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Healthcare Trends

MP/Tier 2 Peer Group

Brandon Moorefield, EVP, Raleigh
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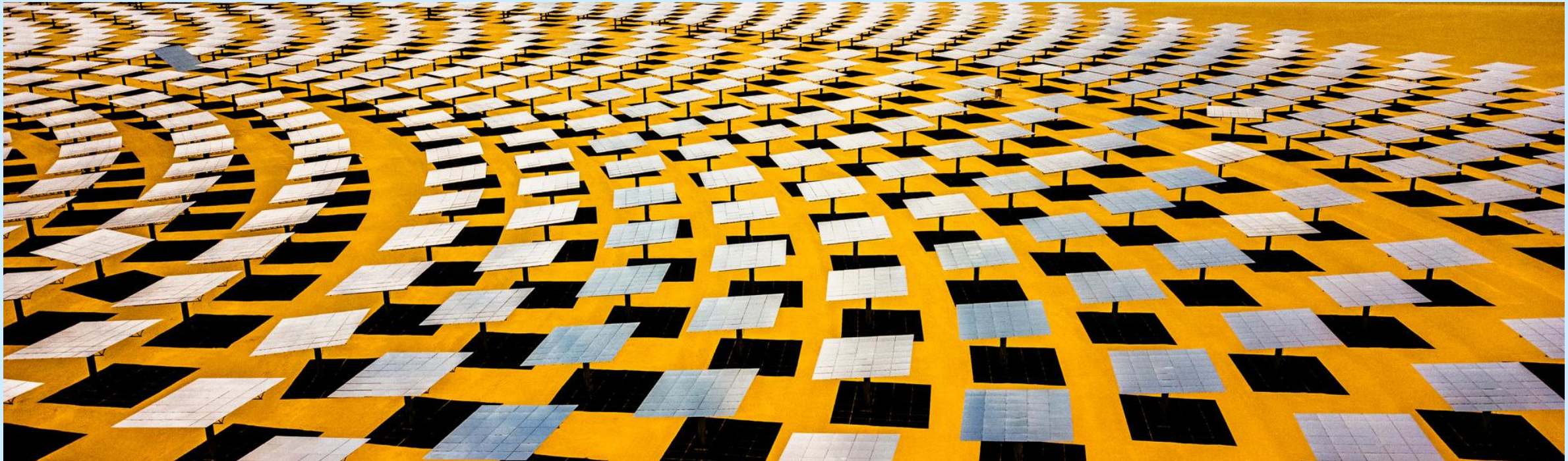
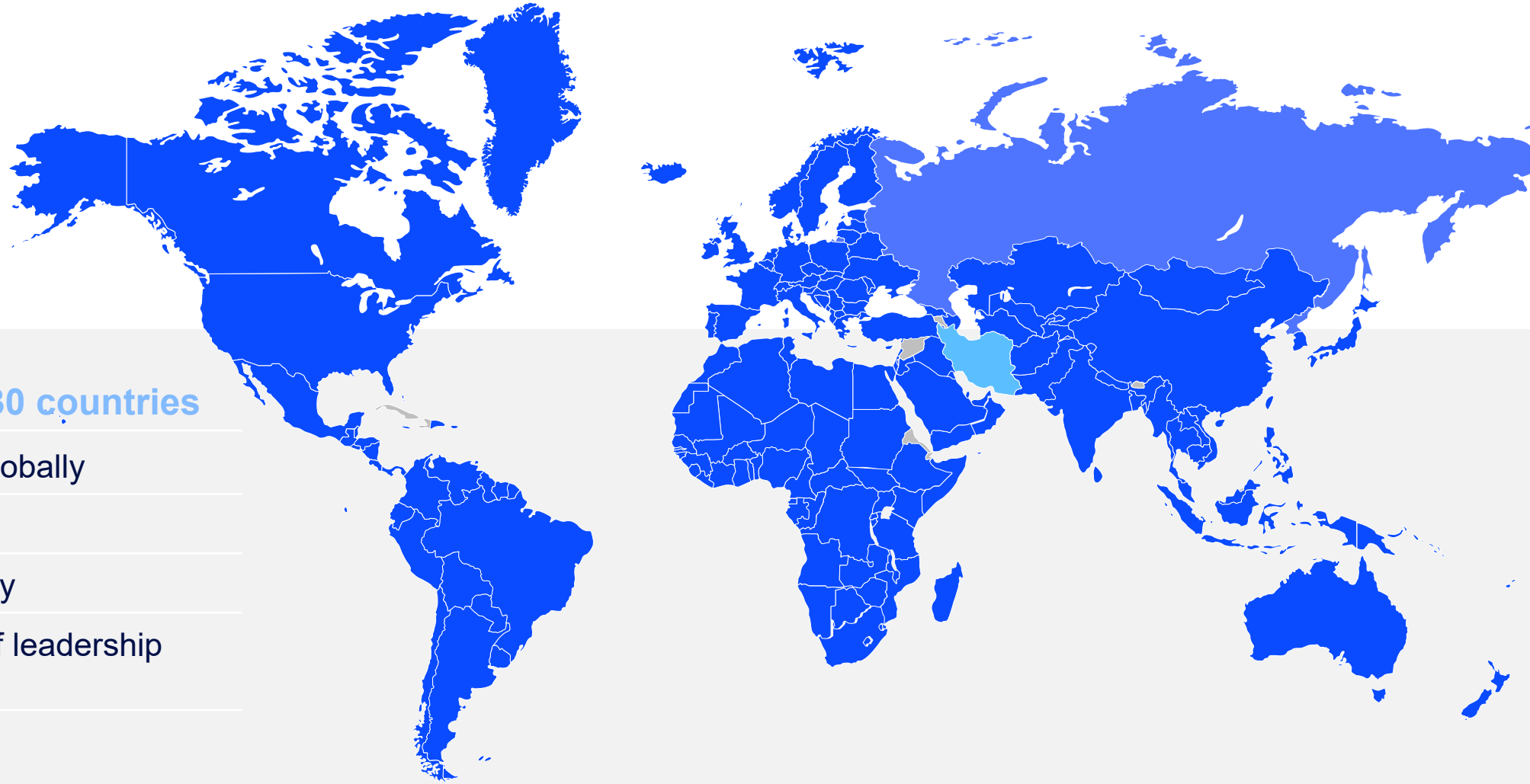


Agenda

1. Introductions
2. Healthcare Trends

Marsh's global scale and scope



Clients in more than **130 countries**

85,000+ colleagues globally

$23B annual revenue

Fortune 250 company

150+ year history of leadership and innovation

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The world leader in risk, strategy, and people.

Risk & Insurance Services

GUY CARPENTER A MARSH BUSINESS	Reinsurance and intermediary advisory services.
MARSH	Insurance broking and risk management.

Consulting

OLIVER WYMAN A MARSH BUSINESS	Management, economic, and brand strategy consulting.
MERCER A MARSH BUSINESS	Talent, health, retirement and investment consulting.

MarshMcLennan Agency	Business insurance, employee health & benefits, retirement services, and private client services.

Healthcare Trends

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Healthcare Trends

Themes driving benefit design, cost management, and strategy in 2026

01

The health of the nation

Early-onset and chronic conditions are increasing, while population health priorities continue to change

Early-onset cancers and pediatric chronic diseases are increasing, women's health needs are still under-addressed, and oral health presents an opportunity to improve outcomes and reduce costs. Growing wildfire exposure adds operational risk for organizations nationwide, and eldercare is becoming an important workforce concern.

Proactive prevention and early intervention will help reduce both health risks and operational disruptions.

02

Pharmacy trends

Increasing use of specialty drugs and GLP-1s is leading to new approaches in pharmacy management.

Specialty drugs account for 60% of pharmacy spending, and GLP-1 use continues to grow. Employers are adopting biosimilar-first contracts, outcomes-based payments, and stop-loss protection to manage costs.

As new treatments enter the market, pharmacy strategy will play a key role in maintaining benefit competitiveness and long-term affordability.

03

Women's Health

Women's health is central to a company's workforce wellbeing

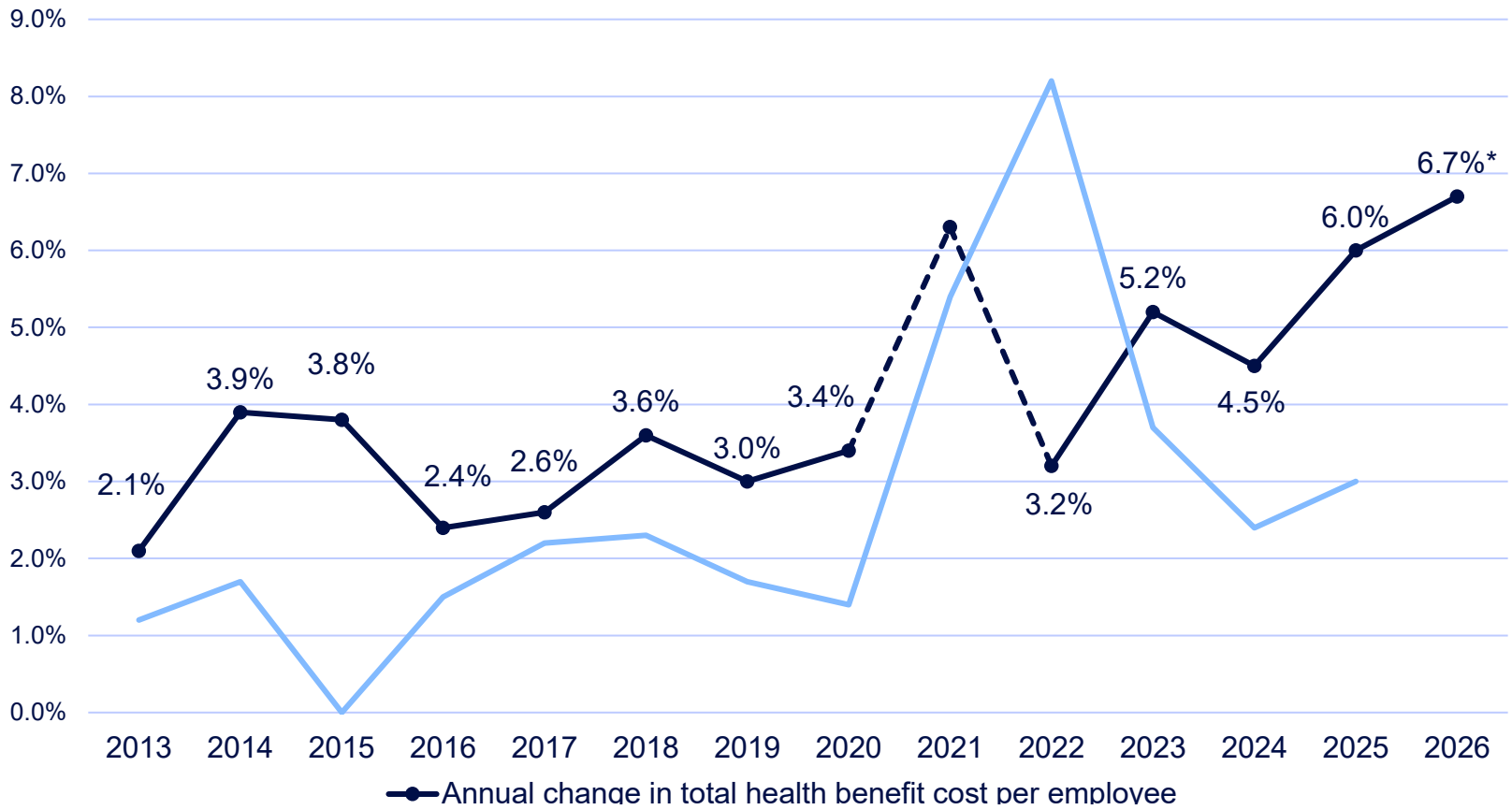
Health issues related specifically to women have largely been ignored or forgotten in the past by employer health plans. However, with a more demanding workforce, benefits for women's health are broadening and continuing to expand.

Employers will need to expand coverage related to women's health to support this important population within their companies.

Healthcare Trends

Total health benefit cost per employee rose 6.0% in 2025, with a 6.7% increase projected for 2026 -- the highest in 15 years

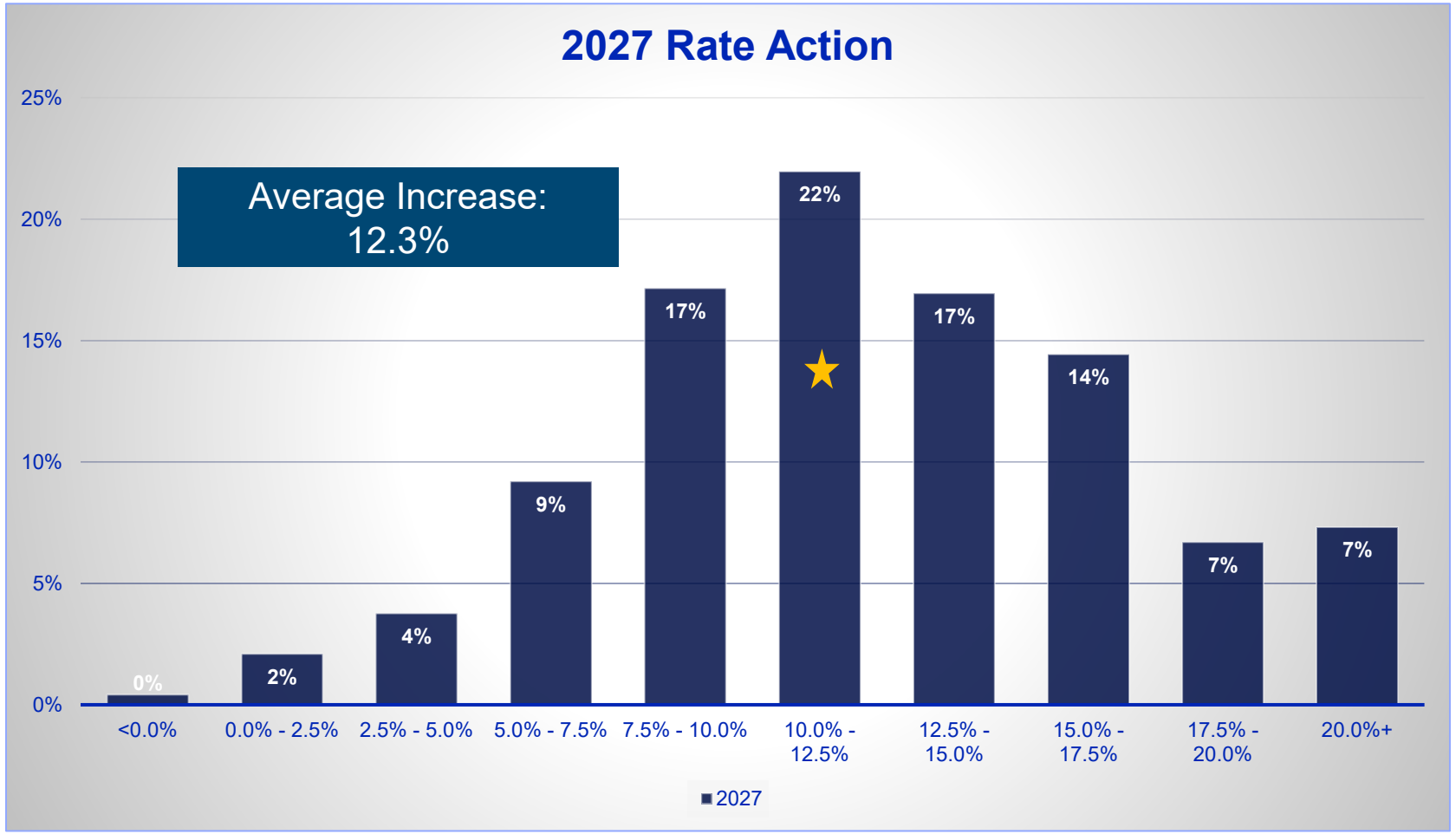
Change in total health benefit cost per employee compared to CPI



*Projected.
- - - indicates disruptions to cost trend caused by pandemic-related fluctuations in utilization
Source: Mercer's National Survey of Employer-Sponsored Health Plans (beginning in 2020 results are based on employers with 50 or more employees); Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (September to September) 2013-2025.

2027 Rate Increase Benchmark

Mercer Pulse Survey

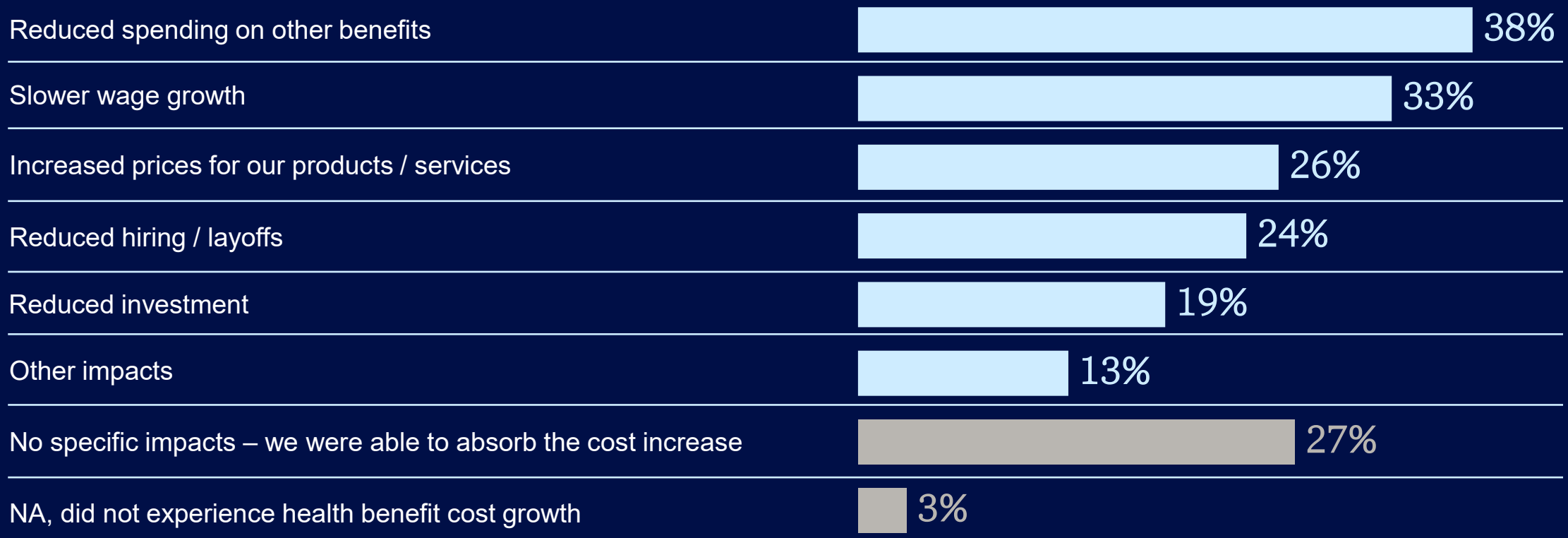


- The average renewal increase is above historical norms, at 12.3%. (compared to 10.3% in 2026 and 6-7% in prior years)
- Results reflect an increase in medical and pharmacy trend, an average of 8.7% and 11.3% respectively
- There's significant variability in the results, with many clients seeing double digit increases
- Benefit strategy will impact these trends. Approximately ½ of the respondents indicate coverage of GLP-1s.
- Varying factors could increase/decrease rate increases (M&A activity, RIFs, etc.) outside of true claim experience.

Healthcare Trends

Rising health benefit costs are impacting benefits and wage growth – and other parts of the business as well

How business has been impacted by growth in health benefit costs over the past two years



Employers with 500 or more employees

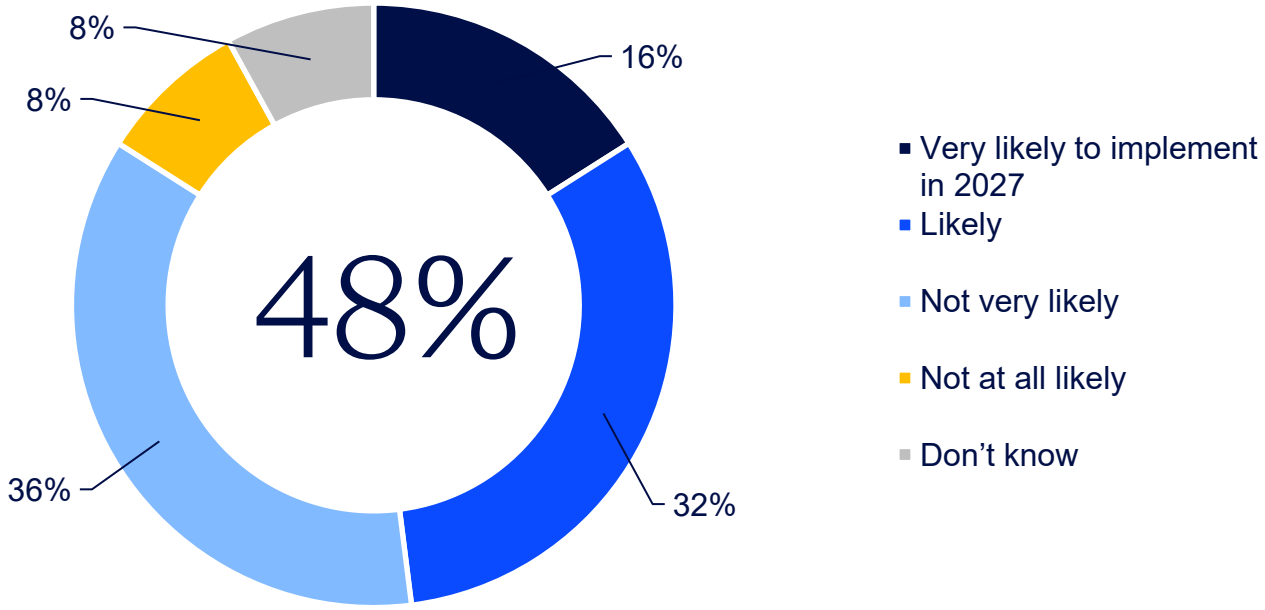
Healthcare Trends

With cost growth accelerating, many employers are likely to make changes in 2027 that shift cost to employees

Employers with 500 or more employees

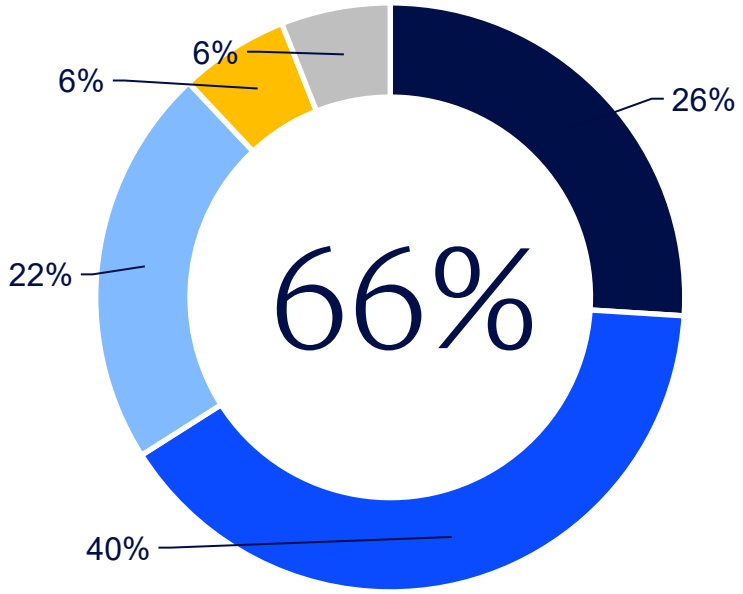
Increase cost-sharing through plan design changes

Plan design changes such as raising deductibles, out-of-pocket maximums, copays, etc. in the largest medical plan



Increase cost-sharing by raising the % of premium paid by employees

Pass along more than a proportionate share of the cost increase across all coverage tiers in the largest medical plan



Healthcare Trends

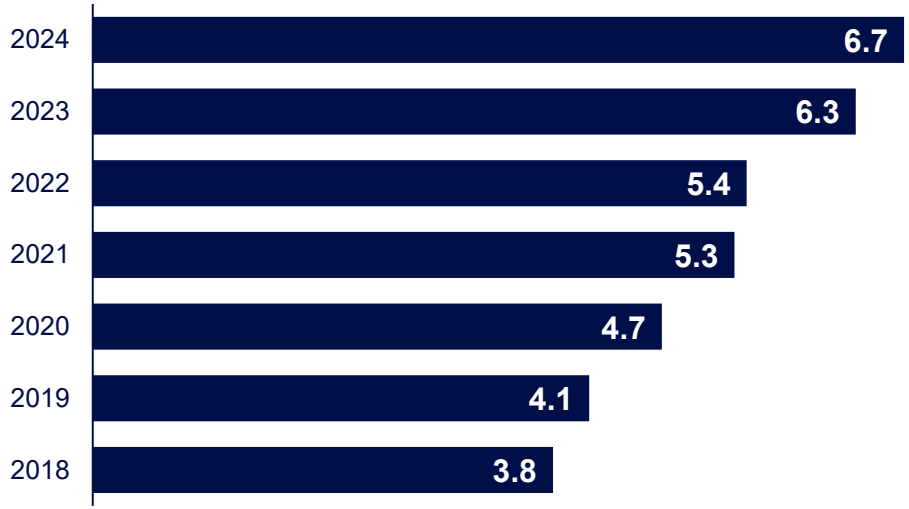
Cancer diagnoses are rising in younger adults.

Between 2018 and 2024, cancer incidence among individuals ages 20–29 nearly doubled, rising from 3.8 to 6.7 cases per 1,000.[1]

Longer-term studies over the past three decades echo these findings and show a sustained rise in early-onset cancers and related mortality rates in younger populations.

Between 1990 and 2019, cancer diagnoses in people under 55 rose by 79%, while related deaths increased 28%.[2]

Cancer episode prevalence in the United States per 1,000 people, ages 20–29[1]



Cancer today is a high-cost, high-risk condition, and the single most important thing employers can do is make sure their people get into the right care quickly. Every week of delay in diagnosis or treatment raises mortality risk. Employers should focus on advocacy and navigation services to ensure early detection and timely access to high-quality care.

Dr. Monte Masten MD, MBA, MPH, FACOG
Chief Medical Officer,
Marsh McLennan Agency

1. Marsh McLennan Agency, "Cancer Trends 2018–2024," January 23, 2025, https://www.marsh.com/en/services/employee-health-benefits/insights/top-health-trends-for-2025.html. **2.** Jaime Ducharme, "The Race to Explain Why More Young Adults Are Getting Cancer," *TIME*, February 13, 2025, https://time.com/7213490/why-are-young-people-getting-cancer/.

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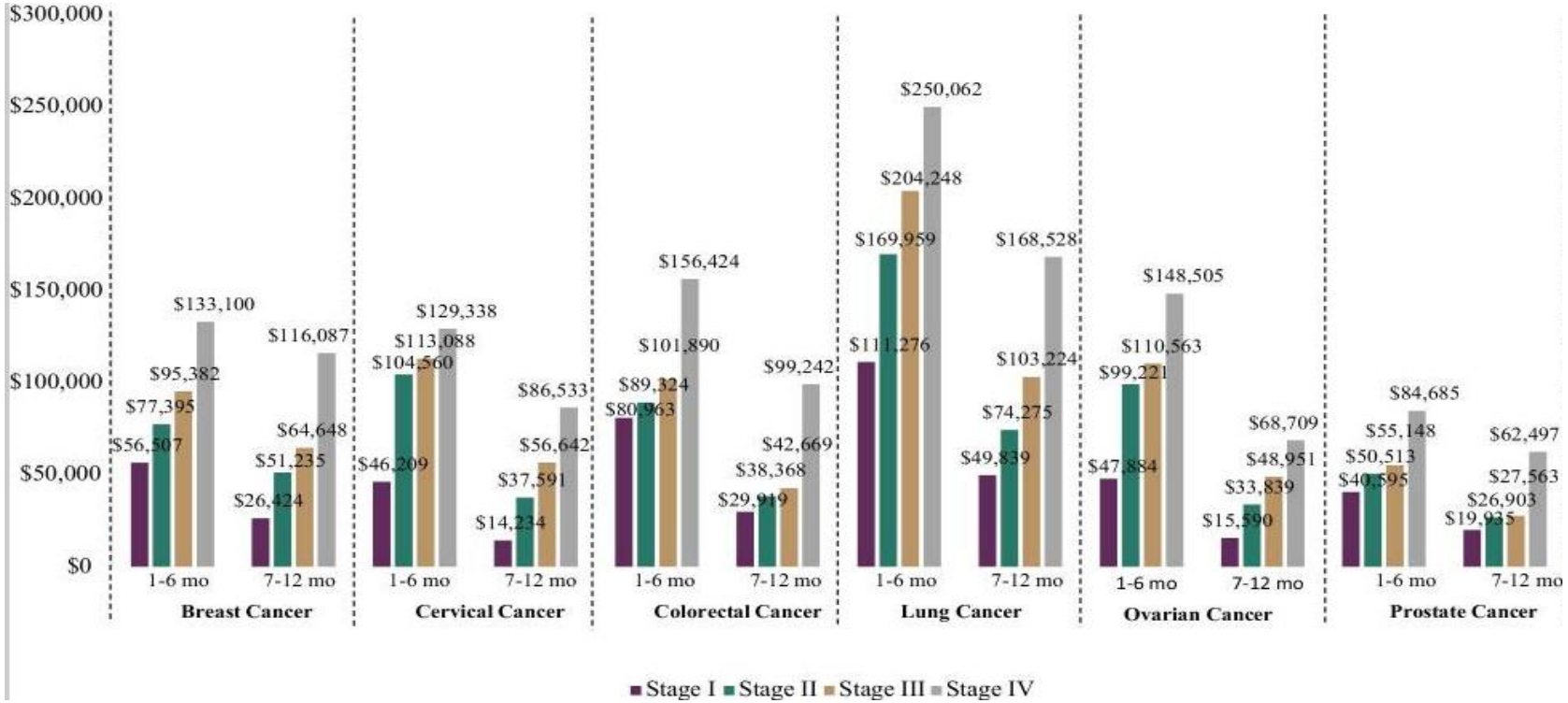
Healthcare Trends

Cancer costs by stage of diagnosis



Increased healthcare costs by later stage cancer diagnosis

November McGarvey [1], Matthew Gitlin [1], Ela Fadli [1], Karen C Chung [2]

Author information · Article notes · Copyright and License information

PMCID: PMC9469540 PMID: 36096813

Mean annual and cumulative healthcare costs through year four post cancer diagnosis were significantly higher among those diagnosed at later versus earlier cancer stages. The steeper increase in cumulative costs among those diagnosed in stage IV for many cancer types highlights the importance of earlier cancer diagnosis. Earlier cancer diagnosis may enable more efficient treatment, improve patient outcomes and reduce healthcare costs.

In the first-year post diagnosis, mean costs increased by stage and were higher in the first six months as compared to the second half of the year across all cancers and stages.

https://pmc.ncbi.nlm.nih.gov/articles/PMC9469540/

Healthcare Trends

IVF coverage has grown year-over-year.

IVF has become a standard benefit for large employers.

IVF coverage has steadily increased among both small and large employers over the past five years. What was once a benefit offered by a minority of plan sponsors now appears in **half of plans offered by employers with under 500 employees** and in **three quarters of plans offered by employers with 20,000 or more employees.[3]**

Polycystic ovary syndrome and long-term health risks

Polycystic ovary syndrome (PCOS) affects about 5 million women of reproductive age in the United States and is **closely linked to both metabolic and fertility challenges.[1]**

More than half of women with PCOS develop type 2 diabetes by age 40.[2]

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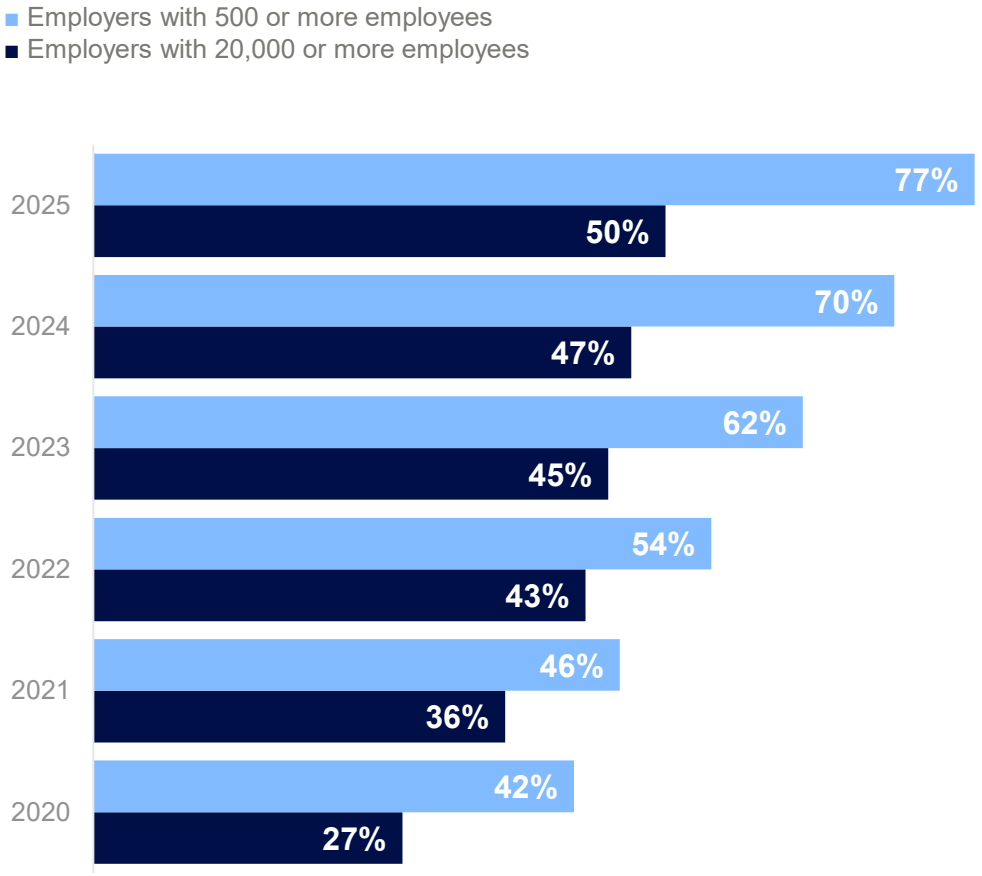
IVF is now covered by half of all large employers.



1. National Academies of Sciences, Engineering, and Medicine, "To Advance Women's Health Research, NIH Should Form New Institute and Congress Should Appropriate New Funding, Says Report," press release, March 21, 2024, https://www.nationalacademies.org/news/to-advance-womens-health-research-nih-should-form-new-institute-and-congress-should-appropriate-new-funding-says-report. **2.** Centers for Disease Control and Prevention, "Diabetes and Polycystic Ovary Syndrome (PCOS)," last reviewed September 30, 2024, https://www.cdc.gov/diabetes/risk-factors/pcos-polycystic-ovary-syndrome.html. **3.** Mercer, "National Survey of Employer-Sponsored Health Plans," November 21, 2025, https://www.mercer.com/en-us/solutions/health-and-benefits/research/national-survey-of-employer-sponsored-health-plans/.

Healthcare Trends

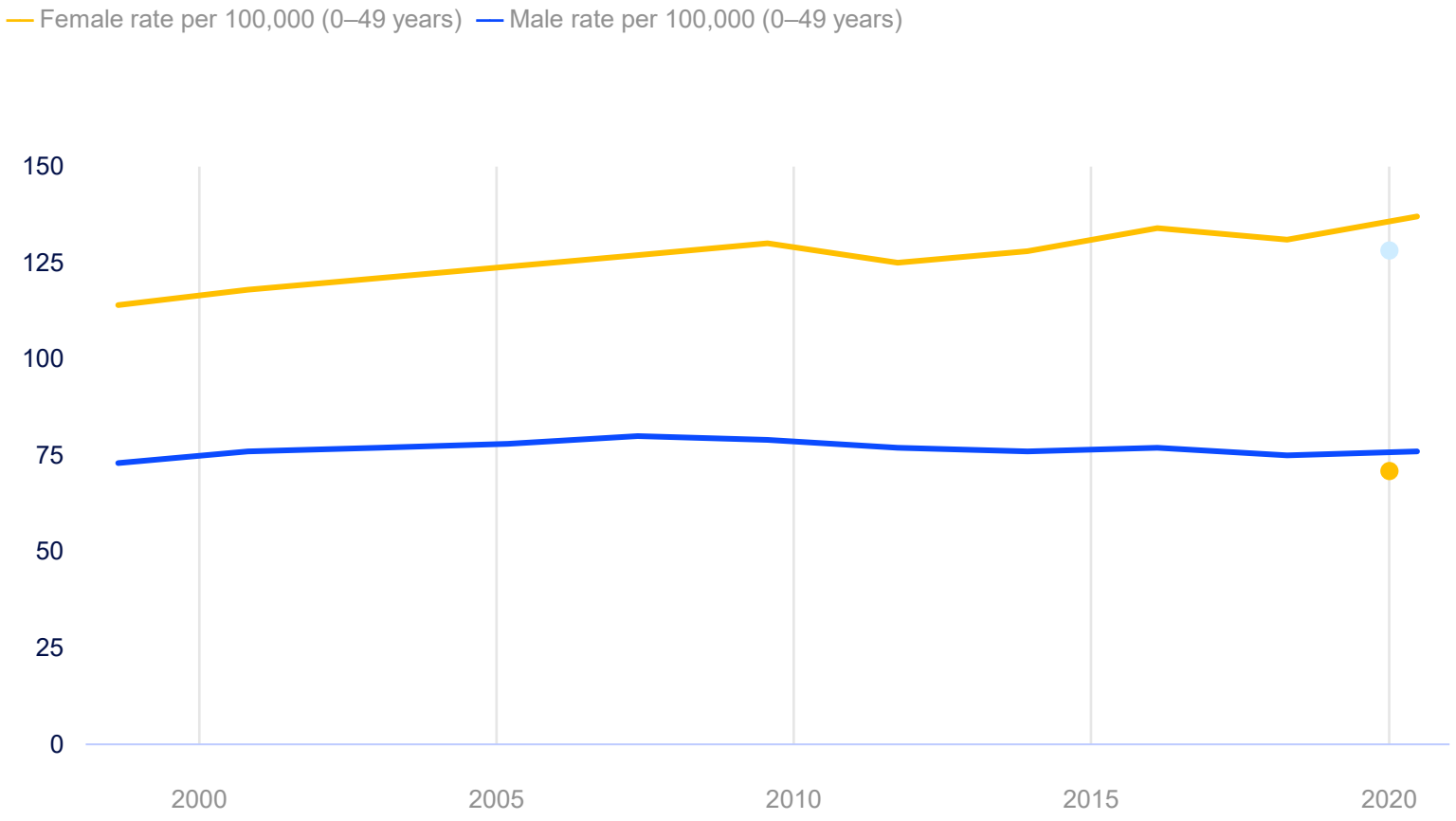
Women face higher rates of aggressive and early-onset cancers.

Women under 50 face an 82% higher cancer incidence than men of the same age, up from 51% in 2002.[1]

Breast cancer is the leading cause of cancer death in women aged 20–49 and accounts for one in three cancer diagnoses.[2]

Among women aged 20–39, distant-stage (stage 4) breast cancer incidence rose 2.9% per year between 2004 and 2021.[2]

Trends in cancer incidence by age and sex, United States[1]



1. Rebecca L. Siegel et al.,"Cancer Statistics, 2025," *CA: A Cancer Journal for Clinicians* 75, no. 1 (January 2025): 10–45, https://doi.org/10.3322/caac.21871. **2.** Edward Hendrick et al., "Surveillance, Epidemiology, and End Results Data Show Increasing Rates of Distant-Stage Breast Cancer at Presentation in U.S. Women," *Radiology* 313, no. 3 (December 2024), https://doi.org/10.1148/radiol.241397.

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Healthcare Trends

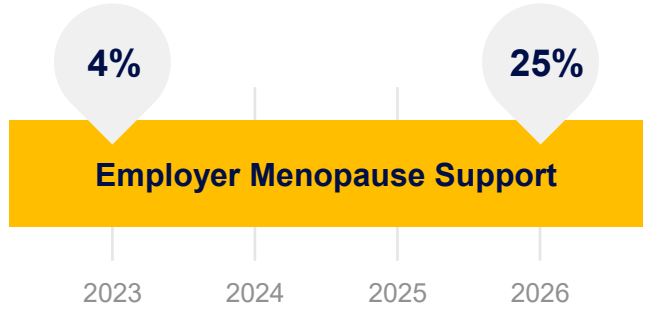
Support for menopause in the workplace is growing, but access remains limited.

Menopause typically occurs between ages 45 and 55, meaning a large portion of the workforce is directly affected during peak career years.

More than half of women say they have missed work at least once because of menopause symptoms, and **nearly one in six** have considered leaving their jobs due to a lack of workplace support.[1]

"Many women in the workforce are struggling with menopause symptoms such as poor sleep, fatigue, and anxiety—but these issues are often misattributed to stress or other causes rather than recognized as menopause. The impact on productivity and absenteeism is significant."

Lisa Comerose, RN, BSN, MBA
Senior Vice President,
National Clinical Management Consulting,
Marsh McLennan Agency



While just 4% of employers offered menopause-specific resources in 2023, that figure is expected to rise to 25% by 2026.[2,3]

These benefits increasingly include access to **hormone replacement therapy** (HRT), **counseling and mental-health support**, and **wearable tools for tracking and managing symptoms**.[4,5]

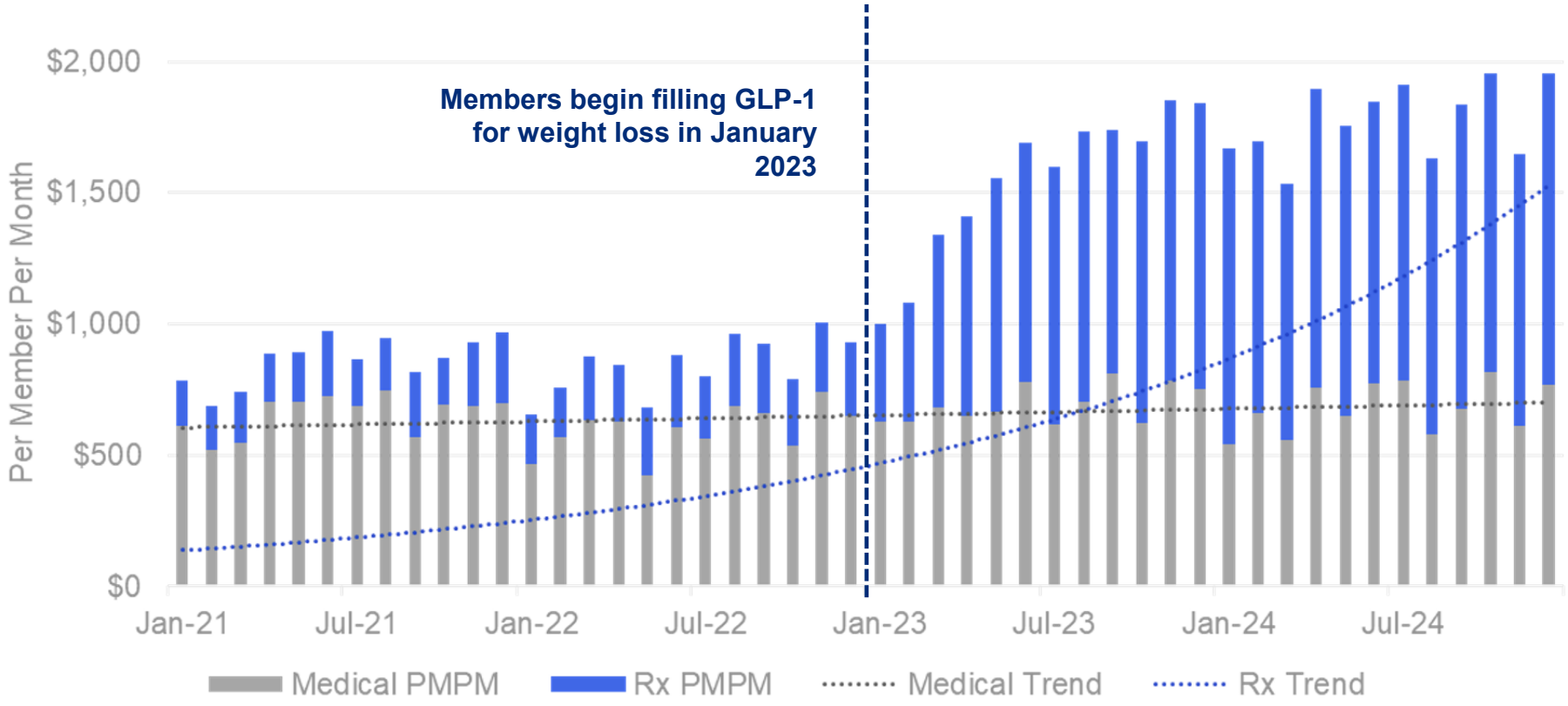
The rise reflects increasing recognition of menopause as a workplace health issue, but also underscores how much progress is still needed.

1. Chartered Institute of Personnel and Development (CIPD), Menopause in the Workplace: Employee Experiences in 2023, October 2023, https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/2023-pdfs/2023-menopause-report-8456.pdf. **2.** Mercer, "Health & Benefit Strategies for 2023 Survey Report," Mercer US Insights, December 2022, https://www.mercer.us/insights/health-benefits/health-and-benefit-strategies-for-2023.html. **3.** Mercer, "Survey on Health & Benefit Strategies for 2026," Mercer US Insights, January 2026, https://www.mercer.com/en-us/insights/total-rewards/employee-benefits-strategy/2026-benefit-strategies-report/. **4.** Carolina Gomez and Roberta Magalhaes, "Women in the Workplace: Understanding Their Unique Health and Wealth Concerns," Mercer, March 4, 2025, https://www.marsh.com/en/services/employee-health-benefits/insights/women-in-workplace-understanding-unique-health-wealth-concerns.html. **5.** Allison Cusber and Brittany Bono, "Innovation in Menopause Care Is Gaining Momentum," Mercer, July 2025, https://www.mercer.com/en-us/insights/us-health-news/innovation-in-menopause-care-is-gaining-momentum/.

Healthcare Trends

GLP1s Key Findings

Monthly combined Med and Rx costs increased 92% after patients started taking GLP-1 for weight loss



*Figures are total gross employer paid and do not include pharmacy rebates.

Adherence and lifestyle support are key challenges to weight-loss GLP-1 treatment.

More than half of patients prescribed GLP-1s for obesity discontinue treatment before reaching a clinically significant level of weight loss.[3]

Clinicians stress that sustainable outcomes *require lifestyle support*:

- **87%** of primary care providers say GLP-1s must be paired with dietary changes
- **79%** emphasize the need for regular exercise.[4]

85%

of patients prescribed GLP-1s for weight loss stop taking them after two years.[1]

Only 10%

of large employers require participation in lifestyle or weight-loss programs in conjunction with GLP-1 use.[2]

1. Prime Therapeutics, "Prime Continues to Lead Industry on GLP-1 Research: 1 in 7 Stays onGLP-1 Drugs for Weight Loss After Two Years," July 10, 2024, https://www.primetherapeutics.com/w/prime-continues-to-lead-industry-on-glp-1-research-1-in-7-stays-on-glp-1-drugs-for-weight-loss-after-two-years. **2.** Kaiser Family Foundation, "2024 Employer Health Benefits Survey," Section 13, October 9, 2024, https://files.kff.org/attachment/Employer-Health-Benefits-Survey-2024-Annual-Survey.pdf. **3.** Blue Health Intelligence. Trends in GLP-1 utilization: An analysis of prescribing, adherence, and costs. Blue Cross Blue Shield Association. 2024. https://bluehealthintelligence.com/reports/real-world-trends-in-glp-1-prescribing-and-treatment-persistence-for-weight-management/. **4.** Omada Health, "Survey Report: Primary Care Perspectives on GLP-1 Prescriptions," February 11, 2025, https://www.omadahealth.com/resource-center/survey-report-primary-care-perspectives-on-glp-1-prescriptions.

Healthcare Trends

Gene / Cell Therapy Current and near-term launches

The FDA anticipates that it will review and potentially approve 10-20 gene and cell therapies per year[1]

Currently on the Market Approved

ELEVIDYS: $3.2M
Duchenne Muscular Dystrophy

KEBILIDI: $3-4M
AADC Deficiency

LENMELDY: $2.3M
Metachromatic Leukodystrophy

SKYSONA: $3.0M
Cerebral Adrenoleukodystrophy

ZOLGENSMA: $2.6M
Spinal Muscular Atrophy

ITVISMA: $2.6M
Spinal Muscular Atrophy

ROCTAVIAN: $3.0M
Hemophilia A

HEMGENIX: $3.5M
Hemophilia B

CASGEVY: $2.2M
Sickle Cell Disease; Beta-Thalassemia

LYFGENIA: $3.1M
Sickle Cell Disease

ZYNTEGLO: $2.8M
Beta-Thalassemia

VYJUVEK: $1.4M
Epidermolysis Bullosa

ZEVASKYN: $3.1M
(multiple rounds may be needed)
Epidermolysis Bullosa

WASKYRA: $TBD
Wiskott- Aldrich Syndrome

LUXTURNA: $900K
Rare Eye Disease

ENCELTO: $500K
Rare Eye Disease
Note: tis is a device

KRESLADI: $3.2M
Immunodeficiency

LANTIDRA: $300K
Type 1 Diabetes

ABECMA: $457K
Cancer (Blood)

ADSTILADRIN: $247K
Cancer (Bladder)

AMTAGVI: $515K
Cancer (Blood)

AUCATZYL: $572K
Cancer (Blood)

BREYANZI: $558K
Cancer (Blood)

CARVYKTI: $571K
Cancer (Blood)

IMLYGIC: $65K
Cancer (Skin)

KYMRIAH: $523K
Cancer (Blood)

OMISIRGE: $512K
Cancer (Blood)

PROVENGE: $93K
Cancer (Prostate)

TECARTUS: $503K
Cancer (Blood)

YESCARTA: $549K
Cancer (Blood)

Near Term Outlook (Late 2026/Early 2027)

RGX-202: $3-4M
Duchenne Muscular Dystrophy

SGT-003: $3-4M
Duchenne Muscular Dystrophy

CAP-1002: $500-750K/year
Ongoing therapy Duchenne Muscular Dystrophy cardiomyopathy

AMT-130: $2M-3M
Huntington's Disease

SRP-9003: $2M-3M
Limb-Girdle Muscular Dystrophy

DTX401: $3M-4M
Glycogen Storage Disease

RGX-121: $3M
Hunter Syndrome

UX111: $3M
Sanfilippo Syndrome

ST-920: $3-4M
Fabry Disease

D-Fi: $1M-2M
Epidermolysis Bullosa

RP-L102: $2-3M
Fanconi Anemia

INO-3107: $300-500K
Human Papillomavirus (HPV)

DCVax-L: $200K
10 doses over 3 years
Cancer (Glioblastoma)

RP1: $500K
Cancer (Melanoma)

MCO-010: $750K-1M
Retinitis Pigmentosa

GS010: $750k-1M
Leber Optic Neuropathy

AAV-RPGR: $750k-1M
Retinitis Pigmentosa

Revascor: $1-2M
Heart Failure

Generx: $300-500K
Heart Failure

SB-525: $3M
Hemophilia A

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[1]Statement from FDA Commissioner Scott Gottlieb, M.D. and Peter Marks, M.D., Ph.D., Director of the Center for Biologics Evaluation and Research on new policies to advance development of safe and effective cell and gene therapies | FDA
Note: Cost information shown reflects estimated treatment cost and may be subject to change

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