

2026 Global Medical Trends

Insurer perspective

Survey report

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Double-digit global medical increases projected to persist into 2026

Medical costs around the world are set to rise again in 2026, with a projected global average increase of 10.3%. Our survey finds that this sustained surge underscores a broader pattern of rising healthcare expenses that continue to challenge insurers and employers worldwide.

Medical inflation remains highest in Asia Pacific, where cost increases are expected to reach 14% in 2026 — up from 13.2% in 2025. Latin America is poised for the sharpest acceleration, jumping from 10.5% in 2025 to 11.9% in 2026. The Middle East and Africa region is also projected to see acceleration, with trends reaching 11.3% in 2026. Compared to the sharp increases of Asia Pacific, Latin America and the Middle East and Africa, North America and Europe are forecast to see more modest increases of 9.2% and 8.2% in 2026, in line with expected 2025 trends.

These projections underscore a growing sense of concern among insurers, as 56% anticipate further increases in global medical cost trends and 55% expect these elevated levels to persist for more than three years. The data suggests that relief is unlikely in the near term. As insurers brace for prolonged cost pressures, identifying the key drivers behind these trends becomes critical for shaping effective responses.

High medical cost trends are driven by region-specific service pressures — such as pharmacy, outpatient, and professional services — alongside global structural factors like new medical technologies, pharmaceutical advancements and condition-based factors such as rising cancer incidence, particularly among younger populations.



Figure 1: **Global medical trends (gross) 2024-2026, globally and by region**

	2024	2025 (expected)	2026 (projected)
Global†	9.5%	10.0%	10.3%
Latin America†	9.6%	10.5%	11.9%
North America	7.4%	9.4%	9.2%
Asia Pacific	11.8%	13.2%	14.0%
Europe†	9.4%	8.3%	8.2%
Middle East and Africa†	8.5%	10.3%	11.3%

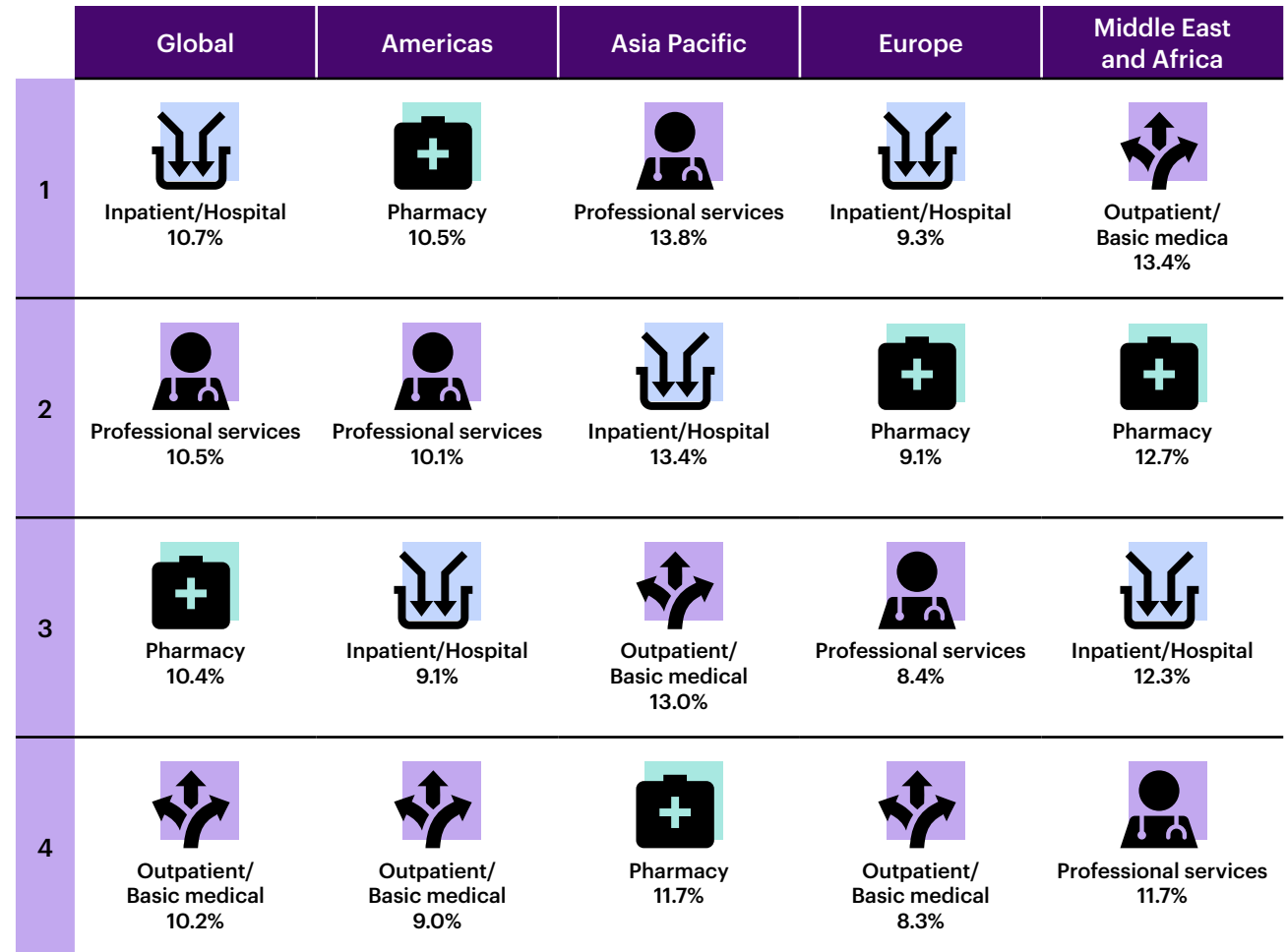
†Global, Latin America, Europe and Middle East and Africa numbers exclude Argentina, Egypt, Nigeria, Turkey, and Zimbabwe due to volatile inflationary environments

The key factors influencing medical trend rates

While the type of service driving trend varies by region, cost increases are being felt across all areas of care. In the Americas, pharmacy costs are expected to increase the most over the next year (Figure 2). Pharmacy trends are also high in Europe and the Middle East and Africa, but inpatient services are the top service driver in Europe and outpatient in the Middle East and Africa. In Asia Pacific, professional services — which include physician visits, therapeutic care, emergency services, imaging, labs and anesthesia — are the fastest growing area in terms of cost.

Such wide regional variation points to broad-based increases across the globe. These regional variations suggest medical cost inflation is not isolated to one area of service, but is affecting all aspects of healthcare.

Figure 2: Services driving medical trends



Note: Percentages are estimated means of expected change in cost per person over the next year

Persistent cost drivers reflect structural challenges across global healthcare systems.

The factors contributing to elevated medical cost trends remain largely unchanged, with new medical technologies continuing to lead globally — cited by 74% of insurers as the primary driver of costs (Figure 3).

This is followed by the decline of public health systems (52%) and advancements in pharmaceuticals (49%), both of which reflect deeper systemic shifts in healthcare delivery and innovation. While fraud, waste and abuse rank fourth globally at 38%, it emerges as the top cost driver in the Middle East and Africa, where 79% of insurers identify it as a significant concern.

Figure 3: Factors driving medical trends

	Global	Americas	Asia Pacific	Europe	Middle East and Africa
1	New medical technologies	Advancements in pharmaceuticals	New medical technologies	New medical technologies	Fraud, waste and abuse
2	Decline of public health systems	New medical technologies	Advancements in pharmaceuticals	Decline of public health systems	New medical technologies
3	Advancements in pharmaceuticals	Little or no cost-sharing	Little or no cost-sharing	Advancements in pharmaceuticals	Provider/insurer consolidation
4	Fraud, waste and abuse	Employee demographics	Fraud, waste and abuse	Employee demographics	Supply chain disruptions, trade policies
5	Little or no cost-sharing	Decline of public health systems	Supply chain disruptions, trade policies	Fraud, waste and abuse	Decline of public health systems





Regional variations in the factors driving medical trends highlight the diversity of healthcare needs and systems. In the Americas, pharmaceutical advancements are the leading factor driving costs, reported by 67% of insurers, and rank second in Asia Pacific at 63%. These figures are particularly relevant in the United States, where pharmaceutical costs are notably higher due to broader coverage of expensive therapies such as GLP-1 drugs — commonly used for diabetes and increasingly approved for obesity treatment.

Coverage of GLP-1s for obesity is not common globally, where only two in five say it is covered in any of their plans; the Americas stand out where almost three in five (55%) say it is covered. However, 68% of insurers globally expect the use of GLP-1s will increase, particularly in the Americas (73%) and Europe (77%). Along with an increase in utilization, the costs associated with GLP-1s for obesity are expected to increase over the next three years.

In the past, social programs helped control the cost of care in Europe and Latin America, but consistent underfunding and other pressures have led to a decline in public health systems, particularly in Europe as treatments and their costs shift to private healthcare plans. The decline in public health systems is reported as a leading factor by three in four (76%) insurers in Europe, the highest of any region globally.

Cancer emerges as the leading condition driving medical claims costs globally. In nearly every region, cancer now stands as the fastest growing and most expensive diagnosis for insurers, cited by 57% globally. This trend is consistent in the Americas (69%), Asia Pacific (58%) and Europe (54%), where cancer is the fastest growing condition in terms of cost. In contrast, the Middle East and Africa report diabetes and metabolic diseases as the fastest growing conditions, with 66% of insurers naming these as the dominant cost factor, followed by cancer at 45%. Globally, cardiovascular conditions (50%) and behavioral health issues (37%) are also growing significantly, ranking second and third among the conditions driving medical claims costs.

The rising burden of cancer is not limited to older populations. Three-quarters of insurers have observed an increase in cancer incidence among individuals under the age of 40, aligning with broader epidemiological findings. Between 1990 and 2019, the global incidence of early-onset cancer rose by 79.1%, while early-onset cancer-related deaths increased by 27.7%¹, underscoring the growing impact of this condition on younger demographics and healthcare systems alike.

68% of insurers globally expect the use of GLP-1s will increase

¹ Zhao J, Xu L, Sun J, Song M, Wang L, Yuan S, Zhu Y, Wan Z, Larsson S, Tsilidis K, Dunlop M, Campbell H, Rudan I, Song P, Theodoratou E, Ding K, Li X. Global trends in incidence, death, burden and risk factors of early-onset cancer from 1990 to 2019. *BMJ Oncol.* 2023 Sep 5

Global medical trends by market

Figure 4: Global medical trends, by market

	Gross			Net^			Inflation rates (from IMF World Economic Outlook)		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
Global†	9.5	10.0	10.3	6.9	7.4	7.9	2.6	2.6	2.4
Latin America†	9.6	10.5	11.9	7.3	7.9	9.2	2.4	2.6	2.7
North America	7.4	9.4	9.2	4.5	6.4	6.7	2.9	2.9	2.4
Asia Pacific	11.8	13.2	14.0	9.2	11.0	11.6	2.5	2.2	2.4
Europe†	9.4	8.3	8.2	6.9	5.7	6.0	2.5	2.6	2.2
Middle East and Africa†	8.5	10.3	11.3	5.2	7.1	8.4	3.3	3.2	2.9
By market									
Latin America									
Argentina**	208.1	43.6	30.5	-11.8	7.6	16.0	219.9	35.9	14.5
Brazil**	11.7	11.1	11.0	7.3	5.8	6.7	4.4	5.3	4.3
Chile	4.2	5.0	5.7	0.3	0.6	2.5	3.9	4.4	3.2
Colombia**	10.0	10.1	9.5	3.4	5.4	6.4	6.6	4.7	3.1
Costa Rica**	11.7	10.4	11.5	12.1	8.3	8.5	-0.4	2.2	3.0
Ecuador	9.9	12.1	13.6	8.3	10.8	12.1	1.5	1.3	1.5
El Salvador	10.5	13.4	15.3	9.5	11.6	13.5	1.0	1.8	1.8
Guatemala	9.5	11.2	11.6	6.6	8.2	7.3	2.9	3.0	4.3
Honduras	8.6	10.4	11.4	4.0	5.6	7.2	4.6	4.7	4.2
Mexico	12.5	13.6	13.5	7.8	10.1	10.3	4.7	3.5	3.2
Nicaragua	4.5	6.5	9.0	-0.1	2.5	5.0	4.6	4.0	4.0
Panama	10.8	8.5	9.8	10.0	8.0	7.8	0.8	0.5	2.0
Peru**	6.7	7.5	9.0	4.3	5.8	7.1	2.4	1.7	1.9
Puerto Rico*	10.0	15.0	20.0	8.4	12.9	18.1	1.6	2.1	1.9
Trinidad and Tobago	10.0	10.0	10.0	9.5	8.7	8.0	0.5	1.3	2.0

†Global, Latin America, Europe and Middle East and Africa numbers exclude Argentina, Turkey, Egypt, Nigeria and Zimbabwe as outliers due to inflationary pressures.

^Net of general inflation

*Countries where the trend was provided by WTW brokers.

**Countries where the trend was provided by both insurers and WTW brokers; the final is an average of both.

Figure 4: **Global medical trends, by market**

	Gross			Net^			Inflation rates (from IMF World Economic Outlook)		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
North America									
Canada	4.1	5.4	3.6	1.7	3.4	1.5	2.4	2.0	2.1
United States	7.6	9.7	9.6	4.7	6.7	7.2	3.0	3.0	2.5
Asia Pacific									
Australia	6.8	7.6	8.3	3.6	5.1	4.7	3.2	2.6	3.5
Azerbaijan**	4.8	8.5	11.0	2.6	2.8	6.5	2.2	5.7	4.5
Brunei	17.5	25.0	25.0	17.9	24.0	24.0	-0.4	1.0	1.0
China**	11.7	10.6	11.1	11.5	10.6	10.5	0.2	0.0	0.6
Hong Kong	10.3	9.7	9.9	8.5	7.8	7.7	1.7	1.9	2.2
India**	9.6	11.4	12.9	5.0	7.1	8.8	4.7	4.2	4.1
Indonesia**	12.8	16.9	15.1	10.5	15.2	12.6	2.3	1.7	2.5
Kazakhstan*	10.0	10.0	15.0	1.3	0.1	5.6	8.7	9.9	9.4
Malaysia**	11.7	13.9	15.7	9.9	11.5	13.4	1.8	2.4	2.2
New Zealand**	16.5	16.3	14.9	13.6	14.3	12.9	2.9	2.0	2.0
Pakistan**	22.5	18.5	20.0	-0.9	13.4	12.3	23.4	5.1	7.7
Papua New Guinea*	5.0	5.0	5.0	4.4	-0.5	0.4	0.6	5.5	4.6
Philippines**	17.0	14.3	16.1	13.8	11.7	13.2	3.2	2.6	2.9
Singapore**	12.3	15.5	16.9	9.9	14.1	15.4	2.4	1.3	1.5
South Korea**	12.6	15.0	13.5	10.3	13.1	11.7	2.3	1.8	1.8
Taiwan	12.7	13.3	16.7	10.5	11.6	15.1	2.2	1.8	1.6
Thailand	9.8	10.8	10.8	9.4	10.1	9.9	0.4	0.7	0.9
Vietnam**	10.3	10.6	12.3	6.7	7.7	9.8	3.6	2.9	2.5

^Net of general inflation

*Countries where the trend was provided by WTW brokers.

**Countries where the trend was provided by both insurers and WTW brokers; the final is an average of both.

Figure 4: **Global medical trends, by market**

	Gross			Net^			Inflation rates (from IMF World Economic Outlook)		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
Europe									
Armenia**	5.0	10.8	8.8	4.7	7.5	5.8	0.3	3.2	3.0
Austria	5.0	4.0	5.0	2.1	0.8	3.3	2.9	3.2	1.7
Belgium**	6.8	5.0	4.8	2.4	1.8	2.7	4.3	3.2	2.1
Bulgaria**	19.2	18.3	16.7	16.6	14.6	14.4	2.6	3.7	2.3
Cyprus	5.0	10.0	8.0	2.7	7.7	6.0	2.3	2.3	2.0
Denmark**	4.0	4.5	6.0	2.7	2.6	3.9	1.3	1.9	2.1
Finland*	10.0	15.0	10.0	9.0	13.0	8.0	1.0	2.0	2.0
France**	5.4	6.0	5.9	3.1	4.7	4.3	2.3	1.3	1.6
Georgia	10.8	12.4	13.6	9.7	8.8	10.4	1.1	3.6	3.2
Germany**	9.8	6.1	5.6	7.3	4.0	3.7	2.5	2.1	1.9
Greece**	7.8	7.5	7.7	4.8	5.1	5.6	3.0	2.4	2.1
Hungary**	14.5	11.2	8.4	10.8	6.3	4.9	3.7	4.9	3.6
Ireland**	9.8	7.9	7.3	8.4	6.0	5.6	1.3	1.9	1.7
Italy**	6.5	8.0	10.5	5.4	6.3	8.5	1.1	1.7	2.0
Latvia**	9.2	7.2	9.7	7.8	4.8	7.2	1.3	2.4	2.4
Lithuania**	9.1	7.2	9.9	8.2	3.8	7.1	0.9	3.5	2.8
Netherlands*	5.0	6.5	8.0	1.8	3.7	5.7	3.2	2.8	2.3
Norway**	12.0	10.5	8.1	8.8	7.9	5.9	3.1	2.6	2.2
Poland**	21.8	15.5	14.3	18.1	11.2	10.9	3.7	4.3	3.4
Portugal	12.2	7.6	6.6	9.5	5.7	4.5	2.7	1.9	2.1
Romania**	13.1	12.3	16.1	7.5	7.7	13.0	5.6	4.6	3.1
Serbia**	15.3	8.5	7.8	10.6	4.5	4.4	4.7	4.0	3.3

^Net of general inflation

*Countries where the trend was provided by WTW brokers.

**Countries where the trend was provided by both insurers and WTW brokers; the final is an average of both.

Figure 4: **Global medical trends, by market**

	Gross			Net^			Inflation rates (from IMF World Economic Outlook)		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
Europe									
Spain**	7.5	8.8	8.4	4.6	6.6	6.4	2.9	2.2	2.0
Sweden	3.0	3.0	5.0	1.0	0.9	3.0	2.0	2.1	2.0
Turkey**	73.5	48.6	36.7	15.0	12.7	13.9	58.5	35.9	22.8
United Kingdom	11.2	10.6	10.0	8.7	7.5	7.8	2.5	3.1	2.2
Middle East and Africa									
Algeria	10.0	8.0	8.0	6.0	4.3	4.4	4.0	3.7	3.6
Bahrain**	6.8	9.7	12.3	5.9	8.7	10.8	0.9	1.0	1.5
Benin**	10.8	21.7	20.8	9.7	19.5	18.8	1.2	2.2	2.0
Burkina Faso**	3.5	6.3	8.0	-0.7	3.3	5.5	4.2	3.0	2.5
Cameroon	19.3	22.0	25.3	14.8	18.6	22.3	4.5	3.4	3.0
Congo (Republic of)**	8.3	10.8	14.3	5.2	7.5	11.1	3.1	3.3	3.2
Cote d'Ivoire	18.2	14.7	15.8	14.7	11.7	13.6	3.5	3.0	2.2
Egypt**	30.6	29.7	28.1	-2.7	10.0	15.7	33.3	19.7	12.5
Eswatini	6.0	6.0	6.0	2.0	0.8	1.2	4.0	5.2	4.8
Ethiopia	10.0	15.0	25.0	-11.7	-6.5	12.8	21.7	21.5	12.2
Ghana**	19.8	16.0	16.8	-3.0	-1.2	7.4	22.9	17.2	9.4
Guinea*	1.0	1.0	2.0	-7.1	-2.5	-1.0	8.1	3.5	3.0
Iraq*	8.0	5.0	5.0	5.4	2.5	2.3	2.6	2.5	2.7
Jordan**	6.3	10.6	9.9	6.1	7.0	7.3	0.2	3.6	2.6
Kenya**	8.5	8.2	9.5	4.0	4.1	4.6	4.5	4.1	4.9
Kuwait*	3.5	6.3	5.0	0.6	3.8	2.8	2.9	2.5	2.2
Madagascar**	8.6	9.4	9.5	1.0	1.0	2.3	7.6	8.4	7.2

^Net of general inflation

*Countries where the trend was provided by WTW brokers.

**Countries where the trend was provided by both insurers and WTW brokers; the final is an average of both.

Figure 4: **Global medical trends, by market**

	Gross			Net^			Inflation rates (from IMF World Economic Outlook)		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
Middle East and Africa									
Mauritius	10.0	15.0	15.0	6.4	11.4	11.4	3.6	3.6	3.6
Morocco*	5.0	5.0	6.0	4.1	2.8	3.7	0.9	2.2	2.3
Niger	5.5	10.8	18.5	-3.6	6.1	15.3	9.1	4.7	3.2
Nigeria**	41.0	53.5	57.5	7.8	27.0	20.5	33.2	26.5	37.0
Saudi Arabia	10.1	11.4	13.2	8.4	9.5	11.2	1.7	2.0	2.0
Senegal	10.0	10.0	5.0	9.2	8.0	3.0	0.8	2.0	2.0
Sierra Leone	20.0	27.5	35.0	-8.4	14.6	24.6	28.4	12.9	10.4
South Africa**	13.4	13.6	13.7	9.0	9.8	9.1	4.4	3.8	4.5
Tanzania	5.5	6.5	10.0	2.3	2.5	6.0	3.2	4.0	4.0
Togo	6.9	7.5	10.6	3.6	5.2	8.7	3.3	2.3	2.0
Uganda	10.0	9.0	10.0	6.7	4.8	5.3	3.3	4.2	4.7
Zambia	7.0	10.0	10.0	-8.0	-4.2	0.8	15.0	14.2	9.2
Zimbabwe	34.7	34.3	35.0	-701.4	-57.8	25.4	736.1	92.2	9.6

^Net of general inflation

*Countries where the trend was provided by WTW brokers.

**Countries where the trend was provided by both insurers and WTW brokers; the final is an average of both.

Medical trends by market

Latin America

Argentina

Despite a decline in general inflation, medical inflation will remain significantly high as private healthcare providers continue to adjust their prices after medical fees were deregulated in 2024. Other drivers of trend in Argentina include the increased costs of imported medical supplies due to currency volatility; increased demand for healthcare; and structural issues such as high hospital operating costs, wage pressures and limited provider competition.

Cancer remains a major cost driver for prepaid health plans in the country, as spending rises due to the adoption of expensive biologics and advanced therapies, as well as longer survival rates. While the use of biosimilars helps reduce costs, balancing affordability and access to cutting-edge treatments remains a challenge.

Brazil

Medical cost growth in Brazil is projected to slow, but is still nearly double the rate of general inflation. Key cost drivers include an aging population, mandatory coverage of non-contracted procedures, rising costs of imported medical technologies and a growing demand for mental health services.

Insurers report that mental health treatments account for 15% of medical costs, with mandatory coverage for consultations, hospital stays and therapies. Mandatory unlimited coverage for autism spectrum disorder (ASD) has raised financial and fraud concerns. Cancer diagnosis and treatment in Brazil have advanced with better treatments available, and many cancer treatment procedures are now included in the National Agency for Supplementary Health (ANS) list, broadening access to effective therapies.

Chile

The Chilean healthcare system continues to face significant structural challenges in 2025, which are expected to persist into next year and impact both the public and private sectors. Rising costs are driven by financial pressures on the social security system, demographic shifts and rising costs related to technological advances. This has led to higher out-of-pocket expenses for individuals, particularly as younger and healthier insured members switch from the private to the public system.

Mental health has become a strategic priority in public policy; however, significant gaps in coverage and access persist, especially in rural regions of the country. Additionally, fertility coverage is emerging as a policy focus due to demographic challenges of an aging population and low birth rates — currently at 1.3 children per woman, which is substantially below the replacement rate of 2.1.

Artificial intelligence (AI) is being adopted in hospital management and diagnostics to improve efficiency amid ongoing productivity challenges for hospitals despite increased budgets over the past decade.

Latin America

Colombia

Medical cost increases in Colombia are set to slow in 2026 and despite outpacing inflation, the country maintains one of the region’s lowest growth rates in Latin America. While this stabilization is notable, cost pressures persist due to several structural and external factors, including population aging, rapid technological advancements, inflation in the cost of innovative drugs and ongoing political instability. Cardiovascular diseases are projected to surpass cancer as the leading financial burden, while mental health continues to grow in impact.

Mental health and fertility coverage are also gaining attention, reflecting demographic shifts and social demands. These improvements are encouraging but inequalities persist in the healthcare system, particularly between contributory and subsidized regimes, with limited access to advanced treatments and poor infrastructure in regions like the Amazon and Caribbean.

Companies are responding to these challenges with strategies focused on wellness programs, preventive care, telemedicine and data analytics to manage costs and improve employee productivity. AI and new medical technologies play a growing role in improving diagnostics and treatment efficiency, including use for early detection of cancer and rare diseases, personalized treatment planning and automation of services.

Costa Rica

In 2026, medical costs in Costa Rica will continue to rise due to population aging, increased incidence of chronic diseases and the increasing use of private healthcare services. This puts pressure on insurers, who face higher usage, longer treatments and more claims exposure to expensive medical technologies.

Areas like cancer and mental health stand out for their high cost and growing demand, requiring coverage reviews. Newer GLP-1 medications and fertility treatments are creating tension between plan innovation and sustainability, requiring careful analysis before their inclusion in any policy.

Mexico

Medical inflation remains elevated and continues to be a significant challenge to the long-term viability of corporate health plans. In response, many employers are considering changes to their plans, such as using preferred provider networks; increasing employee cost-sharing through higher deductibles or coinsurance; and implementing wellness programs designed to enhance the overall employee experience.





North America

Canada

Chronic conditions such as diabetes, obesity and mental health challenges are driving increases in drug and paramedical utilization, as well as rising disability rates. In response, employers are adopting targeted, evidence-based strategies to better manage disability programs and contain escalating health benefit costs.

Mental health continues to be a prevalent issue, particularly among younger workers. There is a notable increase in adjustment disorders becoming a driver of mental health claims, which has prompted insurers and employers to invest in proactive support programs and expand access to specialized care that especially target employee resilience. Cancer remains a major contributor to long-term disability, leading to heightened awareness campaigns and expanded screening initiatives across several provinces, especially breast cancer.

GLP-1 medications for diabetes and obesity remain a major cost pressure for Canadian insurers. Over the past two years, many have introduced stricter prior authorization requirements, implemented step therapy protocols and set dosage limits to manage utilization, which have helped to slow the growth in associated costs. Some insurers have also raised BMI thresholds for eligibility in obesity cases. Despite these measures, the recent launch of new GLP-1 therapies for diabetes may drive renewed demand.

United States

While general inflation in the United States is beginning to ease, healthcare cost trends continue to accelerate, driven primarily by rising pharmacy costs, the impact of high-cost claimants and the ongoing need to manage chronic conditions. Tariffs are increasing device and supply costs, and health systems with multi-year contracts are seeking price increases to recoup losses incurred over recent years.

Pharmacy cost increases are fueled by multiple factors: the growing use of high-cost brand and specialty drugs (such as biologics and cancer therapies), overall increased drug utilization and drug price inflation. Additionally, the surging demand for GLP-1 medications, used for both diabetes and weight management, has become a major driver of pharmacy spend in recent years.

To manage these escalating trends, employer-sponsors are adopting a range of strategies. These include plan design changes that increase employee cost-sharing, vendor management tactics, including audits and performance-based evaluations and actions to reduce fraud, waste and abuse in benefit programs.

Ultimately, the financial pressure from rising healthcare costs is mounting. Notably, one-third of employers are now considering disruptive changes to their health plans, marking a significant shift away from the more incremental adjustments that characterized the past decade, according to WTW's [2025 Best Practices in Healthcare Survey](#). This is spurring growing interest in alternative plan designs that leverage data and analytics to improve transparency and steer members toward higher-quality, lower-cost providers.

Asia Pacific

Australia

In Australia, the costs of hospital and medical services continue to rise at a rate well above general inflation. This upward trend is primarily driven by several key factors: ongoing advancements in medical technology, rising wages within the healthcare workforce, an aging Australian population and an increasing incidence of chronic health conditions. Together, these factors put significant pressure on the healthcare system, leading to the acceleration of the medical trend in 2026.

China

Increasing medical inflation in China is driven by easier hospital access, doctors recommending more tests and rising health awareness from social media. Many employers are incorporating mental health into their medical benefits. This positive development is accompanied by limitations on coverage, which have moderated the impact on claims. GLP-1s have been included in the medical insurance catalog in 2025, but coverage is limited and excludes use for weight loss.

The Chinese government has implemented policies to promote childbirth, with several cities adding assisted reproductive medical services to their medical insurance coverage. However, because of limited basic data, many insurers remain cautious about expanding such coverage

Hong Kong

Medical inflation in Hong Kong remains high due to advances in treatment technology and new drugs. Public hospital fees will rise in January 2026, prompting private hospitals to increase prices as well. Upper respiratory tract infections are common post-pandemic, and demand for viral warts treatment has reached record levels.

Cancer rates remain steady, but the overall cost of treatment has risen substantially, due to increases in hospital and physician fees, as well as the adoption of advanced technologies and therapeutic approaches. In response, many insurers now offer health concierge services, managed care support and second opinion consultations to assist patients in accessing appropriate treatments while managing expenses effectively.

India

India is expected to see a continued rise in medical inflation, which can be attributed to various structural and market-related factors. The cost of advanced medical technologies, precision treatments and biologics continue to escalate, while the incidence of chronic and lifestyle-related diseases such as cancer, cardiovascular conditions and diabetes is on the rise.

Since the pandemic, greater health awareness has driven increased utilization of preventive and elective healthcare services. Additionally, hospital tariffs, specialist fees and pharmaceutical prices have continued to climb, contributing to the upward pressure on medical costs.



Asia Pacific

Indonesia

Compared to last year’s overall claims loss ratio of over 140%, Indonesia’s insurance market has shown improvement, with the trend declining by an estimated 30% in the first quarter of 2025. Insurer efforts to review rates throughout 2024 have contributed to the enhancement of the overall claim ratio this year. Nonetheless, insurers remain focused on the primary driver of medical inflation: pharmaceutical costs. The reliance on imported raw materials, which account for 90% of inputs, combined with the depreciation of the rupiah, contribute significantly to this issue.

In addition, some hospital providers in Indonesia continue to recommend excessive treatments for patients. The Indonesia Financial Services Authority (Otoritas Jasa Keuangan or OJK) is currently planning to implement new regulations to prevent against insurers financially collapsing due to overutilization and to maintain premium stability, through mandating cost-sharing. This will also further reduce the financial burden on companies that provide health insurance for their employees.

In response to their experience over the past year, insurers are limiting coverage for high-risk conditions, narrowing hospital networks and restricting their business to specific categories to maintain claims ratio sustainability. For example, cancer remains a costly treatment, mainly due to advanced therapies and inpatient care, but many companies now cap cancer coverage in group policies and shift this risk to BPJS (statutory benefit).

Malaysia

Healthcare costs and medical inflation in Malaysia are expected to continue rising, surpassing the average medical trend across Asia Pacific region. One of the key factors contributing to this upward trend is the impact of tariffs, which further burden and intensify financial strain within the healthcare sector.

Other factors driving this upward trend include advancements in technology, escalating prices of medical devices and medications, unnecessary admissions and the absence of standardized pricing structures. Additionally, the increased utilization of healthcare services, rising treatment costs in private hospitals and an aging population are also contributing to the growing concerns around the affordability of private healthcare in Malaysia.

While the number of Malaysians from higher income groups seeking treatment at government hospitals has also surged, the government is actively working to retain healthcare professionals by enhancing healthcare workers’ remuneration and welfare through Public Service Remuneration System. In addition, it plans to introduce the first phase of the Diagnosis Related Group (DRG) payment model next year as an interim strategy to manage escalating medical inflation in the private sector.

New Zealand

A growing lack of confidence in the public health system in New Zealand is driving more individuals to seek care in the private sector. This shift is reflected in the expanding uptake of private health insurance, and combined with ongoing medical inflation, is fueling a cycle of rising claims and higher loss ratios for insurers. The introduction and utilization of wellbeing benefits and supplementary services further contributes to the overall escalation in healthcare costs which continues its double-digit trajectory that is projected for 2026.

Asia Pacific

Philippines

The HMO industry returned to profitability in 2024 and experienced continued growth through the first half of 2025, reporting a net income of PHP 1.47 billion (USD 25 million), which is a significant turnaround after the losses recorded in 2022 and 2023. Nonetheless, HMOs continue to grapple with rising healthcare costs due to service overutilization, unregulated increases in professional fees and medical facility charges.

Coverage continues to be primarily employer-sponsored, with companies retaining benefits due to the non-diminution law while also considering measures such as clinic redirection, co-pay arrangements and benefit grandfathering to manage costs. The PhilHealth 2025 adjustment increases case rates by 50% for almost 9,000 procedures, aiming to reduce out-of-pocket expenses for members and enhance access. Despite this, the adjustment has a limited effect on private insurance pricing, as many high-cost services remain underfunded.

The industry is expected to focus on digital health adoption, preventive care and value-based partnerships to manage costs and enhance member experience. Insurers are increasingly using technology and AI to improve service efficiency. This includes offering mobile applications, online tools for enrollment and claims, chatbots for FAQ and optical character recognition (OCR) systems for claims processing.

Singapore

Singapore's growing medical trend is influenced by several factors. These include an aging population, a rise in disease incidence, improved early detection and the long-term management of conditions such as cancer, diabetes and obesity. Additionally, the adoption of costly new technologies, treatments and pharmaceuticals, along with high operating expenses driven by increasing real estate prices and salaries due to a shortage of healthcare staff, also contribute to this trend.

As health insurance coverage becomes more widespread, patients become more accustomed to prices and more likely to demand advanced treatments, leading to increased healthcare spending overall. In response, insurers are increasing co-pays and deductibles to control expenses.

Taiwan

Taiwan's medical inflation is expected to increase substantially in 2026, mainly due to higher diagnostic and pharmaceutical costs and increased demand for mental health services. Employers are prioritizing plan design and vendor strategies to control these rising expenses.

Taiwan's birth rate is expected to be the world's lowest by 2035. Despite growing government subsidies and fertility benefits, cultural and gender norms limit actual utilization. Egg freezing for single women is allowed and becoming more common, but employer-provided fertility benefits are still rare.

Vietnam

Medical inflation in Vietnam is expected to remain a major issue in 2026 due to rising costs of pharmaceutical, medical equipment and supplies, as well as increasing demand for advanced treatments. Regulatory changes effective July 1, 2025, will require insurers to standardize health insurance terms, conditions and premium rates. These factors are likely to significantly affect healthcare insurance pricing.

Europe

France

Health costs for collective contracts in France continue to rise, primarily due to inflation, an increasing average age within the covered population and regulatory changes. Recent measures regarding reducing the generosity of Social Security and the renegotiation of medical agreements have contributed to higher prices, while the enhancement of certain preventive measures has further influenced this upward trend.

Germany

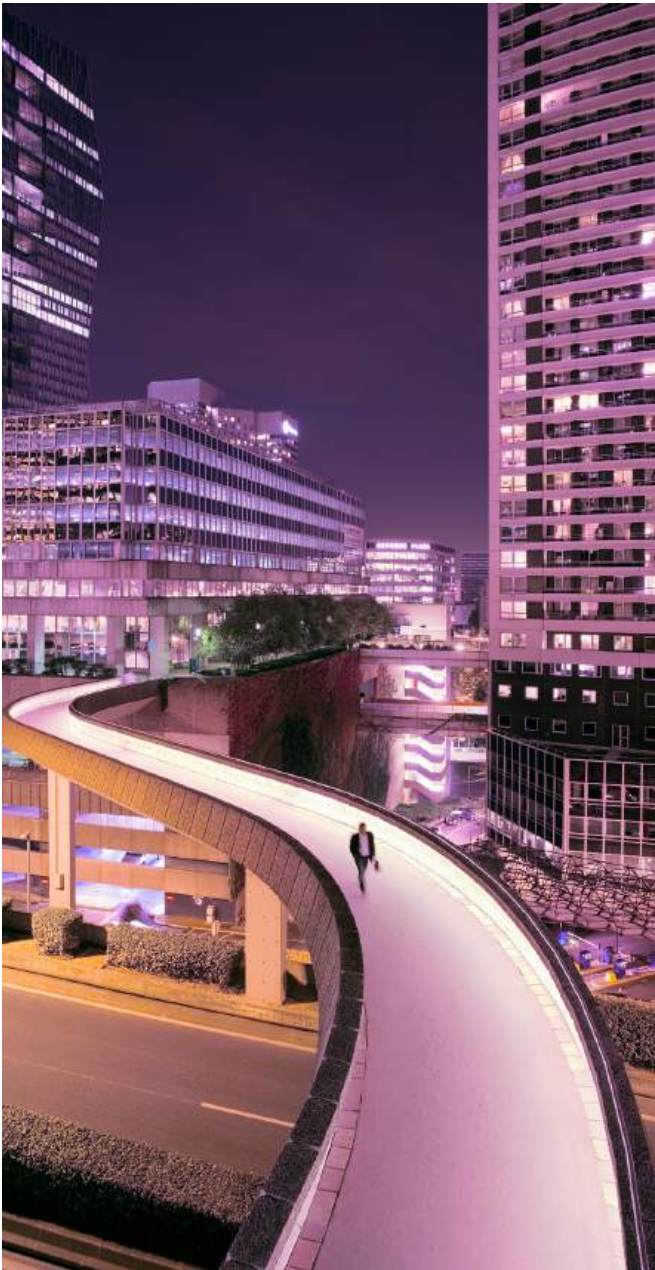
After peaking in 2024, medical inflation is showing signs of moderation heading into 2026. The pace of increase has slowed compared to prior years and annual growth is expected to stabilize at a lower level moving forward. Key cost drivers in both outpatient and inpatient care remain consistent: rising salaries of healthcare professionals, elevated operating expenses for providers, the adoption of new surgical techniques, changing patient behavior and the introduction of novel medications.

Preliminary figures show a higher-than-expected increase in premiums for statutory health insurance in 2025. Employers in Germany are unable 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 (SHI) plans as an additional benefit for their employees.

Employers have a wide range of insurers and plans to choose from for these supplemental benefits, resulting in relatively stable premiums. Recently, new SHI budget plans have grown popular, with more insurers offering these alongside their classic plans. SHI and mental wellbeing are the two trends we have seen in 2025, and, despite budgetary concerns, the emphasis is on providing additional value to employees.

Hungary

While medical trend is on a downward trajectory, medical costs are largely driven by surging demand for private medical insurance, which accelerated during the COVID-19 pandemic when public healthcare was redirected to focus solely on COVID cases. Hungary now faces mounting pressure from an aging population and a shortage of medical professionals: one in five doctors is nearing retirement. Combined with long wait times and low-quality care in the public system, both employers and individuals are increasingly turning to private providers, even for routine care. Hungarian employers value private medical benefits as a key tool for talent attraction and retention but are having to balance this with increasing premiums.



Europe

Ireland

Medical inflation in Ireland continues to outpace general inflation, driven by rising labor costs, increased utilization and a growing reliance on private sector capacity. The health specific Consumer Price Index rose by 2.7% in mid-2025, reflecting sustained pressure on healthcare costs.

Sláintecare’s rollout, while aimed at improving access and equity in the public system, has had an indirect effect on private health insurance. As public hospitals reduce their private practice, insurers are increasingly dependent on private hospitals, where treatment costs are higher. This shift is contributing to upward pressure on premiums, with private hospital activity rising to fill the gaps in public provision.

Italy

Cost increases in Italy are driven by an aging population, a weakening public healthcare system and growing demand for private care. The long public waiting lists of the INSS (Italian National Health Service) have pushed more residents toward private healthcare options. For at least two years, the market has been paying increasing attention to technical trends and the need for medical plans to perform positively. Requests for premium adjustments and policy changes (such as higher deductibles and tariffed services) are increasing in response to a significant increase in claim frequency, especially in outpatient areas.

Portugal

Portugal’s medical trend is projected to increase by more than three times the rate of general inflation. Increases are driven by perceived deficits in the public system, rising demand for private care and the increasing cost of advanced treatments and serious illnesses. The insurance market is continuing its paradigm shift, with more insurers investing in prevention, digital health and lifestyle services. This expansion of offerings reinforces the opportunity to rethink plan design, adjust cost-sharing and focus on risk management over consumption.

Romania

Medical trend in Romania is expected to remain elevated in 2026. Key drivers of increasing medical trend include general inflation affecting medical supplies and pharmaceuticals, technological advancements, rising demand from an aging population, an increase of chronic diseases and workforce shortages that push wages and delivery costs higher. Compared to last year, inflationary pressures and staffing challenges have intensified, while new technologies continue to drive costs upward. In response, insurers are implementing cost-control strategies such as preferred provider networks, cost-sharing mechanisms and telemedicine.

Spain

The growing incidence of mental health issues is increasingly becoming a key driver of medical trends in the Spanish health insurance market. Ongoing pressures on the private health sector are driven by an overburdened public system that encourages greater reliance on private insurance, resulting in higher demand and rising costs. Furthermore, pharmaceutical costs continue to rise due to technological advances and supply chain disruptions.

Insurers in Spain are investing in digitalization and medical technology, including AI, teleassistance and digital tools, to improve efficiency and user experience.



Europe

Turkey

Medical trend in Turkey has been on a downward trajectory over the past three years. Medical inflation was reported by Turkish Medical Association at 44.2% in 2025 and the forecast for 2026 is expected to be in the range of 35 – 40% — in line with our survey. Although there is a general expectation of downward improvement in overall inflation for 2026–2027, the high inflationary environment and depreciation of the local currency continue to impact all sectors, including healthcare.

The key drivers of medical cost increases in Turkey remain similar to previous years: rising drug and medical device prices, currency fluctuations and the high costs of newly introduced treatment methods. In addition, the growing prevalence of chronic diseases continues to drive demand for healthcare services. The costs of medical device maintenance and repairs, as well as investments in new technologies, are also adding further pressure on total healthcare costs.

Notable trends in the healthcare sector over the past year include increasing discussions around costs and coverage due to the rise in treatment options, a shift towards early diagnosis, and accelerated digitalization.

Overall, the healthcare market in Turkey is evolving around technological innovations, cost management, and coverage policies, showing a strong shift towards more personalized, accessible, and holistic healthcare services.

United Kingdom

In recent years, the UK has seen higher rates of medical inflation primarily due to continued pressures on state-funded healthcare services, which have resulted in higher claims incidence. However, in 2025, these incidence trends stabilized, with rates falling for some conditions.

Insurers continue to focus on cost mitigation strategies such as directional claims models, condition specific pathways and evaluating medical plan entry points and their impact on treatment pathway and episode cost. Insurers continue to invest in technology to integrate wellbeing with traditional medical plans with a view to promoting positive health behaviors.

Middle East and Africa

Cameroon

In Cameroon, medical inflation is primarily influenced by the rising costs of imported medical supplies and pharmaceuticals, as well as increased demand for private healthcare following a reduction in the state's health budget (from 5.9% of the national budget in 2019 to 3.3% in 2024). As subsidies decline, public hospitals have adjusted their service pricing; however, the public sector's limited capacity to meet growing demand has resulted in more individuals seeking care from private providers, where price liberalization now extends beyond established union agreements.

Jordan

In a dispute between the Jordan Medical Association (JMA) and various insurance entities, an agreement was reached effective June 2025, where medical fee schedules are to increase by 20% each year for the next three years. This surge is the main driver of trend in the country and puts both insurers and employers under high-cost pressure over the next few years. However, the digital transformation of the healthcare and insurance sectors that aims to improve efficiency, enhance patient experience and control costs is expected to slow the trend.

Nigeria

Medical inflation in Nigeria continues to be driven by a combination of economic pressures, systemic challenges and health-related trends. The country relies on imported medical supplies which have been increasing in cost and exacerbated by the continued depreciation of the naira. Economic reforms, persistent inflation and unreliable infrastructure have increased operational costs for healthcare providers. Furthermore, the limited availability of public healthcare facilities, often affected by industrial action and poor maintenance, forces many Nigerians and HMOs to rely on more expensive private providers; a situation not helped by a “brain drain” of healthcare professionals from the country. The growing prevalence of lifestyle diseases such as hypertension, diabetes and cancer has intensified the demand for long-term care. High out-of-pocket spending, low insurance penetration and affordability-related treatment disruptions also contribute to the upward pressure on healthcare inflation.

Nigeria faces significant healthcare challenges across cancer, mental health and infertility care. Cancer treatment remains largely unaffordable and inaccessible (fewer than 5% of Nigerians have oncology benefits) meaning treatment is widely out-of-pocket and often abandoned. While initiatives like the OncoSeek blood test, HPV vaccination campaigns and the development of cancer centers of excellence show promise, access remains constrained. Recent policy advancements, including NHIA's Catastrophic Health Insurance and increased government funding, may help alleviate access and affordability challenges.

Mental health conditions are a growing issue, yet stigma, limited resources and a shortage of professionals mean few receive adequate care. Although demand for services is rising, insurance coverage is minimal, and most HMO plans exclude mental health support. Infertility affects one in six couples, with growing interest in Assisted Reproductive Technologies (ART) such as in vitro fertilization (IVF) positioning Nigeria as a fertility tourism destination. However, treatments remain uncovered under NHIA and HMO plans, prompting calls for policy reform. Employers are increasingly responding to demand for fertility and menopause benefits, driven by workforce expectations and the need for more inclusive healthcare offerings.

Middle East and Africa

South Africa

In South Africa, rising healthcare costs are mainly driven by higher prices for services and treatments, an aging workforce, increased demand and a growing burden of chronic diseases like diabetes and hypertension. Advances in medical technology and new medications also contribute to these costs, which are often passed on to members.

Cancer remains a top cost driver in the South African market, with increasing claims linked to both earlier detection and advanced treatment protocols. Insurers are investing more in preventive screening benefits (e.g., mammograms, colonoscopies, HPV vaccinations) and disease management programs. There is also an uptick in claims for biologics and immunotherapy, which continue to place pressure on scheme reserves.

UAE

Medical trends in the UAE is being shaped by the rising prevalence of lifestyle-related diseases such as diabetes, obesity, cardiovascular conditions and musculoskeletal disorders — particularly among nationals. High pharmaceutical costs, demand for premium healthcare services and investments in advanced treatments like oncology, fertility care, robotic surgery and precision medicine are contributing to increased costs. An aging population is further exacerbating the burden of chronic disease management and long-term care, while post-COVID complications, including a rise in stroke and cancer cases, are adding pressure. Advanced therapies such as genomic testing and cell and gene treatments are entering the market, often at high per-patient costs that challenge insurer risk models.

Behavioral health and fertility care are also emerging as key cost drivers. Mental health premiums have risen 10 to 15% due to increased utilization and longer treatment durations, fueled by post-COVID challenges, growing awareness and evolving workforce expectations. Access remains limited, with many preferred providers operating out-of-network, leading to higher out-of-pocket costs. Employers are expanding coverage through EAPs and wellness programs, while regulators push for broader inclusion of behavioral health services.



Factors driving medical costs

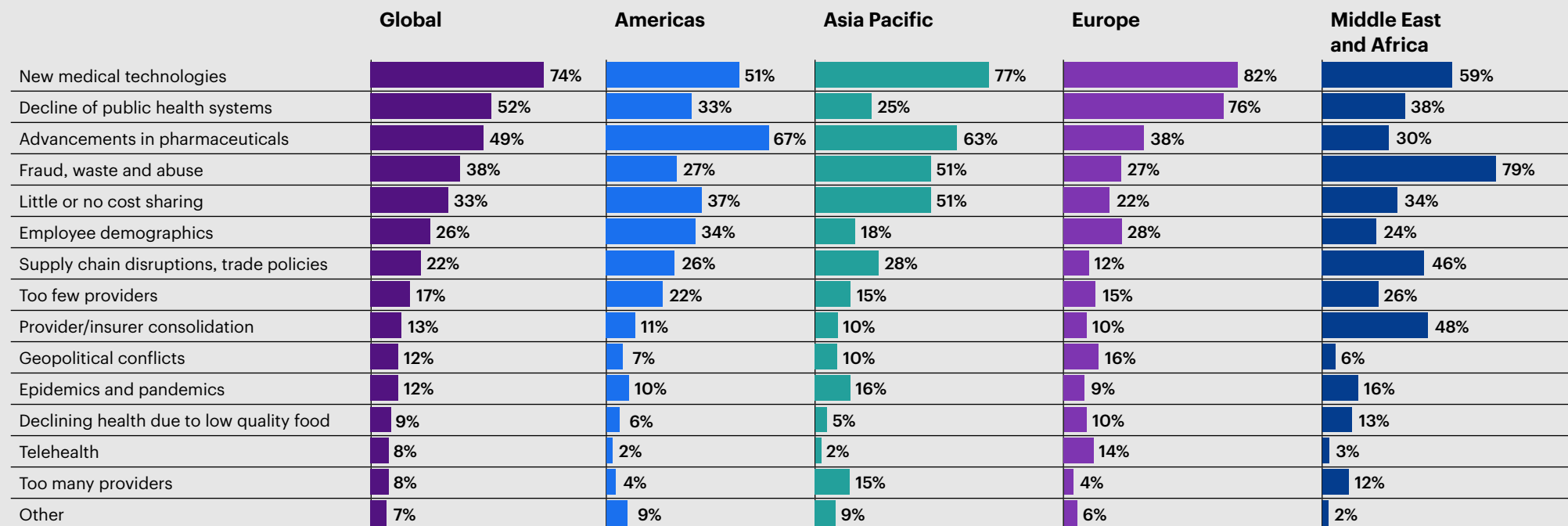
Globally, new medical technologies are the primary factor driving medical costs as reported by 74% of insurers (Figure 5). This is followed by the decline of public health systems (52%) and advancements in pharmaceuticals (49%), both of which reflect deeper systemic shifts in healthcare delivery and innovation.

Higher prices due to new medical technologies are the top driver in Asia Pacific (77%) and Europe (82%) but are in second place in both the Americas (51%) and the Middle East and Africa (59%). The decline of public health systems persists as a top factor in Europe, where it ranks second as reported by 76% of insurers; however, it does not rank as highly in any other region. Advancements in pharmaceuticals are the top driver in the Americas (67%) and second in Asia Pacific (63%).

While fraud, waste and abuse rank fourth globally at 38%, it emerges as the top cost driver in the Middle East and Africa, where 79% of insurers identify it as a significant concern. It is worth noting that other significant trend drivers in the Middle East and Africa which stand out from other regions are provider and insurer consolidations (48%) and supply chain disruptions (46%).

Figure 5. **The top factors driving medical and pharmacy costs**

What are the most significant factors driving medical and pharmacy costs per person? (Please select at most five options.)



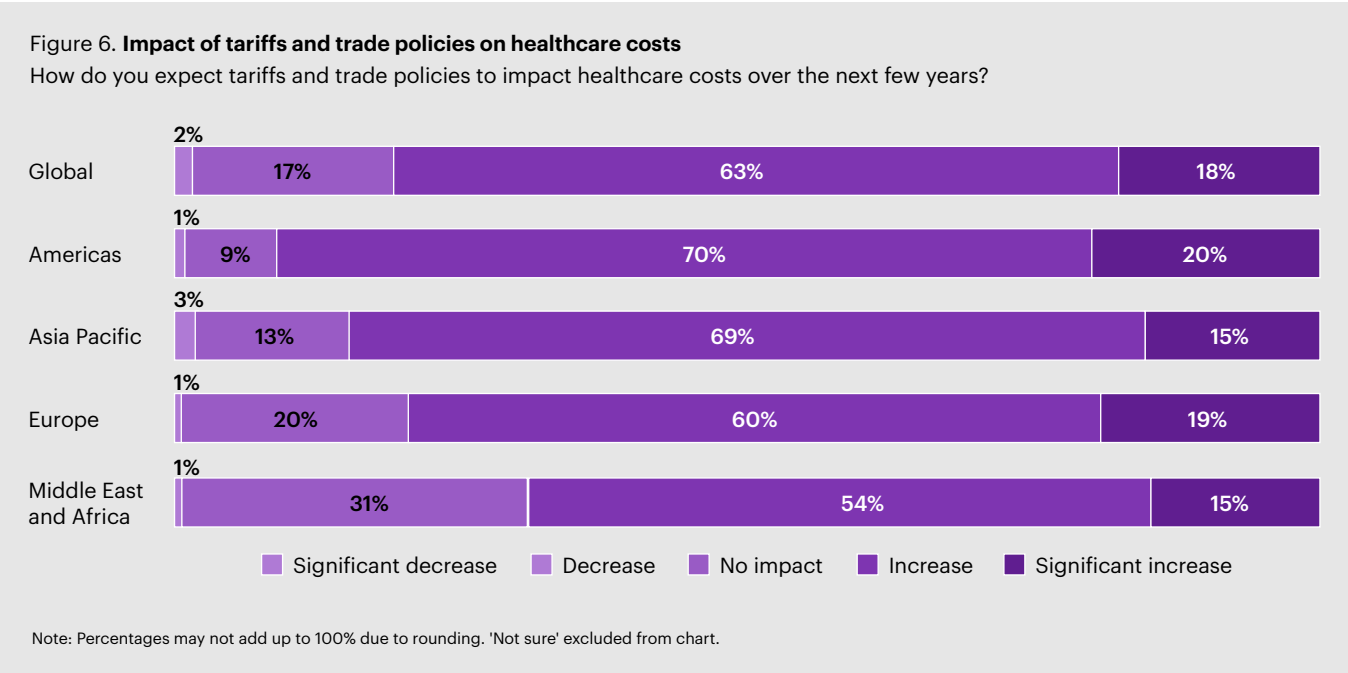
Source: 2026 Global Medical Trends Survey



Tariffs and trade policies

Since the U.S. announced tariff hikes for most markets, market volatility has increased, gold prices have climbed and the outlook for global economic growth has been revised “markedly down”. The majority of the insurers surveyed globally (81%) expect tariff and trade policies to increase healthcare costs over the next few years, with about one-fifth of insurers (18%) expecting the resulting impact to be a significant increase. The Americas exhibit the highest anticipation of rising healthcare costs, with 90% of insurers expecting an increase. In contrast, only 69% of insurers in the Middle East and Africa foresee an increase in healthcare costs, while 31% anticipate no impact (see Figure 6).

The biggest concerns are around supply chain disruptions and their impact on operational costs. Hospitals and healthcare providers are concerned about further increases in their expenses for medical supplies and pharmaceuticals as a result of increased trade barriers, which will in turn drive up insurance premiums. These financial strains will also have a ripple effect with broader economic and social implications. As premiums increase, this will impact affordability for both employers and employees alike. Insurer profitability might also be impacted in some markets as higher premiums result in fewer group clients and reduced corporate revenue.



Conditions driving medical costs

Top conditions by incidence

Insurers indicate that cardiovascular (55%), musculoskeletal (43%) and diabetes (43%) conditions are currently the top drivers of claims by utilization globally, marking a shift from last year when musculoskeletal, cardiovascular and cancer were the leading categories (Figure 7).

Cardiovascular conditions are consistently high across all regions, with Asia Pacific (59%) and the Americas (56%) reporting the greatest impact. Musculoskeletal claims remain significant, especially in Europe (50%), but are much less prevalent in the Middle East and Africa (15%). Diabetes shows a striking regional difference, with an exceptionally high incidence in the Middle East and Africa (82%) compared to other regions.

Cancer utilization is also notable, particularly in the Middle East and Africa (66%) and Asia Pacific (45%). Behavioral health claims are most prominent in the Americas (37%) and Europe (33%), while respiratory conditions have a greater impact in Asia Pacific (37%). These results highlight evolving global trends and distinct regional patterns in the conditions driving healthcare utilization.

Figure 7: Top conditions by incidence causing the highest utilization in medical portfolios

	Global	Americas	Asia Pacific	Europe	Middle East and Africa
1	Cardiovascular	Cardiovascular	Cardiovascular	Cardiovascular	Diabetes
2	Musculoskeletal	Diabetes	Cancer	Musculoskeletal	Cancer
3	Diabetes	Musculoskeletal	Musculoskeletal	Cancer	Cardiovascular
4	Cancer	Behavioral health	Diabetes	Diabetes	Reproductive system
5	Behavioral health	Cancer	Respiratory	Behavioral health	Musculoskeletal
6	Gastrointestinal	Respiratory	Gastrointestinal	Gastrointestinal	Respiratory
7	Respiratory	Gastrointestinal	Eye and adnexa, ear	Respiratory	Behavioral health

Note: Maternity excluded from the condition list.
Source: 2026 Global Medical Trends Survey

Top conditions by cost

Insurers report that cancer (69%), cardiovascular (63%) and musculoskeletal conditions (45%) continue to be the top drivers of high-cost claims worldwide, mirroring last year's rankings (Figure 8). Cancer remains the leading cause in every region, with especially high prevalence in the Americas (90%), Asia Pacific (70%) and the Middle East and Africa (76%). Cardiovascular claims are the second most significant globally, with Asia Pacific (67%) and Europe (66%) showing the highest regional impact.

Musculoskeletal tissue claims rank third overall, but their importance varies widely. Europe reports the highest proportion (56%), while the Middle East and Africa see much lower rates (10%). Notably, the Middle East and Africa report that diabetes is the top condition driver of claims costs, as well as high utilization in the previous figure. Respiratory and diabetes conditions have a greater impact in Asia Pacific (32% and 24% respectively) and behavioral health claims are more prominent in the Americas (22%), highlighting both global consistency and distinct regional differences in the costliest medical conditions.

Figure 8: **Top conditions by cost causing the highest cost of claims in medical portfolios**

	Global	Americas	Asia Pacific	Europe	Middle East and Africa
1	Cancer	Cancer	Cancer	Cardiovascular	Diabetes
2	Cardiovascular	Cardiovascular	Cardiovascular	Cancer	Cancer
3	Musculoskeletal	Musculoskeletal	Musculoskeletal	Musculoskeletal	Cardiovascular
4	Diabetes	Diabetes	Respiratory	Diabetes	Reproductive system
5	Respiratory	Behavioral health	Diabetes	Behavioral health	Gastrointestinal
6	Gastrointestinal	Injury	Gastrointestinal	Reproductive system	Musculoskeletal
7	Behavioral health	Gastrointestinal	Injury	Gastrointestinal	Infectious and parasitic disease

Note: Maternity excluded from the condition list.
Source: 2026 Global Medical Trends Survey

Managing medical costs

Globally, contracted networks remain the most effective method insurers use to help clients manage their medical costs (Figure 9). Nearly three-quarters (74%) of insurers report contracted networks as the most effective strategy, with all regions agreeing on their value. Contracted networks negotiate lower rates with providers, ensuring predictable and reduced expenses for both insurers and patients. They also promote cost-efficiency by steering patients toward in-network providers who meet quality and cost standards, helping control unnecessary spending and improving overall care coordination.

Cost sharing is identified as the second most effective way for insurers to help clients manage medical costs, especially in the Americas, where 62% of insurers report it as effective. The prevalence of cost-sharing approaches, such as deductibles and member coinsurance is highest in the Americas. While cost sharing is less common in Asia Pacific and Europe, these regions also recognize it as the second most effective method. In contrast, cost sharing is not as widely used or considered as effective in the Middle East and Africa.

Figure 9: Effective ways insurers help clients manage medical and pharmacy costs

	Global	Americas	Asia Pacific	Europe	Middle East and Africa
1	Contracted networks	Contracted networks	Contracted networks	Contracted networks	Contracted networks
2	Cost sharing	Preapproval	Cost sharing	Cost sharing	Targeted communication to address key drives of claims
3	Limits on certain services	Cost sharing	Limits on certain services	Limits on certain services	Preapproval
4	Preapproval	Limits on certain services	Preapproval	Annual limits	Cost sharing
5	Annual limits	Clinical condition management	Clinical condition management	Preapproval	Promotion of preventive services
6	Clinical condition management	Annual limits	Annual limits	Telehealth	Clinical condition management
7	Telehealth	Telehealth	Second medical opinion	Promotion of preventive services	Annual limits

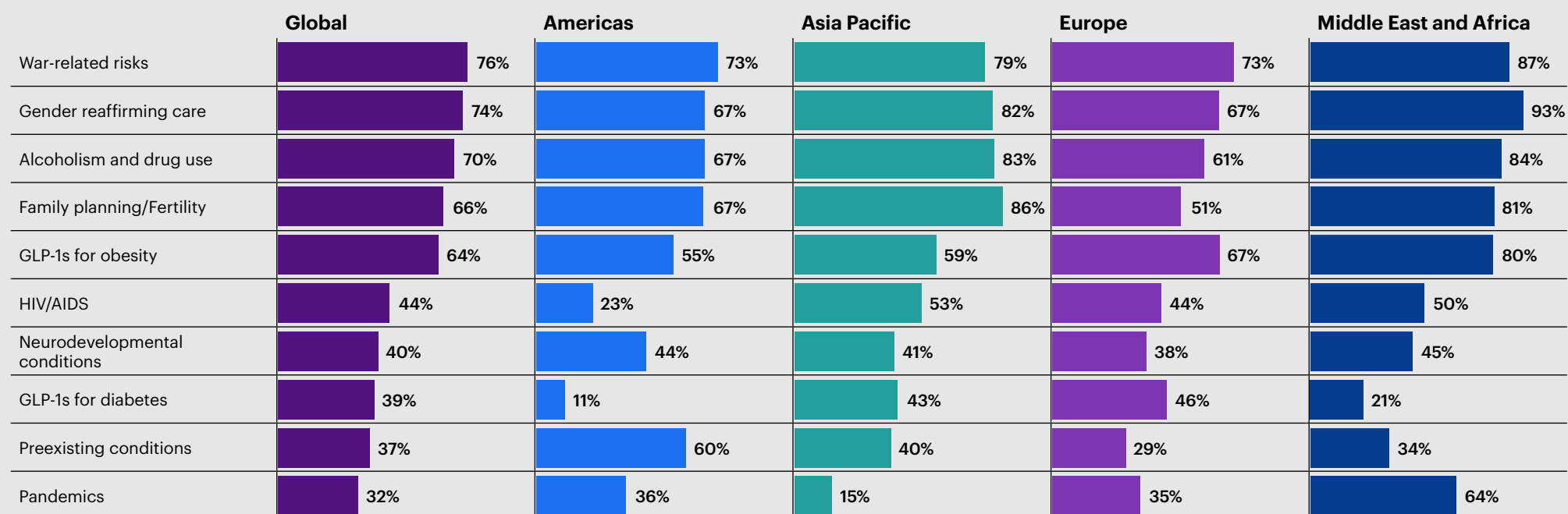
Other popular cost management methods globally include limits on services (either annual or service-specific) and preapproval requirements. Exclusions are another way to control utilization. The most common exclusion globally is for war-related risks, with 76% of insurers reporting this in their standard medical programs (Figure 10). Other frequent exclusions include gender re-affirming care (74%), alcoholism and drug use (70%) and family planning or fertility services (66%). These exclusions are consistently applied across all regions.

A notable exclusion is for GLP-1s for obesity: nearly two-thirds (64%) of insurers exclude these medications from their standard programs. Regional variation exists, with the Americas (excluding the US) being least likely to exclude GLP-1s (55%) and the Middle East and Africa most likely (80%). Despite these exclusions, 68% of insurers expect the use of GLP-1s to increase in the near future, suggesting a potential shift in coverage policies.



Figure 10. **Exclusions from standard medical insurance programs**

Are any of the following services excluded in your standard medical insurance programs?



Note: Percentages indicate "currently an exclusion". The United States not included in the results.
Source: 2026 Global Medical Trends Survey

Clinical condition management programs are rising in importance for managing medical costs (Figure 8). These programs improve patient outcomes and may reduce the need for expensive services like emergency room visits and hospitalizations. Evidence-based care, patient education and coordinated provider teams help individuals manage chronic conditions such as diabetes, heart disease and asthma — conditions that account for a large share of healthcare spending. Well-designed programs can lead to reductions in healthcare utilization and costs, while enhancing patient satisfaction and engagement.

Finally, telehealth remains a popular method for managing medical costs, though its perceived effectiveness has declined. This trend is seen across most regions except Europe, where telehealth is considered slightly more effective. Importantly, telehealth is increasing utilization by lowering barriers to care, especially for patients who may struggle to access certain services. While expanded access can be beneficial, it may also lead to higher overall healthcare utilization, which can impact cost management strategies and could explain its reduced effectiveness as a cost management strategy.

Country spotlight: U.K.

Employers are working to manage costs by choosing insurers they can partner with and optimizing their financing. They are assessing benefit design for relevance, examining gaps and overlaps in benefits to eliminate duplication and focusing on clear communication with employees. Additionally, they are requesting more data from insurers and vendor partners to better identify organizational health risks, facilitating data-driven decisions aimed at prevention and education.

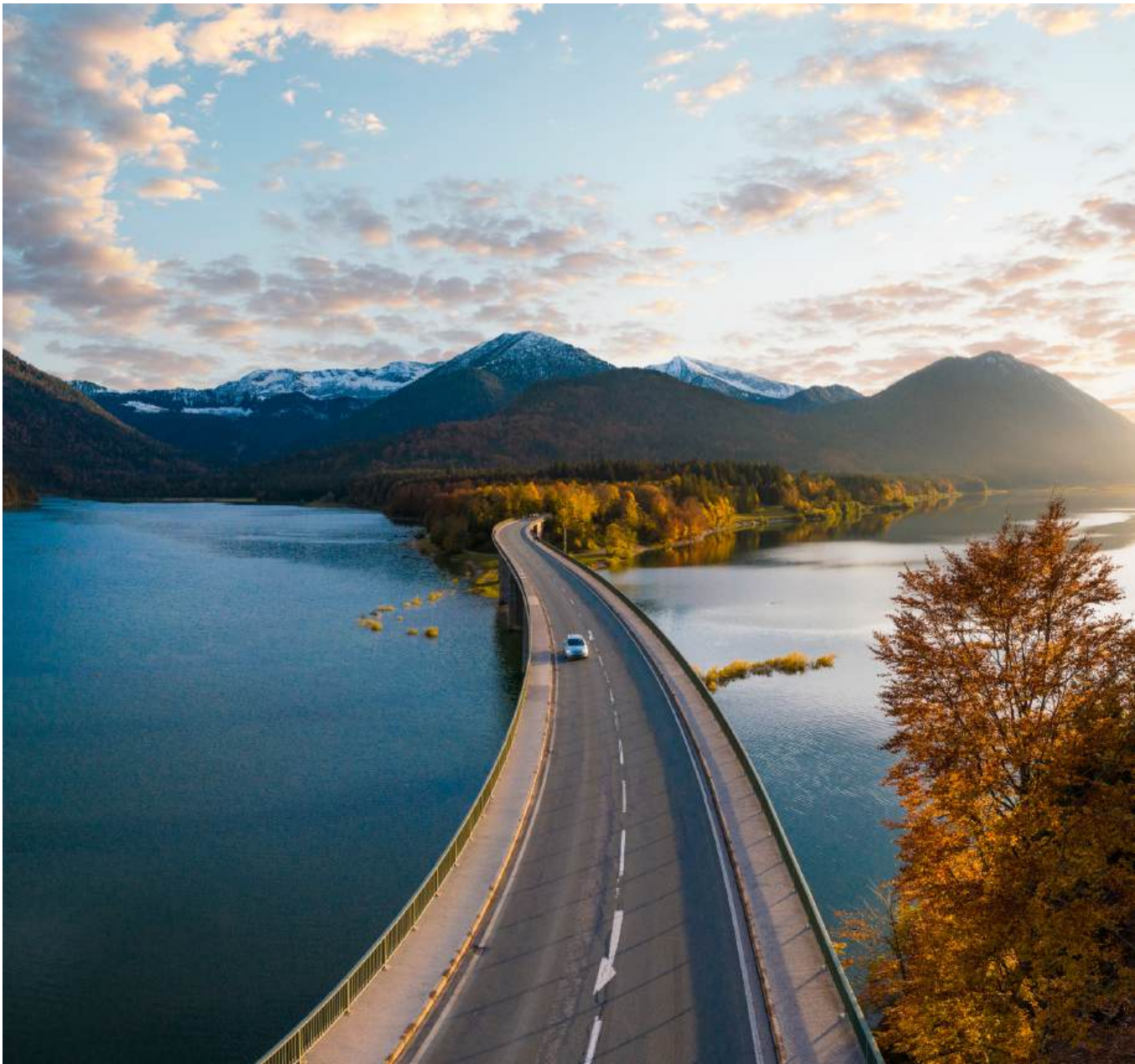


Changes to medical plans

Despite cost increases, employers are looking to selectively expand their benefits portfolios. Insurers report requests from their clients to expand coverage for fertility and reproductive health, especially as most of these treatments are currently excluded in standard medical insurance programs. The requests vary by region but primarily include fertility treatments such as IVF and egg-freezing, or family planning. Mental health is also another top area where insurers report requests from employers to expand coverage.

Other notable requests are for the addition of optical and dental benefits, preventive care (such as annual health checkups), preventive genetic sequencing, early detection initiatives and gender reaffirming care. Specialized treatments are also in demand, including robotic surgery, biologics and immunotherapy.

Additionally, employers are increasingly interested in modernizing administration, including flexible benefits, expanded virtual health and automation. In turn, insurers report expanding coverage and some have added these benefits to their standard medical programs.



Spotlight topics

Behavioral health

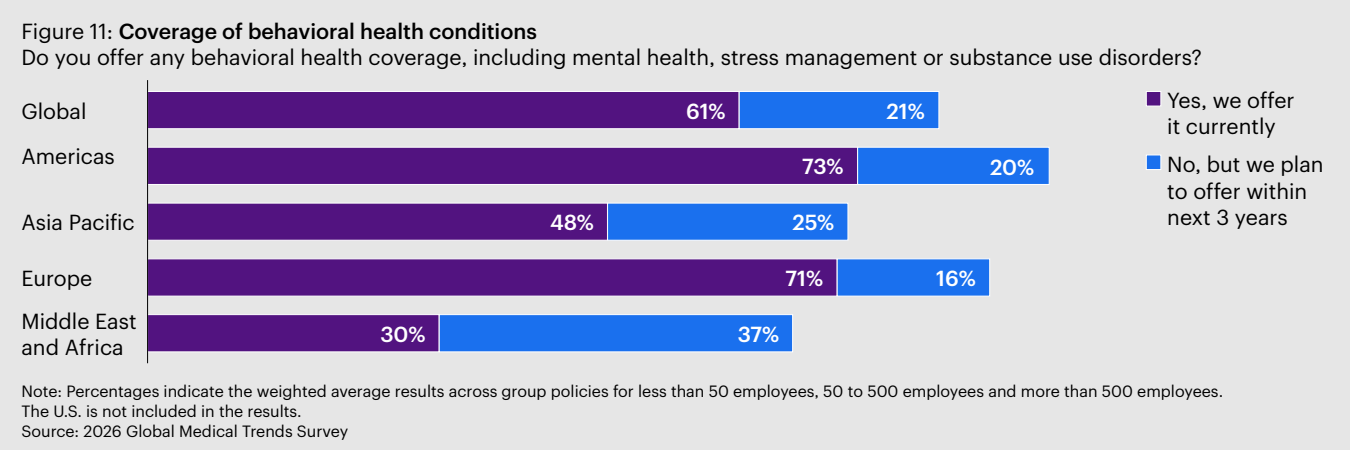
Globally, behavioral health coverage, including mental health, stress management and substance use disorders is offered by 61% of insurers, with another 21% planning to add these services soon (Figure 11). This means that more than 82% of insurers will soon provide behavioral health coverage, with larger group policies more likely to provide coverage.

The Americas (73%) and Europe (71%) report the highest current coverage, while Asia Pacific (48%) and the Middle East and Africa (30%) lag behind. However, 37% of insurers in the Middle East and Africa plan to expand coverage in the next few years, signaling a growing recognition of behavioral health needs in the region.

Mental health conditions are typically covered; 80% of insurers say it is common or very common in their plans. Coverage of substance use disorders on the other hand is less prevalent, with only 40% of global insurers reporting it as common. Regional variation is significant: half of insurers in Europe offer substance use disorder coverage, compared to just 18% in Asia Pacific.

Employer demand for behavioral health services is strong, with requests for psychological and psychiatric care, virtual counseling, expanded outpatient support and therapy apps focused on stress resilience. In response, many insurers have expanded mental health coverage in their standard programs, adding wellness initiatives, therapy apps, psychotherapeutic treatment and substance abuse support to their standard medical insurance programs.

There has been a surge in behavioral health claims post-pandemic, which has pushed employers to reconsider and enhance their offerings, through both insured and non-insured benefits. Many insurers report expanding current coverage to allow for effective, long-term care, largely by increasing annual limits on mental health outpatient visits. But this is not the case in all markets, as stigma still exists around mental health in many countries and care resources are less available. Employers are also focusing on developing global internal wellbeing initiatives and ensuring that preventative care, telehealth and employee assistance programs are in place to promote access to healthcare, prevent against adverse mental health outcomes, triage requests for care and provide the support needed.



Fertility and family planning

While 66% of insurers continue to exclude family planning and fertility services from their standard medical insurance programs, there are notable pockets of coverage emerging globally. The most common type of coverage is for specialist consultant services, with 33% of insurers offering this benefit worldwide. Coverage for specialist consultants is especially prevalent in the Middle East and Africa (61%) and Europe (41%), reflecting regional differences in benefit design.

Though 66% of insurers exclude family planning and fertility services from their standard programs, pockets of coverage are emerging globally.

Other fertility-related benefits, such as fertility medications (27%) and IVF treatment (25%) are also gaining traction globally and are available across all four regions. While few insurers globally report that they are planning on expanding coverage in any of these areas, the fact that so many employers are requesting expansion of coverage in their plans may signal a necessary shift in focus from insurers.

There is also a marked divide between fertility benefits offered through global medical programs and those available through local programs; offerings available in local markets are still developing, while global insurers face a demand for diversification of benefits to meet a wide variety of fertility and family planning needs. If not available through insured medical programs, fertility benefits can be provided through supplemental plans or as an employer-specific negotiated benefit. As workforce demographics shift to younger populations, the demand for fertility coverage will likely continue to grow in demand and become a larger focal point within healthcare programs.



Cancer

Cancer is not only the leading contributor of claims expenses, but has also been the fastest-growing condition in both utilization and cost. In nearly every region, cancer now stands as the fastest-growing and most expensive diagnosis for insurers, cited by 57% globally. Insurers also report it as the fastest-growing condition globally by incidence (48%), particularly in Asia Pacific as reported by 52% of insurers.

Three in four insurers (74%) say they have seen an increase in the incidence of cancer in the population under the age of 40 over the past year. This finding resonates with recent medical research that early on-set cancer is on the rise, without a clear explanation why. Medical experts point to risk factors such as environmental and lifestyle factors that are linked to an uptick in cancer. Detection of early symptoms can be delayed with younger adults, who may otherwise be healthy and not seeking out regular healthcare as frequently as older generations.

Globally, the fastest growth in incidence has been in breast cancer, as reported by 81% of insurers and is a consistent trend across our four geographies — the Americas (74%), Asia Pacific (81%), Europe (83%) and the Middle East and Africa (86%). The rise in prevalence can be partially attributed to aging populations, who are more likely to develop breast cancer, as well as the improved screening technologies.

The most effective ways insurers report to reduce cancer claims and costs are prevention through reducing risk factors (70%) and screening (69%). Late-stage cancer treatment can be very costly, so both preventing cancer from developing and early diagnosis can help prevent cancer from progressing.

Wellbeing programs (35%), which can help to reduce cancer risk factors, are the third most effective way to reduce cancer claims and costs globally.

All regions report screening as effective in reducing cancer claims and many countries have seen investment in early detection technology. Although this technology is currently expensive, it may help to reduce high-cost claims for late stages of cancer in the future.

Many countries attribute their rising medical costs partially to the expense of cancer treatments as well as prolonged treatments, as a result of longer survival rates. With continued advancement in treatments and drugs (e.g., biologics, biosimilars, precision oncology, CAR-T cell therapy, next-generation immunotherapy, mutation-based methods and liquid biopsies), care is more readily available and accessible, but is becoming exceedingly more expensive — especially over the long term. While the use of advanced treatments helps reduce costs, balancing affordability and access to cutting-edge treatments remains a challenge.

Figure 12: Fastest growing cancers over the past 18 months

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

Source: 2026 Global Medical Trends Survey



GLP-1

Coverage of GLP-1 drugs for obesity is not common globally, where only 38% say it is covered in any of their plans; the Americas stand out where almost three in five (55%) say it is covered. However, 68% of insurers globally expect the use of GLP-1s for obesity will increase over the next three years, particularly in the Americas (73%) and Europe (77%); and to a lesser extent in the Middle East and Africa (64%) and Asia Pacific (53%).

Along with an increase in utilization, the costs associated with GLP-1s for obesity are expected to increase over the next three years, as reported by 67% of insurers. This was highest in the Americas where 78% expect an increase in cost trends due to the use of GLP-1s, followed by Asia Pacific (66%), Europe (64%) and the Middle East and Africa (53%). Due to the high cost of GLP-1s, many public and private health plans place restrictions on their use. These restrictions are mostly around the presence of other conditions (comorbidities) like cardiovascular issues, BMI levels that are higher than those set by local medical authorities, or limits on the duration of the therapy. Establishing such restrictions may become prevalent as demand for these drugs increase.

It is worth noting that a quarter of respondents globally (23%) were unsure about the impact of GLP-1s on cost. Insurers in the Middle East and Africa expressed the highest rate of uncertainty about the direction of cost (44%), whereas insurers in the Americas expressed the lowest rate at 2%.

Country spotlight: Singapore

Singapore has one of the highest rates of obesity in Southeast Asia, as well as a relatively high prevalence of diabetes. These trends have generated significant demand for effective weight management solutions beyond traditional diet and exercise. There has been a shift towards use of GLP-1 therapies for weight management, a trend further accelerated by increased media coverage, social media influencers and the government's "War on Diabetes" initiative. However, current insurance programs do not provide GLP-1 coverage for obesity treatment alone.

Country spotlight: UAE

Off-label use of GLP-1s for weight loss — often without supervision — is contributing to hidden insurance claims. As side effects or complications from unsupervised GLP-1 use emerge, insurance claims are frequently filed under symptoms that mask the real cause. As demand grows, insurers and employers alike are navigating the complexities of coverage, access and affordability across these evolving healthcare needs.

AI in healthcare

Globally, about one in six (17%) insurers report using AI in healthcare programs in a significant way today. However, this low usage is expected to double to 37% over the next two years, as many insurers look to incorporate these capabilities in their healthcare programs and activities. The lowest current use is reported in Asia Pacific (8%), whereas the use in the Middle East and Africa is relatively high at 43%.

Current usage in healthcare delivery is focused on communication and plan administration, but AI capabilities are expected to increase across the board. The biggest AI investments are directed toward plan administration (58%), followed by navigation solutions (37%), communications (36%) and program evaluation (32%). This picture is generally consistent across the regions, except in the Middle East and Africa where the biggest investments are toward wellbeing (68%).

Globally, most insurers report that their investments in AI have not had an impact on their cost trends (63%). However, when asked about the next two years, this percentage falls to 36%, with mixed results of 35% of insurers saying AI will reduce their healthcare costs trends and 30% say it will increase their costs in the next two years. Looking at the next five to 10 years, most (64%) report that AI will reduce the cost trend, with only one-quarter (26%) saying AI will increase costs. While AI is doing little currently to reduce medical costs, insurers are optimistic it will reduce costs in the future.

AI is projected to play a growing role in improving diagnostics and treatment efficiency, including use for early detection of cancer and other diseases, personalized treatment planning and automation of services. It's also expected to play a valuable role in hospital management to improve efficiency amid ongoing productivity challenges and staffing shortages. While the potential for application and optimization is seemingly expansive, data security and ethical issues remain present.

Country spotlight: Taiwan

Taiwan is rapidly integrating AI into healthcare delivery, with applications ranging from diagnostics and hospital operations to predictive screening tools. Government initiatives are pushing AI adoption to address aging population challenges and workforce shortages, while hospitals are piloting AI-powered robots and smart ward systems. AI investment is strong, but ethical and data governance frameworks are still evolving.





How clients use insights from GMT

- **Utilize projected medical trends by country to directionally benchmark** or generally estimate cost increases for the next year's benefit spend in each jurisdiction.
 - This exercise can provide guidance on how to budget appropriately for future global benefits spend, understanding where to account for directional cost increases.
 - Projected trend figures can also be used in planning renewals and can inform the renewal strategy; using the data can guide decision-making on where to either consider plan changes or maintain the status quo. Where large cost increases are expected, the data can help the team to review cost mitigation options, such as considering alternative plan design scenarios.
- Use insights into top global conditions (by cost and incidence) to **understand where intervention could be most valuable**.
 - Implementing targeted conditions and behavioral management programs can help reduce incidence and costs of key physical and mental health conditions.
 - For example, cancer condition management programs can be essential to mitigating the impact of cancer on employees and employers, especially as incidence rates rise among individuals under the age of 40. These programs support early cancer detection, care navigation and coordination and overall support services. While members can benefit from enhanced care and personalized support, employers can benefit from fewer hospitalizations, reduced costs, improved quality of life for their employees and the opportunity for earlier intervention.
- **Take an inventory of cost-saving measures in benefit programs**, beyond just cost-sharing. These measures can include preapproval for inpatient services or diagnostics/tests, limits on certain benefits, contracted networks for specific types of care, second opinions and alternative cash allowances.
 - By approaching cost-saving in an unconventional manner, more opportunities can be identified — especially in markets where co-pays and deductibles are not common or an option. Where cost-sharing is already in place, further layers of cost-saving opportunities can be established.
- **Consider a risk mitigation strategy** to better control costs, such as adding employee benefits to an existing captive. This allows the employer to better control costs and offer more flexibility in local benefits, as well as the opportunity to recoup or reduce some of their benefits spend and reduce claims volatility.
 - Using a captive also allows the company to receive more frequent and more detailed claims data, which is beneficial in helping to identify claims drivers and establish the right targeted preventative care to mitigate the impact of these conditions and ultimately improve population health.

Call to action

Optimize your healthcare benefits and spend

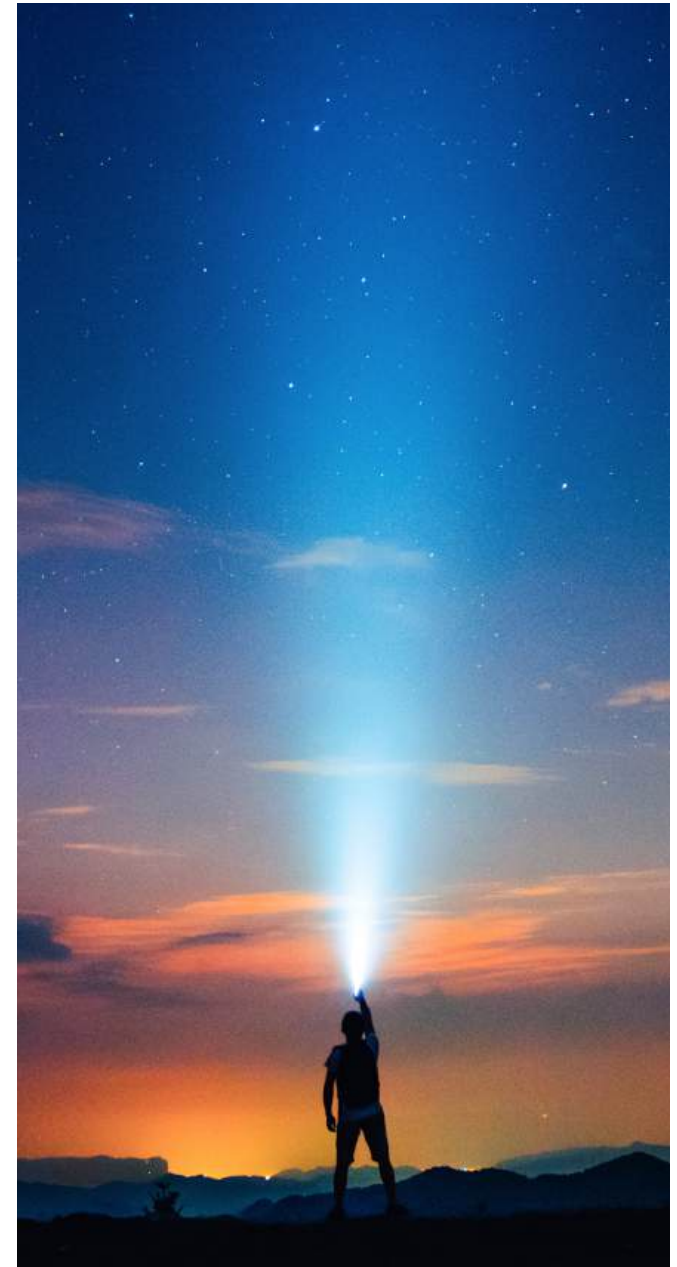
Rising medical costs continue to be a worldwide trend, despite the variance in healthcare landscapes by region. The challenge for multinational employers to navigate rising costs remains constant and requires strategic program management and budget forecasting to endure cost increases.

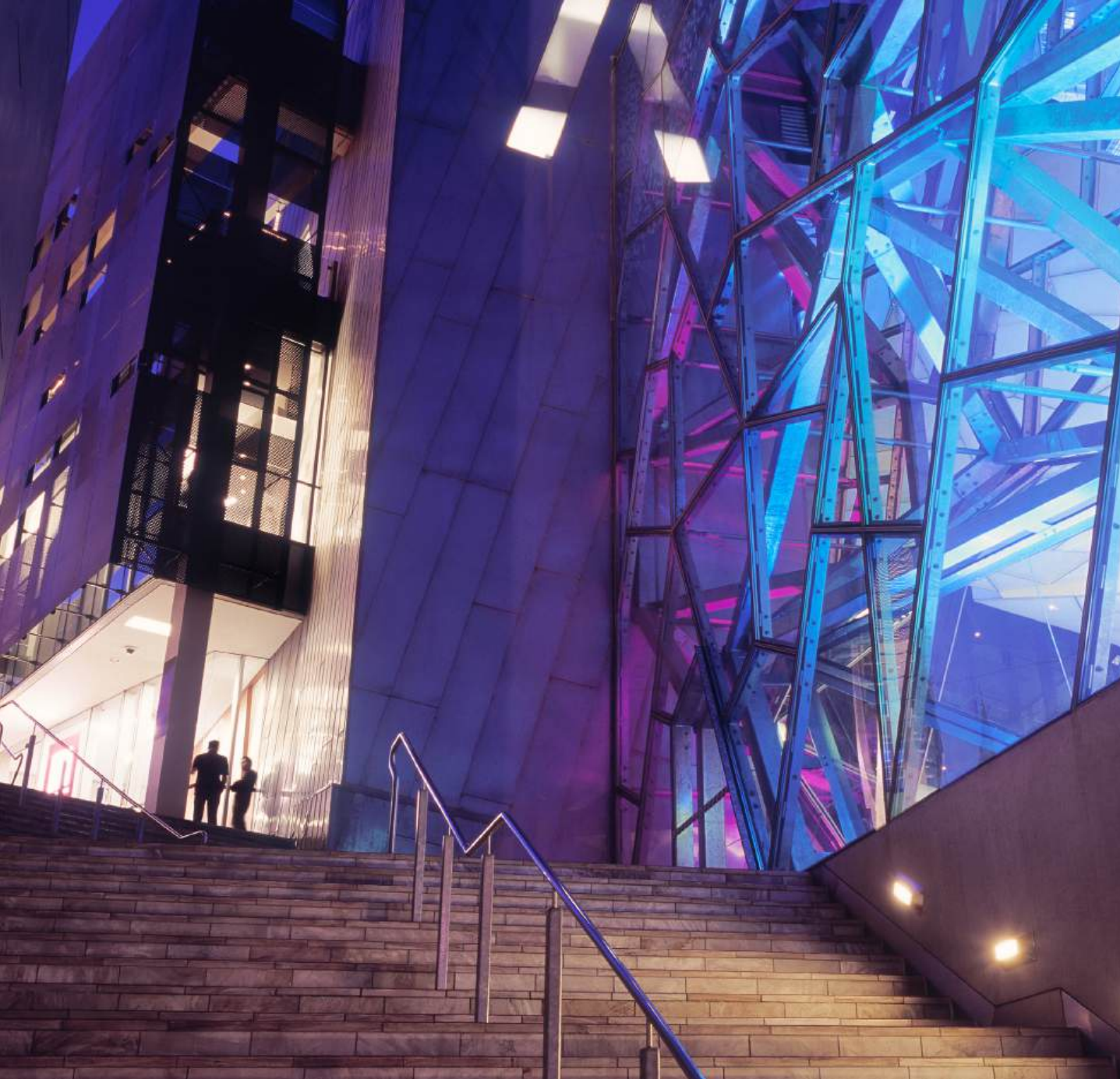
With many factors out of employers' control, some actions to take include:

- **Prioritize mental health:** ensure that mental health coverage is available through both insured and non-insured programs (i.e. IEAP, leave, etc.), expand digital mental health platforms, and optimize services/resources for supporting the needs of the employee population
- **Spotlight cancer awareness and prevention:** provide screenings and preventative services (i.e. mammograms) to employees; drive educational campaigns

- **Introduce flexibility where possible:** include an element of flexibility into benefit programs, so that employees can utilize the benefits that they need
- **Consider employee cost share:** introduce co-pay or co-insurance design to incentivize more thoughtful medical spending and discourage excessive claiming
- **Invest in education and prevention:** Empower employees to use healthcare benefits wisely by offering targeted guidance on when and how to access services, emphasizing the importance of preventive care to improve overall health outcomes

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





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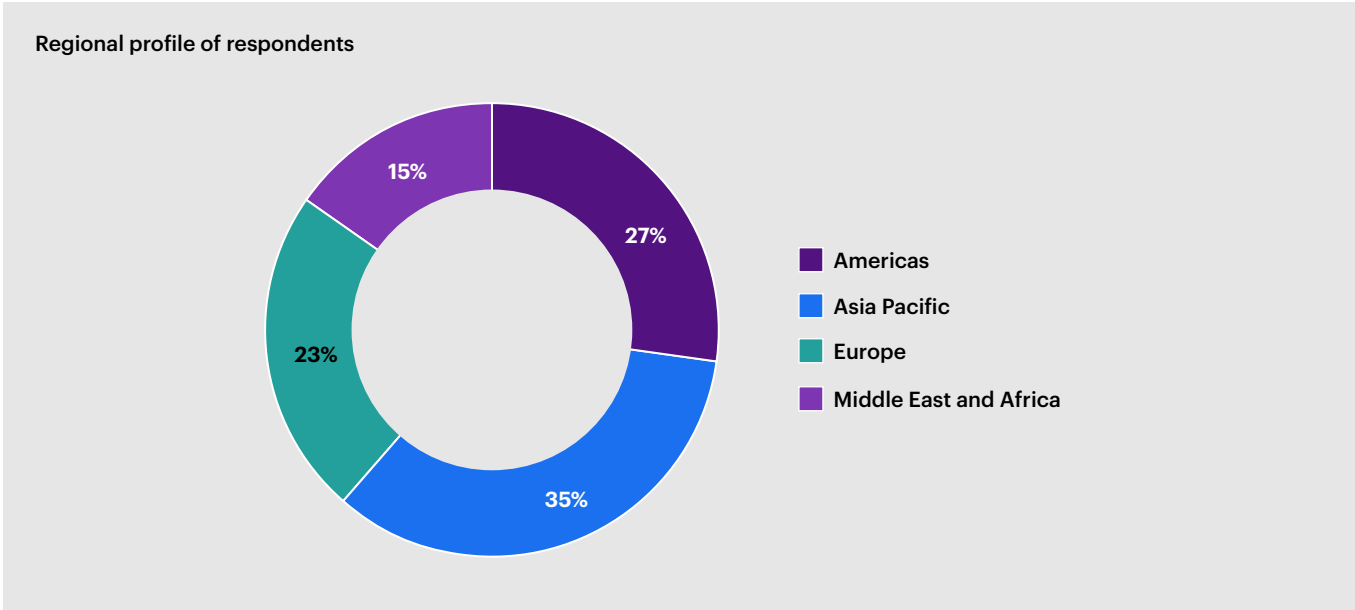
About the survey

A total of 346 leading health insurers covering 82 countries participated in our survey, which was in field June through July 2025. Additionally, we received input for 54 countries from WTW brokers. The combined data covers 91 countries.

Where we have data from both insurers and brokers, the country trend is calculated by taking an average of the insurer and broker trends.

We use GDP per capita as the weighting factor for regional and global trend rates, to lessen the effect of market size and currency issues.

Note our global, Latin America, Europe and Middle East and Africa numbers exclude Argentina, Turkey, Egypt, Nigeria and Zimbabwe as the trend in these countries have been identified as outliers due to inflationary pressures.





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 organisational resilience, motivate your workforce and maximise 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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