mental Health Coverage

To what extent do plan members covered under your medical insurance plans have high-quality and comprehensive access to the following, without significant barriers such as poor environmental conditions, a large out-of-pocket cost, or treatment waiting list?



As trend three and our survey results indicated, mental health (for example, stress-related issues) and occupational risks were consistently viewed as top contributors to cost. Several of our survey questions attempted to gather information that may reveal progress in these areas.

Compared to last year's data on this topic, our survey revealed some improvements in terms of increased access to the above categories for employees. Specifically, Latin America and Europe both confirmed more accessibility to safe, non-fraudulent medications delivered out of hospitals. And in response to the belief that emotional and mental health will contribute significantly to healthcare costs, all regional data indicate a small but growing trend to cover more counseling and treatment for mental health conditions. The European Agency for Safety and Health at Work believes strongly in awareness and understanding of work-related stress and has even created an e-guide for managing these issues in the workplace.⁶



⁶ European Agency for Safety and Health at Work. *E-guide to managing stress and psychological risks*, available at <https://osha.europa.eu/en/tools-and-publications/e-guide-managing-stress-and-psychosocial-risks>.

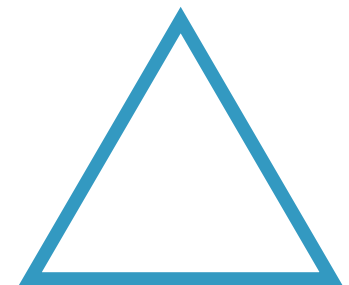
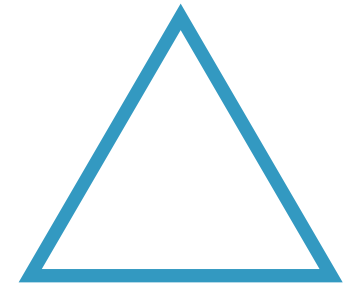
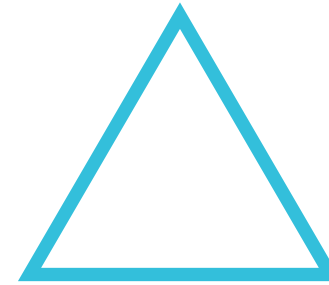
To what extent
does your standard
employer-
sponsored medical
plan cover the
following?



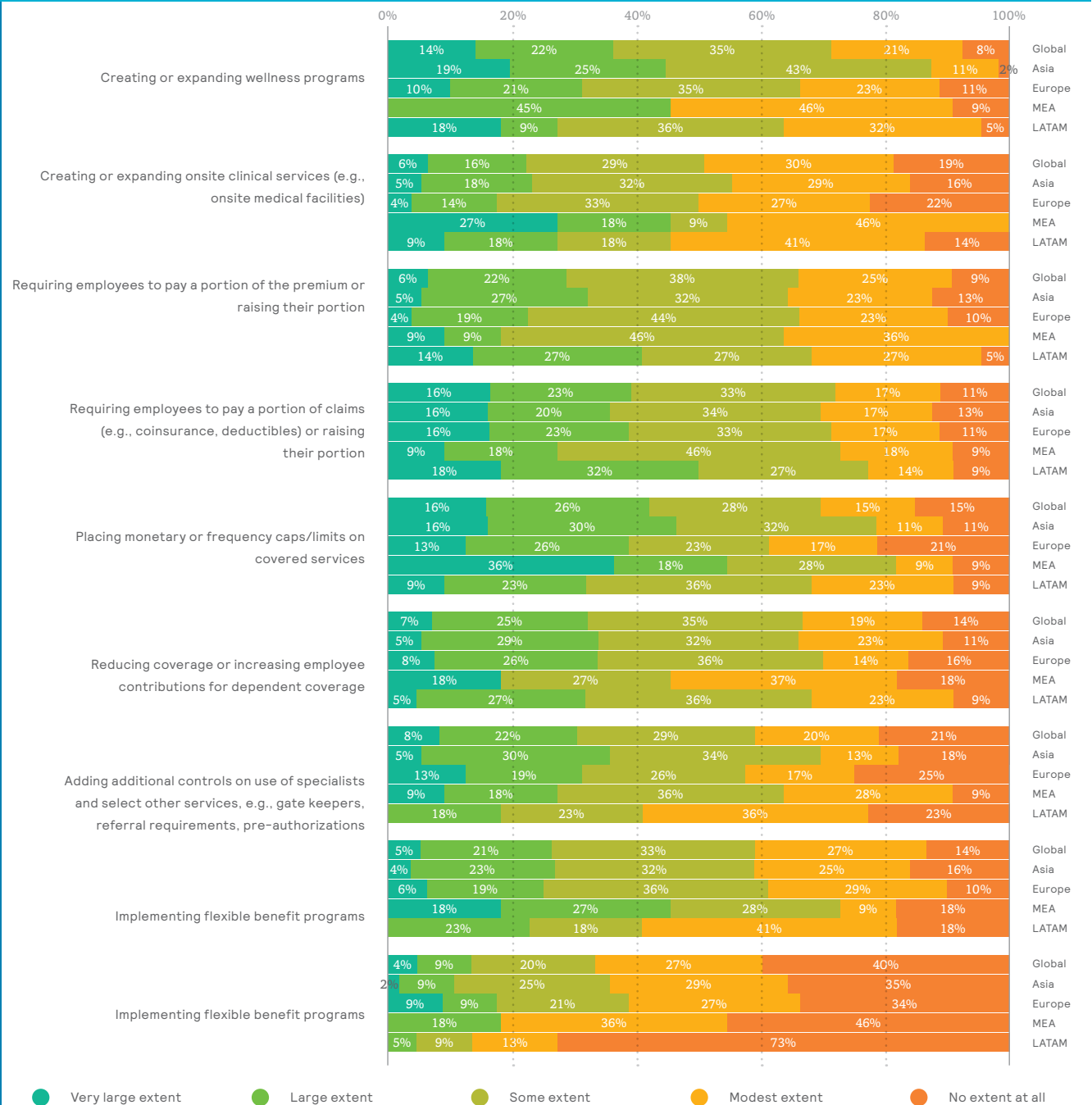
Standard Employer-sponsored Medical Plan Design Remains Largely Unchanged

Many of the approaches commonly offered in plans today have been in place for some time.

Our survey data suggest that some approaches (for example, providing wellness and health literature) are offered slightly less than they were in the past. That said, we recognize the importance of providing health-awareness and behavior-change support through in-house specialists and specialty vendors. The lack of large changes to employer-sponsored plan design reported by the participating insurers may be attributed to the growing number of experts and third parties being used by employers to support more proactive health management.



To what extent do you see employers engaging in the following to improve plan member health and/or contain healthcare costs?

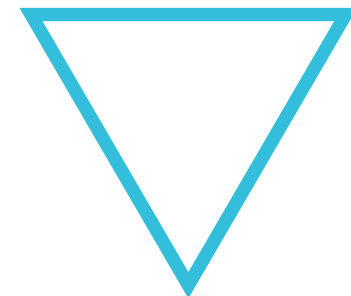
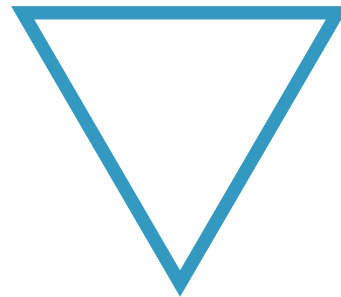
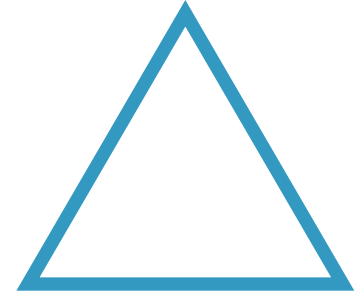


Very large extent Large extent Some extent Modest extent No extent at all

Cost-containment Ideas Are in Need of an Innovative Approach

Employers seem to be operating on a “status quo” approach, continuing to explore traditional ways to increase employee accountability through consumer-driven choices, requiring employees to pay a portion of claims and/or premiums that they may not have in the past.

But we are still not observing any increase in coverages for mental health or other more modern issues (such as benefits focused on gender, ethnicity, cultural, generational or sexual-orientation health concerns).

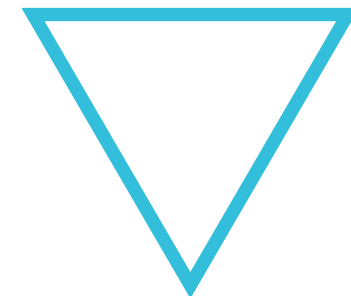
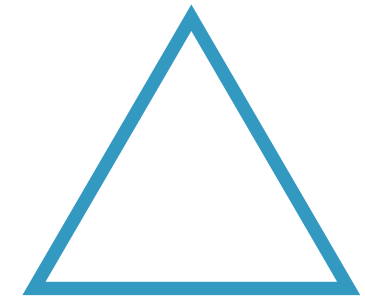
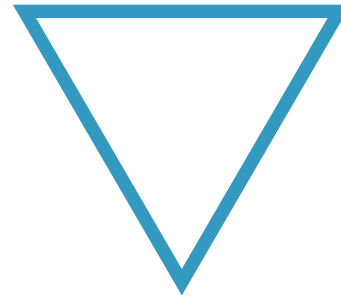


To what extent are you seeing employers seeking to expand coverage under their insured medical plan for the following?



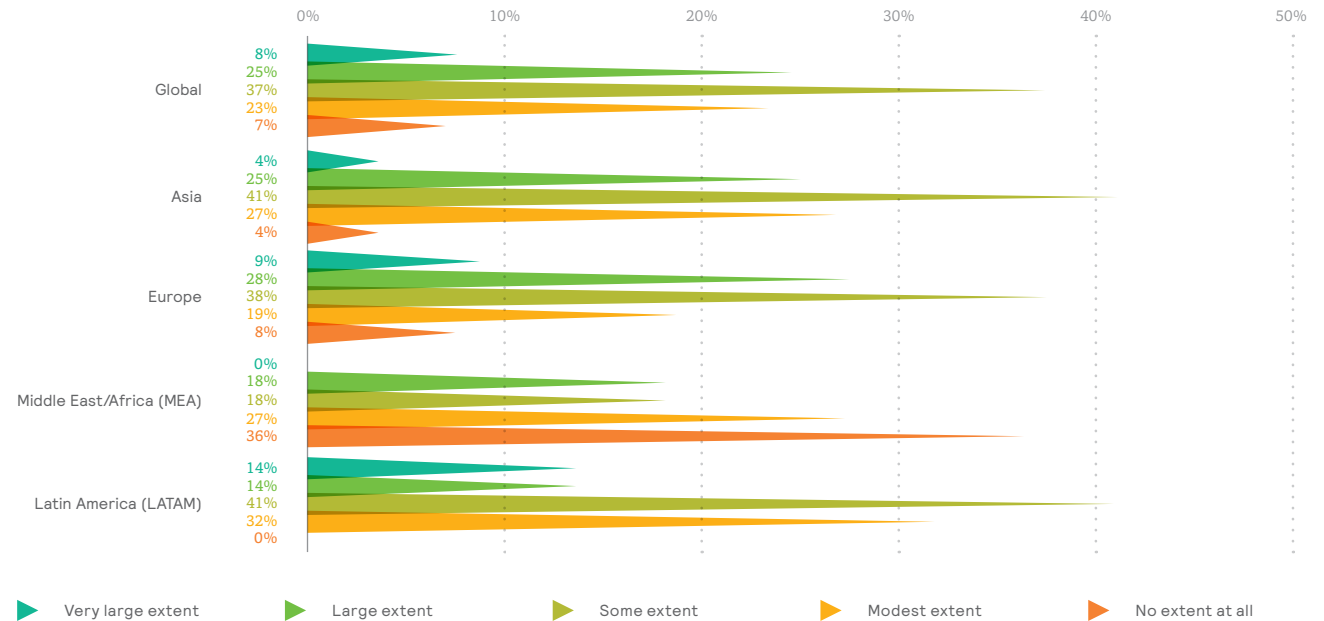
We acknowledge the importance of diversity in benefit design; employers are under increased scrutiny to define and uphold standards that sustain a healthy and tolerant environment, and diversity promotes increased performance and productivity. In our experience, organizations are interested in implementing adequate benefits, but employers should consider expanding benefits offerings to address the concerns of the increasingly diverse workforce in order to attract and retain key talent. This likely means straying from common market practice.

Occupational risks can be largely contained and influenced by corporate leaders. We see the most potential here to influence downstream medical conditions that stem from occupational risks, namely stress-management and wellness programs designed with a preventative strategy. The role of the work environment in employee health and wellbeing should not be underestimated. The burden of cost will continue to affect employers through lost productivity and the lower performance levels of an unhealthy workforce.





To what extent do government(s) or professional bodies control the cost and quality of medical care (e.g. treatment protocols)?



5

The Role of Government and/or Industry Associations in Influencing Health

Insurers and Employers Can Play a Role in Health Reform

Insurers reported an increase in organizations considering or attempting to influence healthcare legislative change and reform. As we noted earlier, insurers continue to voice concerns about how changes to public/government social security schemes and/or health reform could affect the overall cost of healthcare.

Compared to last year's data, the responses to this year's survey suggest more consistently that governments or professional bodies will evidently have "some control" over the cost and quality of medical care. This is particularly true in Latin America and Europe, whereas in the Middle East, government is not seen as much of a player in healthcare.

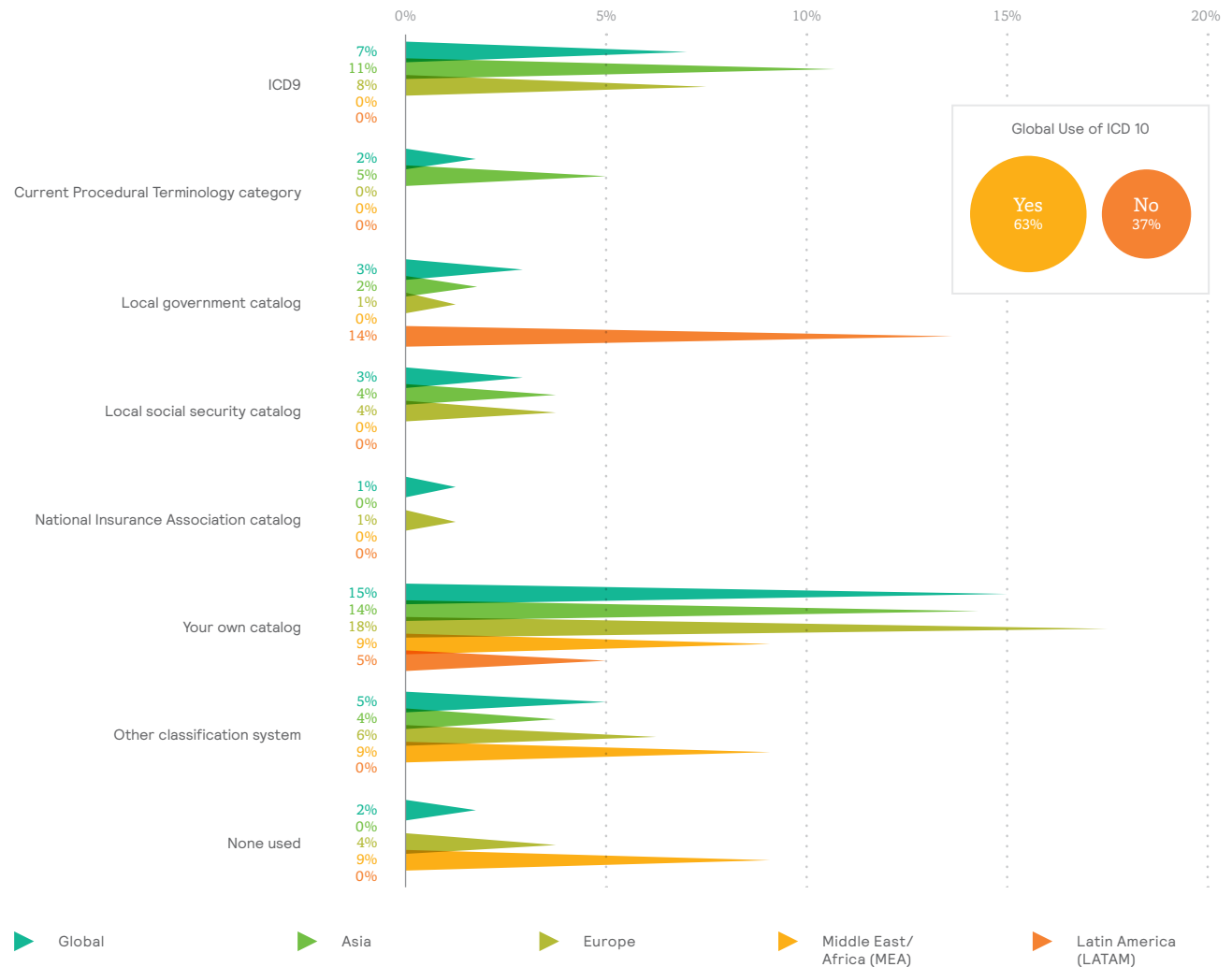
In Latin America, government control has been used to increase coverage or transfer more of the healthcare burden to employer-sponsored plans, causing uncertainty in expectations about future costs. Social security systems in this region are also transferring costs by reducing the integration of services between private plans and social security, or by preventing access to social security until private-plan coverage options are exhausted. Employers are looking for alternative paths that provide more predictable benefits costs, including through the addition of choice.

In the US, for example, controlling health benefit cost growth has taken on new urgency in recent years as employers have ramped up cost-saving measures in anticipation of the excise or “Cadillac” tax, one of the Affordable Care Act’s (ACA’s) final provisions.⁷ Originally slated to go into effect in 2018, in December 2015 the government announced that implementation would be delayed until 2020. Still, employer actions to reduce their exposure to the 40% excise tax helped hold growth in health benefits cost per employee to just 3.8% in 2015, for a third straight year of increases below 4%. Enrollment in high-deductible, consumer-directed health plans, which grown steadily during this period, reached a milestone 25% of all covered employees in 2015 as the percentage of large employers offering these lower-cost plans jumped from 48% to 59%.

What Can Be Done With the Data

Global data-tracking tools used by the survey respondents have remained largely the same as last year, with more than half of all insurers surveyed tracking the diagnoses of paid claims using the International Classification of Disease version 10 (ICD10).

Do you track and report paid claims by ICD10 or another diagnostic category? If your response is “no,” which classification system do you use?



⁷ For information on US trends, refer to Mercer’s *National Survey of Employer-sponsored Health Plans* 2015 report.

A woman with long dark hair and a young child with blonde hair are standing on a beach at sunset. The child is holding a telescope to their eye, and the woman is looking in the same direction. The background shows a calm sea and a hazy horizon under a warm, orange sky. A thick blue horizontal bar is positioned above the 'General Conclusions' section.

6

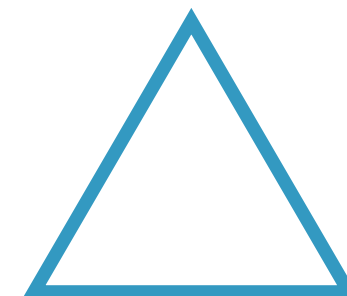
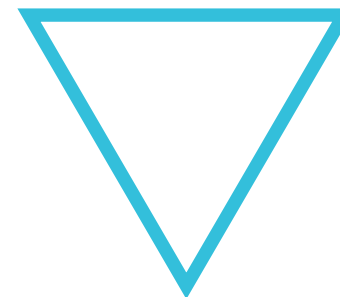
Conclusion

Change Is on the Horizon

General Conclusions

The results of the survey reflected that most governments today are not providing adequate healthcare systems to cope with growing demand. Insurers are doing what they can to control costs, but employers must also do their part. Unless employers act to address certain endemic health concerns in their workforces, they face lowered levels of productivity and performance.

The role of the employer must continue to evolve. Organizations worldwide must attempt to influence government provision of appropriate healthcare services *and* fill the gaps by offering employer-sponsored health improvement programs and changing the work environment in support of health and well-being. Designing benefit offerings that address individual needs, provide portability, and offer access to transparent healthcare are challenges faced by many employers as they endeavor to attract, retain and maintain a healthy, high-performing workforce.



Insurers from 49 countries participated in this year's survey.

Region	Country	Region	Country
Asia	China	Europe	Belgium
	Hong Kong		Denmark
	India		France
	Indonesia		Greece
	Malaysia		Hungary
	Philippines		Ireland
	Singapore		Italy
	South Korea		Latvia
	Taiwan		Lithuania
	Thailand		Netherlands
Americas	Vietnam		Norway
	Argentina		Poland
	Brazil		Portugal
	Canada		Romania
	Chile		Russia
	Colombia		Serbia
	Dominican Republic		Spain
	Mexico		Sweden
	Panama		Switzerland
	Peru		Turkey
Middle East & Africa	Egypt		Ukraine
	Burkina Faso		United Kingdom
	Ghana		
	Malawi		
	Mali		
	Qatar		
	Saudi Arabia		

About This Survey

Appendix

The following insurers agreed to having their names published as participants in the survey, whereas 81 insurers participated on a confidential basis.

Country	Insurance company
Africa	Metropolitan Health Insurance Ghana Limited
Africa	Metropolitan Malawi
Argentina	Grupo Sancor Seguros
Argentina	MEDIFE A.C.
Belgium	AXA Belgium
Belgium	DKV Belgium SA/NV
Brazil	Allianz Saúde
Brazil	Care Plus Medicina Assistencial LTDA
Brazil	SulAmérica Seguros SA
Canada	Green Shield Canada
Canada	Sun Life Assurance Company of Canada
Chile	Chilena Consolidada
China	友邦保险有限公司上海分公司 (American International Assurance Company Limited, Shanghai Branch)
China	Generali China Life Insurance Company, Ltd.
China	MHS China (Shanghai) Enterprise Services Co., Ltd.
China	Ping An Annuity Insurance Company, Shanghai Branch
Colombia	Allianz Seguros
Colombia	AXA COLPATRIA Medicina Prepagada
Denmark	Codan
Denmark	Dansk Sundhedssikring A/S
Denmark	Mølholm Forsikring A/S
Denmark	Skandia
Greece	Allianz Hellas SA
Greece	Generali Hellas
Greece	International Life
Greece	MetLife
Hong Kong	Aetna Global Benefits (Asia Pacific) Limited [in Hong Kong: Starr International Insurance (Asia) Ltd.]
Hong Kong	Assicurazioni Generali S.p.A. Hong Kong Branch
Hong Kong	AXA Hong Kong
Hong Kong	Blue Cross (Asia-Pacific) Insurance Limited
Hong Kong	Bupa (Asia) Limited
Hong Kong	Federal Insurance Company
Hong Kong	Liberty International Insurance Limited

Country	Insurance company
Hong Kong	Manulife (International) Limited
Hong Kong	MassMutual Asia Ltd
Hong Kong	Sun Life Hong Kong Limited
Hungary	Vienna Life Vienna Insurance Group Biztosító Zrt.
Indonesia	Aetna
Indonesia	PT Asuransi Reliance Indonesia
Indonesia	PT FWD Life Indonesia
Ireland	Laya Healthcare
Italy	Reale Mutua di Assicurazioni
Latvia	BTA Baltic Insurance Company AAS
Lithuania	Gjensidige
Malaysia	AIA Bhd
Malaysia	TOKIO MARINE INSURANS BERHAD
Norway	Gjensidige Forsikring
Norway	If Skadeforsikring NUF
Norway	Storebrand Helseforsikring AS
Norway	Vertikal Helseassistanse AS
Panama	MAPFRE PANAMÁ
Panama	Pan-American Life Insurance Group
Peru	Rimac S.A. EPS
Philippines	Avega Managed Care, Inc.
Philippines	MEDICARD PHILIPPINES INC.
Philippines	The Philippine American Life and General Insurance Company
Philippines	United Coconut Planters Life Assurance Corporation
Poland	Compensa TU SA Vienna Insurance Group
Poland	LMG Försäkrings AB
Poland	PZU Życie S.A.
Portugal	Allianz Portugal
Portugal	Companhia de Seguros Tranquilidade
Portugal	Generali-Companhia de Seguros, S.A.
Portugal	Groupama Seguros S.A.
Portugal	Multicare – Seguros de Saúde, S. A
Portugal	VICTORIA Seguros
Russia	Allianz Life
Russia	Ingosstrakh Insurance Company

Country	Insurance company
Russia	OJSC Alfa Strakhovanie
Russia	RESO-GARANTIA
Russia	VTB Insurance
Saudi Arabia	Allianz Saudi Fransi Cooperative Insurance Company
Singapore	Aetna International Singapore
Singapore	Aviva Ltd.
Singapore	AXA Life Insurance Singapore Pte Ltd / AXA Insurance Singapore Pte Ltd
Sweden	Euro Accident Health & Care Insurance AB
Sweden	Länsförsäkringar
Sweden	Skandia
Switzerland	Helsana Versicherungen AG
Switzerland	Sanitas
Switzerland	Sympany
Taiwan	China Life Insurance Co., Ltd
Taiwan	Fubon Life Insurance Co., Ltd
Taiwan	Nan Shan Life Insurance Co., Ltd
Taiwan	Shin Kong Life Insurance Company
Thailand	Krungthai-AXA Life Insurance Public Company Limited
Thailand	Tokio Marine Life Insurance (Thailand) PCL
Ukraine	AXA Insurance (Ukraine)
Ukraine	The European Insurance Alliance, Private Joint Stock Company
Ukraine	INGO Ukraine
Ukraine	JSIC "Illichivske"
Ukraine	PROVIDNA, Ins. Co. Ukraine
Ukraine	PZU Ukraine
United Kingdom	Aviva Health UK Limited
United Kingdom	AXA PPP Healthcare
United Kingdom	Cigna UK HealthCare Benefits
United Kingdom	VitalityHealth
Vietnam	Bao Viet Saigon Insurance
Vietnam	Petro Vietnam Insurance Corporation

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