

RiseUP for a better tomorrow

Mental Health Report 2025





Foreword



Sanjay Kedia,
CEO, Marsh McLennan India
President and CEO, Marsh India

In 2017, India took a significant step forward by enacting the Mental Healthcare Act, a landmark move that underscored the importance of mental well-being. The Insurance Regulatory and Development Authority of India (IRDAI) further strengthened this commitment by mandating every insurer to make provision for medical insurance for treatment of mental illness on the same basis as is available for treatment of physical illness.

However, eight years later, we face a concerning reality. This report reveals that less than 1% of health claims pertain to mental health, a statistic that is particularly alarming, especially as Marsh enables coverage for 1.2 crore lives. The limited insurance coverage available to retail customers is echoed in Mpower's consumer survey, indicating a widespread issue.

Additionally, the report identifies critical structural issues within our healthcare and insurance systems. Currently, health insurance primarily covers inpatient hospitalization, leaving outpatient mental health care largely neglected. Contrary to global practices, addiction treatments are excluded in insurance policies. Over 99% of hospitals do not accommodate mental health patients, and rehabilitation centers lack recognition as valid treatment providers.

The insurance regulator and market have a vital opportunity to bridge these gaps. By ensuring comprehensive coverage, we can transform accessibility and significantly improve the lives of many. This report also outlines actionable steps for the insurance sector to include outpatient mental health treatments, aligning with our vision of 'Insurance for all by 2047'.



Mrs. Neerja Birla,
Founder & Chairperson,
Aditya Birla Education Trust

I align with the insights shared in the Marsh Research Report – RiseUp for a better tomorrow, which identifies a key opportunity to reshape the mental health insurance landscape in India. As the Founder of Mpower, an organization created with the aim of building a stigma-free world where individuals experiencing mental health challenges can lead meaningful lives with dignity and respect, I am all too aware of the substantial barriers that prevent many from accessing the support they need.

This report arrives at a crucial juncture, offering a timely reminder that India's health insurance frameworks must evolve to provide comprehensive, compassionate coverage for mental health. By doing so, they would ensure that individuals with mental health conditions receive the care, dignity, and timely support they rightfully deserve.

The Marsh Report – RiseUp for a better tomorrow calls for a transformative shift in both perspective and policy that would enable those affected by mental health challenges to access the resources, protection, and care they need to lead full, meaningful lives. It is a call-to-action driven report that, if embraced, could change the future of mental health care in India for the better.



Foreword



Dr Wolfgang Seidl,
Partner, Global Mental Health Consulting Leader,
Mercer Marsh Benefits

According to the World Health Organisation's Mental Health at Work report 2024, 15% of the world's working population is estimated to experience a mental disorder at any given time. With mental health linked to productivity, the potential impact on economic performance and output is huge. Mental health pathways designed by Mercer Marsh Benefits show that a well-designed joined-up treatment model has great ROI and ultimately reduces insurance costs. The size varies with the type and stage of the intervention.

Awareness-raising and preventative interventions have a significantly greater ROI than reactive interventions, which are much more costly. The longer we wait with our mental health interventions, the more expensive they will be, hence offering better access to outpatient treatment is vital and more cost-effective. For example, a UK-based investment bank calculated 9% reduction in number of claims, 16% reduction in average cost of claims, 41% reduction in absence and 60% improvement in therapy outcomes. Looking at the global picture, research by Marsh and Mercer's Health Trends 2023 report shows that only 16% of insurers report not providing plans that cover mental health services (versus 26% in 2022, and 32% in 2021). The imbalance between physical and mental health care is illustrated by the fact that just 40% of insurers globally offer virtual mental health counseling, while 72% of insurers say they use some form of telemedicine for general health. It is an easy but significant practical step to create referral pathways from Employee Assistance Programs (EAP) to insurance-covered psychological and psychiatric treatment that goes beyond the remit of EAP counselling, such as treatment for PTSD or bipolar disorder.

This healthcare plan integration is a model that is most advanced in the United States. Where appropriate, it leverages the EAP as a 24/7 accessible and relatively destigmatised route into care, also for difficult subjects like substance use disorders and suicidal ideation. It would provide a boost to the prosperous Indian economy to catch up or overtake other regions with regard to healthcare coverage of outpatient mental health treatment, given the proven impact of those services on productivity and GDP. The size of the prize for investing in employees' well-being is too big and too important to delay.

In the last century, we learned how to avoid and treat physical injury at work and in the 21st century we are discovering that mental fitness is equally important. The business case is compelling and benefits employers, employees, and the national economy. This report provides good empirical evidence and practical recommendations for how we can create a thriving workplace and economy.

I hope this report will serve as a valuable resource for employers and policy makers and ultimately contribute to thriving people and a thriving economy.

About the report



Objective

This paper aims to comprehensively analyze the current state of mental health insurance globally and in India, identify the gaps and challenges, along with voice of India Inc. to propose recommendations to improve mental health coverage and to underscore the urgent need for policy interventions.

Ultimately, the objective is to advocate for a regulatory framework that promotes inclusive and equitable mental health insurance coverage in India.



Corporate survey to assess gap in mental health coverage.



Consumer survey to assess gap in mental health coverage



Provider network handling mental health patients.



Voice of the employees on mental health needs.



Claims utilization and insurer offerings.



Global outlook on mental health cover.

About the corporate survey



What

This survey focused on identifying the gap in mental health coverage.



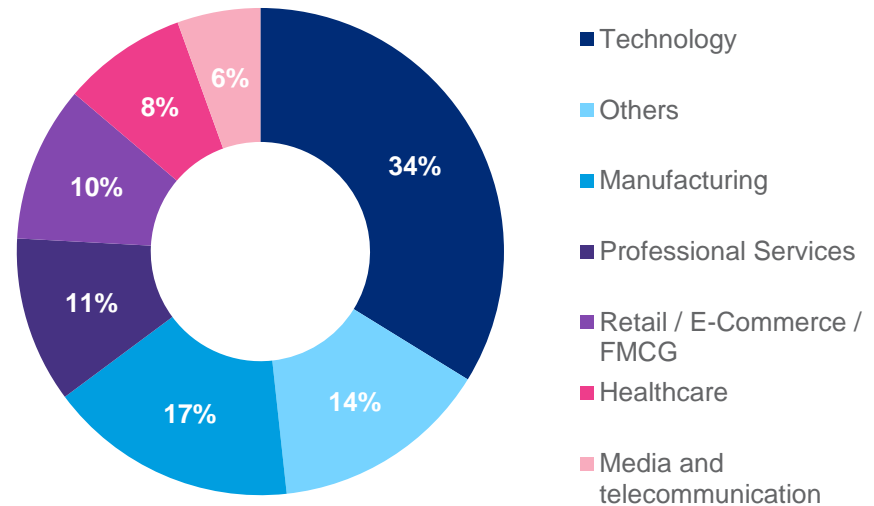
When

Conducted in **June – July 2024**

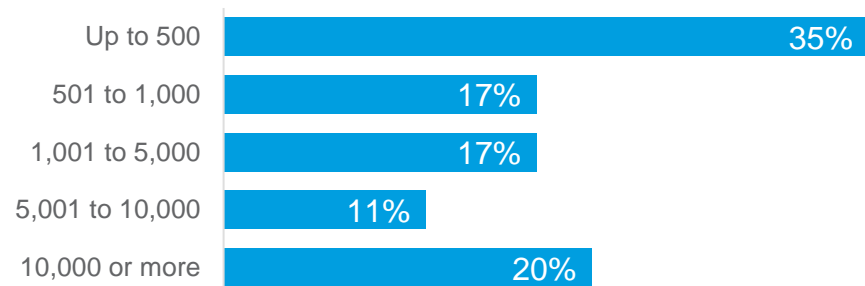


Who

Sample of **150 organizations** operating in **India**



Participating organizations by employee headcount



About the consumer survey



What

This survey focused on identifying the gap in mental health coverage.



When

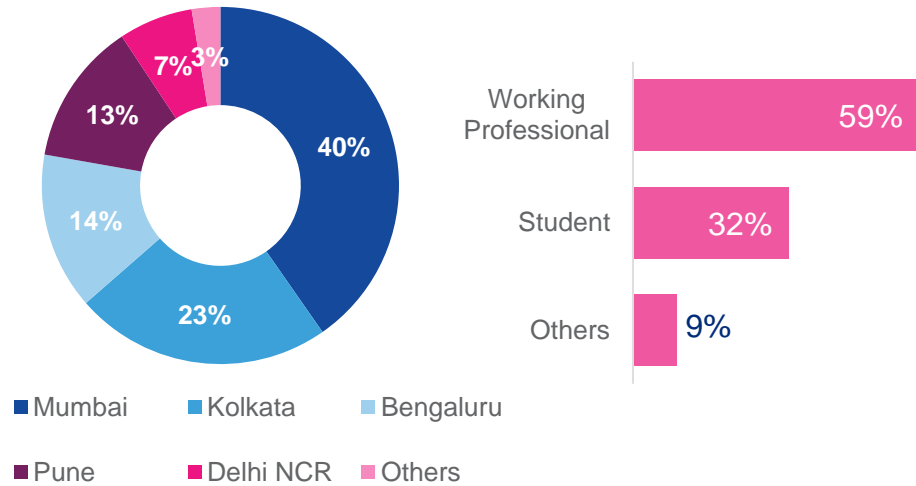
Conducted in Dec 2024 – Jan 2025



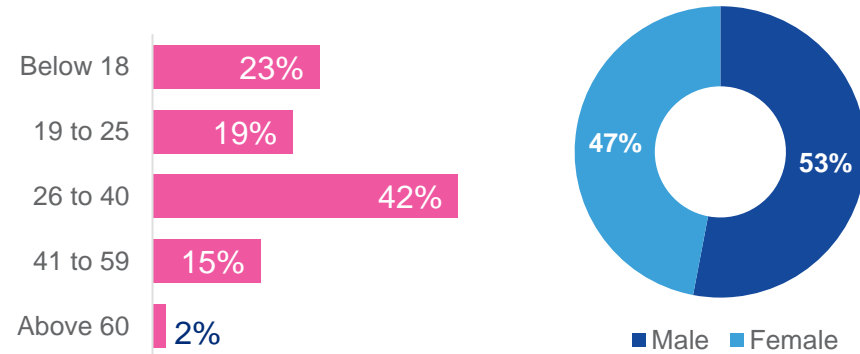
Who

Sample of 350+ individuals undergoing treatment for mental health concerns

Participating individuals by location and occupation














Participating individuals by age and gender



Executive Summary

Advocating for Comprehensive Coverage

The 'Mental Health Report 2025' provides a comprehensive view of the current state of mental health insurance coverage globally, with a specific focus on India. It highlights the significant gaps in mental health coverage, particularly in outpatient care and provider infrastructure, and emphasizes the need for integrated treatment models that can improve outcomes and reduce costs. The report also discusses the economic implications of mental health on productivity and the overall economy, advocating for policy interventions to promote equitable mental health coverage.

	Awareness			Accessibility			Affordability	
Corporate survey 	83% <1% claims utilization in group medical insurance	65% Lack of clarity on covered services (#1 challenge in offering mental health care)	61% offer inpatient hospitalization and 63% expressed dissatisfaction with the existing mental health coverage provided	48% reported employee stigma and fear of discrimination while 28% indicated difficulty finding in-network providers	63% High out-of-pocket expenses in healthcare	30% Cost of coverage (#4 challenge in offering mental health care)		
Consumer survey 	42% Unaware of the coverage included in their health insurance plan	31% Lack of clarity on covered services (#3 challenge to access mental health care)	45% utilize outpatient counseling/ therapy sessions however only 17% reported availability in their health insurance cover	21% indicated difficulty finding in-network providers and 16% reported long-waiting time for appointments	49% High out-of-pocket expenses (#1 challenge to access mental health care)	36% Limited insurance cover (#2 challenge to access mental health care)		
Recommendation 	 Public awareness campaigns	 Removal of exclusions	 Mental wellness assessment	 In-network providers including rehab centers	 Outpatient counseling / therapy and teleconsultation	 Strong data privacy protection for mental health claims	 Minimum level of mental health cover across all plans	 Outpatient care (OPD) insurance cover

Context

The healthcare system in India is known for its **high out-of-pocket expenses**, leading to a lack of financial protection for people seeking medical treatment. In fact, India's out-of-pocket expenditure is much higher (63%) compared to other lower-middle income countries and is among the highest in the world.

While there's been a surge in awareness about health insurance in India, the **penetration of outpatient care insurance specifically is still relatively low**.

This significant gap in outpatient care insurance coverage, is particularly **challenging for mental health treatment**.

The IRDAI guideline in 2018 mandating coverage for mental at par with physical health subsequent to mental healthcare Act 2017 is very well-intentioned and a path-breaking development advocating parity of mental healthcare.



Gap in mental health coverage



Primarily, health insurance policies in India are heavily skewed towards inpatient hospitalization.



Mental health disorders predominantly require outpatient treatment with a focus on therapy, rehabilitation, and medication-based OPD treatment, which is currently not covered.



As per Marsh survey of 150 organizations, 43% organizations reported limited mental health benefits in their group medical insurance plan.



As per MPower survey of 350+ individuals, 65% reported that they are unaware that health insurance coverage should include mental health on the same level as physical health.



Limited provider network



The current structure of Third-Party Administrators (TPAs) is primarily focused on inpatient hospital network.



Hospitals accepting mental health patients is also very limited (only 34 specialized hospitals and facilities across 14 states).



Rehabilitation centers often lack recognition as valid treatment providers under insurance plans.



In fact, private hospitals have an exclusion on admission with burns beyond certain degree and mental health illnesses.



Absence of robust outpatient network within TPA.

The actual policy provisions therefore issued in market makes insurance coverage largely irrelevant for those seeking mental health care.

Corporate survey results



How does group medical insurance cover mental health services?



61%

Hospitalization related to mental health disorders



40%

Teleconsultation by clinical psychologists / psychiatrists / counsellors



39%

In person counselling sessions by clinical psychologists / psychiatrists / counsellors



25%

Medication management by psychiatrists



15%

Treatment taken in rehabilitation / de-addiction centers



21%

None of the above

Even in organizations where mental health coverage is available, it's often offered outside of the traditional insurance framework through wellbeing programs or Employee Assistance Programs (EAPs).

While these programs can offer valuable mental health support, their separate status might create barriers to access. Employees may not be aware of these benefits, or they might hesitate to use them due to stigma or concerns about confidentiality.

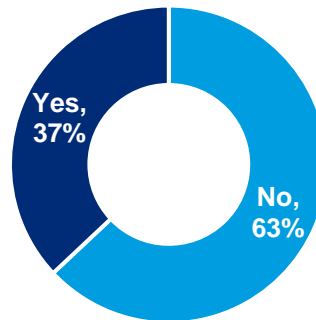
Uncovering the mental health coverage divide

The survey findings reveal a significant disconnect between the availability of mental health coverage and its actual utilization and satisfaction levels.

This suggests that many employees who could benefit from these services are not accessing them. It also implies that the current offerings may not meet the needs of employees or are not well-promoted.

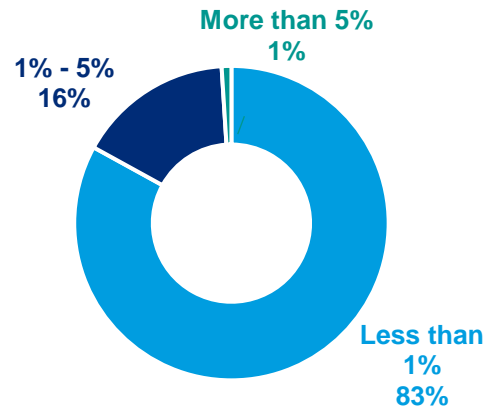
Marsh's data on claims proportions reinforces the trend of low utilization. The fact that mental health claims constitute only 0.18% of inpatient claims and 0.67% of outpatient claims highlights the gap in mental health coverage.

Are you satisfied with the current level of mental health coverage offered by your plan?



63% organizations expressed dissatisfaction with the existing mental health coverage provided.

What is the claims utilization for mental health claims as a percentage of total claims in your group medical insurance policy?

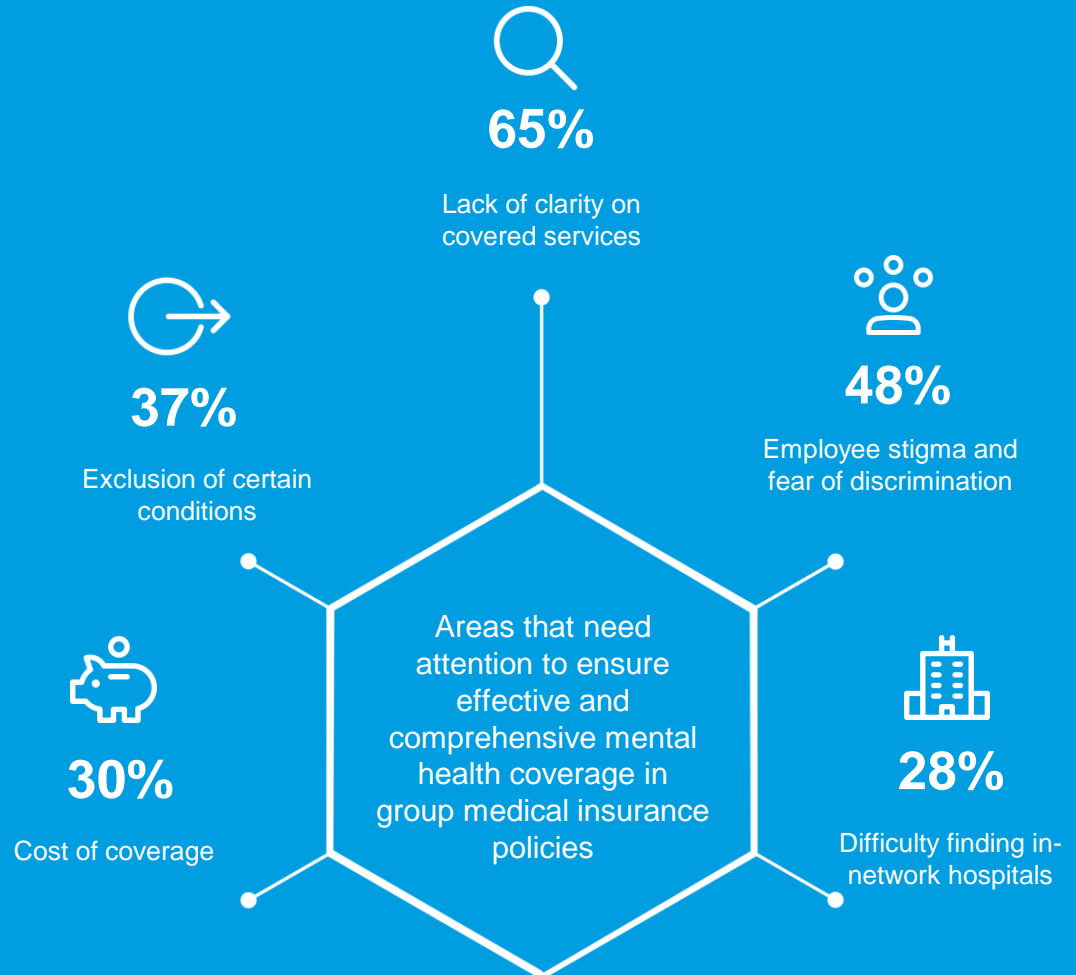


83% organizations reported that their overall claims utilization for mental health-related issues is below 1% in its group medical insurance portfolio.

Potential reasons for this gap

Biggest challenges company faces when offering mental health coverage in employee health insurance plan.

Many individuals are hesitant to disclose their mental health struggles to employers and insurers, fearing discrimination in the workplace and the possibility of their insurance policy being denied based on their mental health condition.

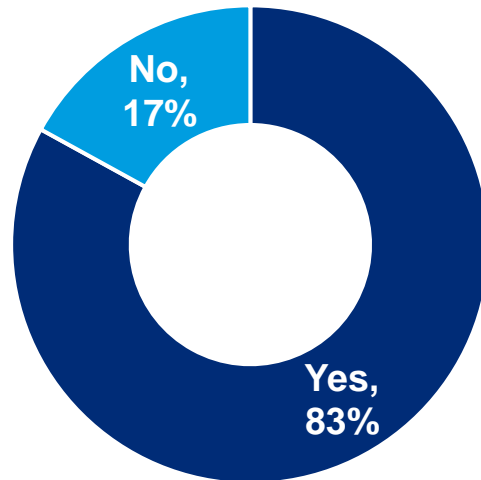


Self-inflicted injuries and suicide attempt

Existing medical insurance and life insurance (waiting period) policies typically exclude self-inflicted injury and attempted suicide, creating a barrier for those in need. The exclusion of self-inflicted injuries and suicide attempts from health insurance policies is a discriminatory practice that exacerbates the stigma surrounding mental health. It is crucial to recognize that these acts often stem from underlying mental health conditions such as depression, bipolar disorder, or other psychological distress.

Section 115 of the Mental Healthcare Act (MHCA) establishes a presumption that individuals attempting suicide are under severe stress and should not be prosecuted under Section 309 of the Indian Penal Code, 1860. This legal framework highlights the need for a compassionate and supportive approach towards individuals who have experienced self-inflicted injury or attempted suicide.

Should health insurance plans waive off exclusion of 'suicide and self-harm'?



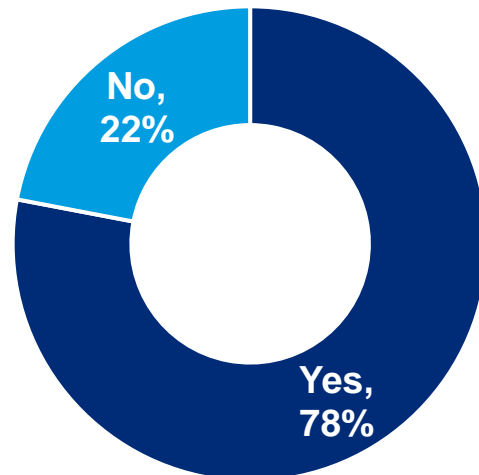
83% organizations believe that insurance companies should not exclude self-inflicted injury and suicide attempts.

Substance use and mental health

Substance abuse is a significant issue that affects individuals' mental health and overall well-being. Substance use disorder (SUD) is a treatable mental disorder that affects a person's brain and behavior, leading to their inability to control their use of substances like legal or illegal drugs, alcohol, or medications. Symptoms can be moderate to severe, with addiction being the most severe form of SUD. People with a SUD may also have other mental health disorders, and people with mental health disorders may also struggle with substance use. These other mental health disorders can include anxiety disorders, depression, attention-deficit hyperactivity disorder (ADHD), bipolar disorder, personality disorders, and schizophrenia, among others.

With this, it is widely recognized that substance use disorders are intertwined with mental health conditions and often require integrated treatment approaches. However, the current exclusion of substance abuse from insurance coverage limits access to comprehensive care for individuals seeking treatment for mental health issues.

Should health insurance plans waive off exclusion of 'substance abuse'?



78% organizations expressed the opinion that insurance companies should not use substance use as a justification to deny claims for mental health treatment.

Consumer survey results

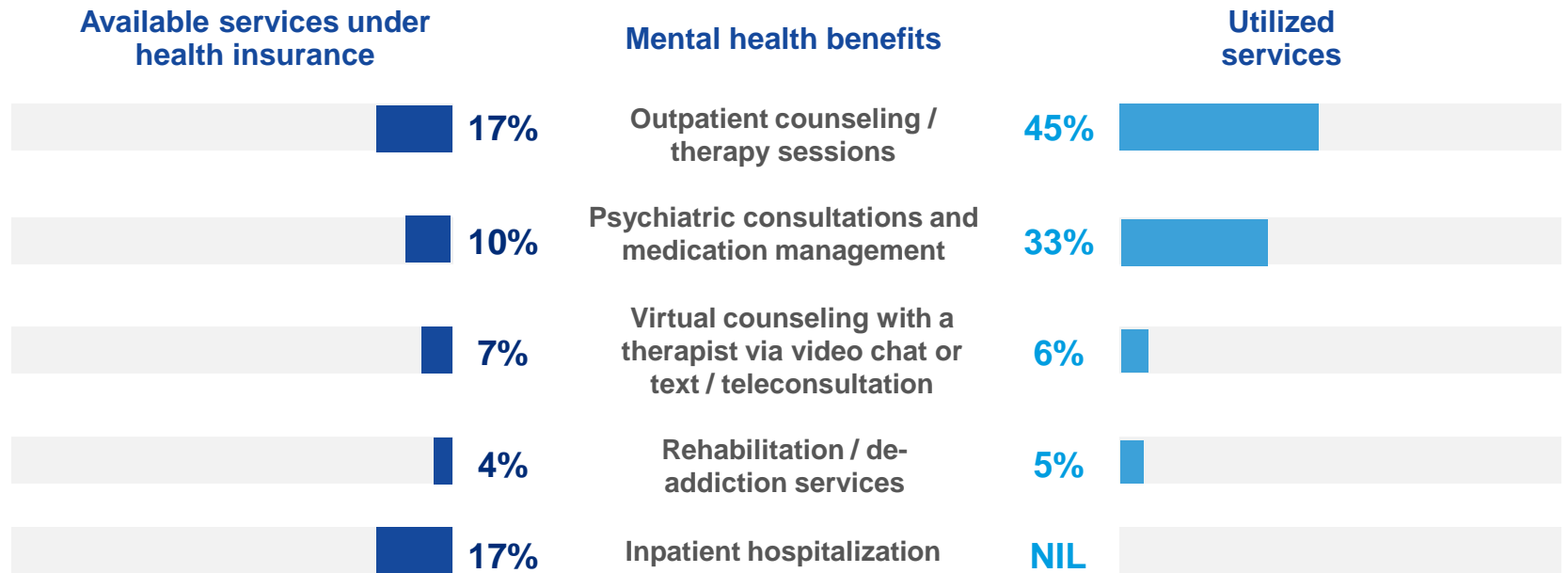


42%

individuals reported that they either have **no coverage for mental health services** or are **unaware of the coverage included in their health insurance plan**



What mental health services does your current health insurance cover? Which service do you use?



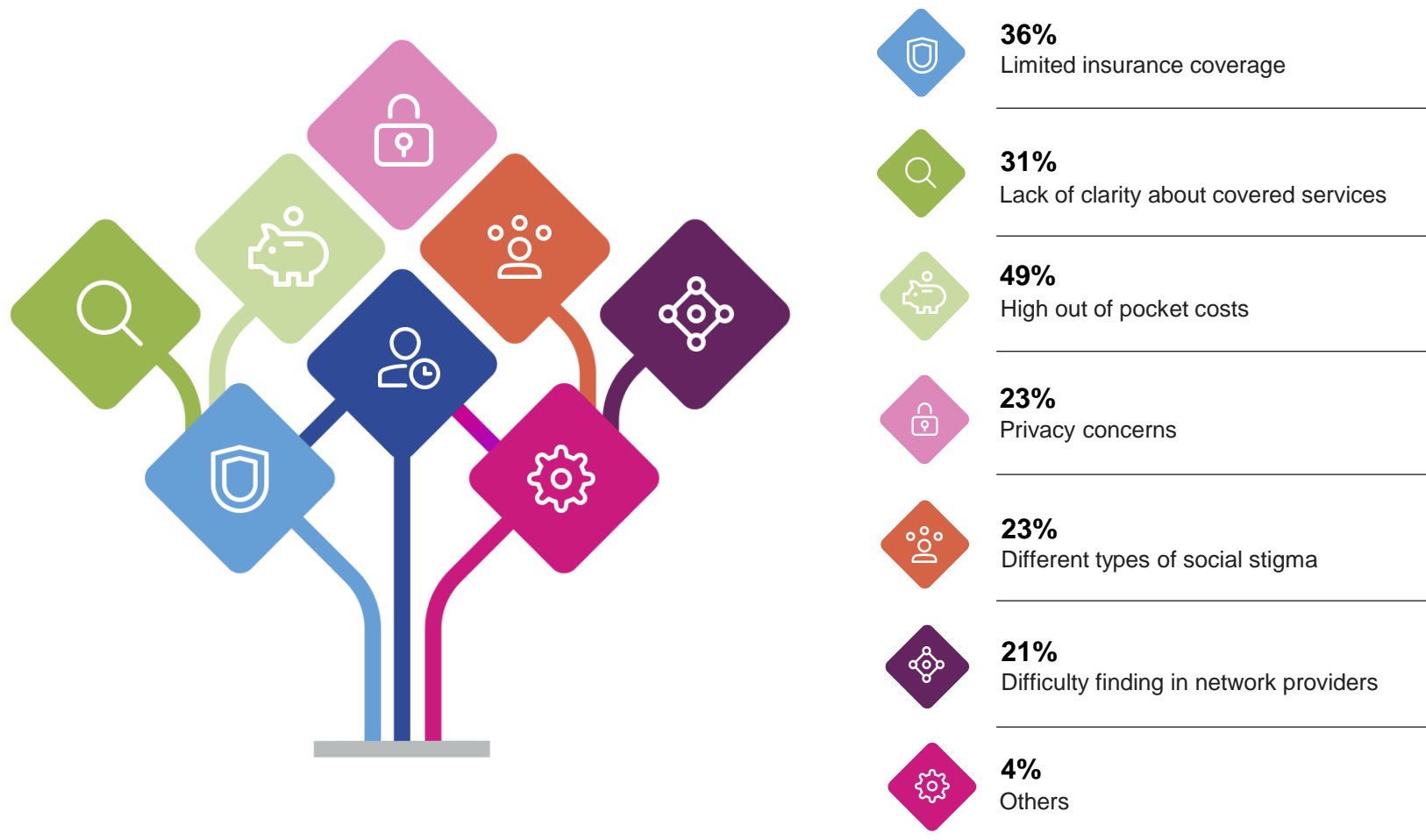
Clear gaps between:

- Services available under health insurance plans to individuals seeking mental health care and
- Utilization of different services being availed by individuals irrespective of insurance cover

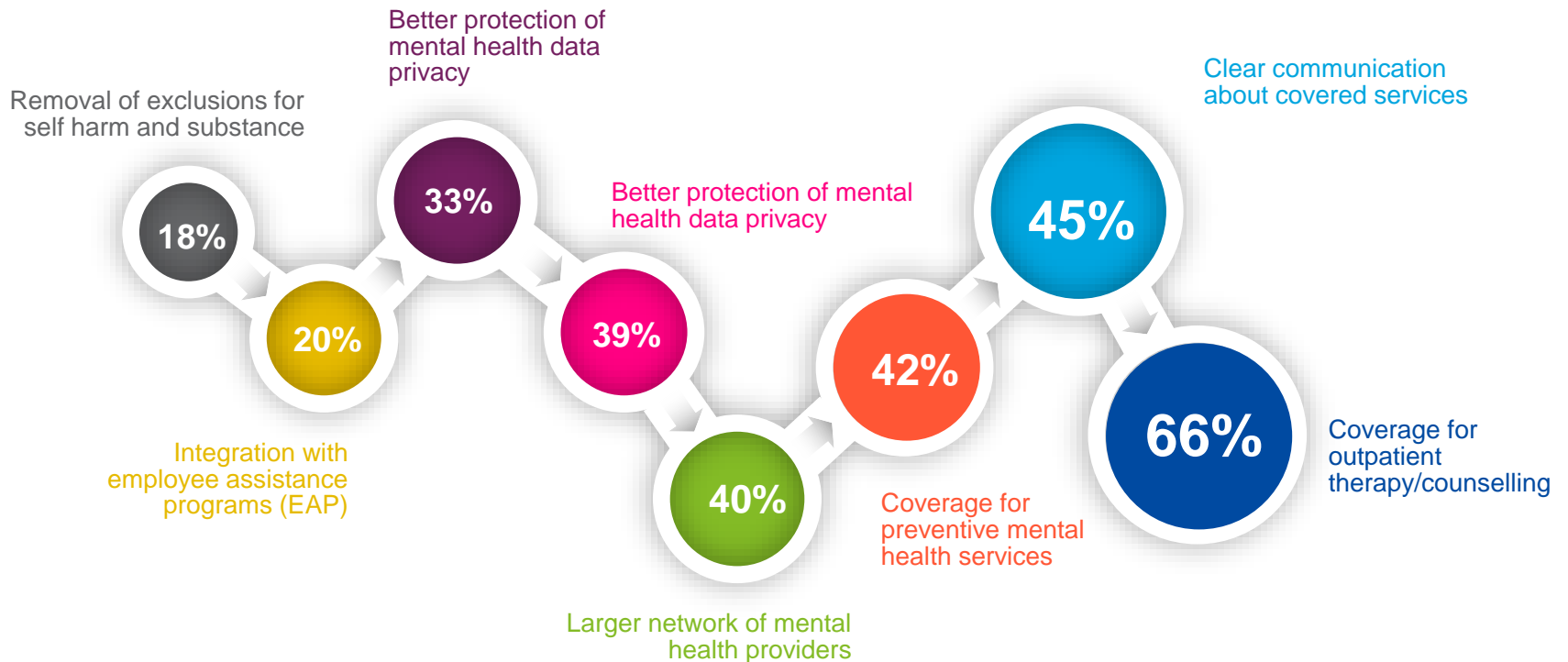
Potential reasons for this gap

Biggest challenges individuals face when accessing mental health care

Areas that need attention and improvement to ensure effective & comprehensive mental health coverage:



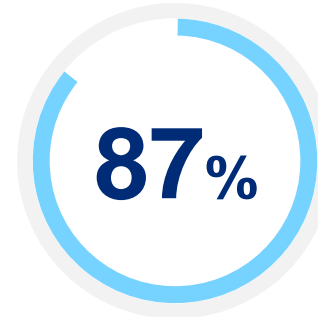
What **additional mental health services and coverage** would you like to see **included** in your current health insurance plan to make it more comprehensive?



Mental health is impacting the way employees show up to work

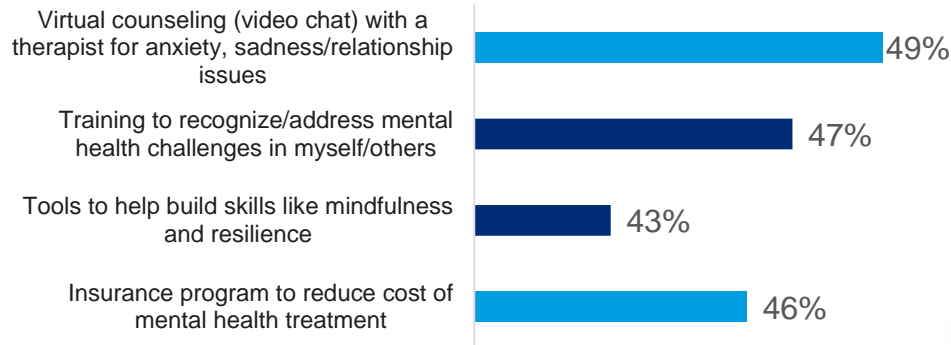
Employee voice

1 in 2 employees in India feel stressed in everyday life



Employees have worked while feeling mentally unwell, while **only 23%** of unwell employees can find mental healthcare when they need.

Solutions that are helpful to employees or their families

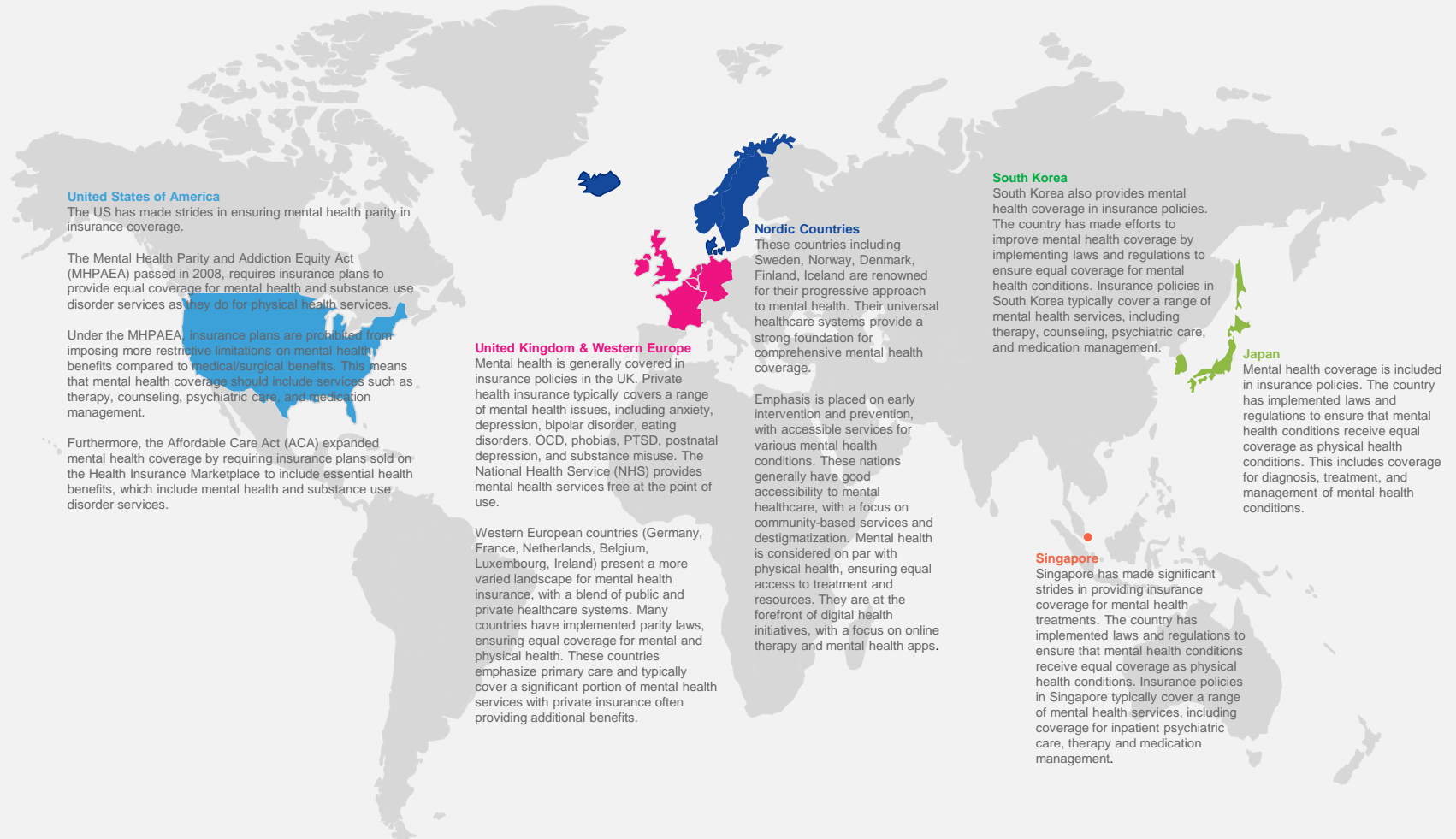


Global outlook



Mental health policies, programs and coverage across the world

Outpatient cover is typically included under medical insurance cover by default; ensuring true parity between physical and mental health care



Mental health: Global business imperative

Mental health is business risk

1 in 8

people in the world live with a mental health disorder³

#2

most severe global risk, ranked by HR/Risk professionals¹

#4

risk factor for medical claims costs, ranked by global insurers²

It's impacting company's bottom line

1 in 3

HR and Risk professionals are worried about emotional well-being programs being insufficient given the growing need for support¹

12 billion working days

Globally are lost annually to depression and anxiety at a cost of \$1 trillion USD per year in lost productivity³

\$1 spent: \$4 return

Spent on depression or anxiety treatment can give \$4 return in terms of productivity³

Governments and regulators are mandating it

Governments are adopting occupational health and safety regulations for employers on managing psychosocial risks in the workplace (e.g. ISO 45003, Australia, Mexico, Colombia, Japan, South Korea)

- Design or management of work
- Work environment
- Flexibility
- Workplace interactions or behaviors

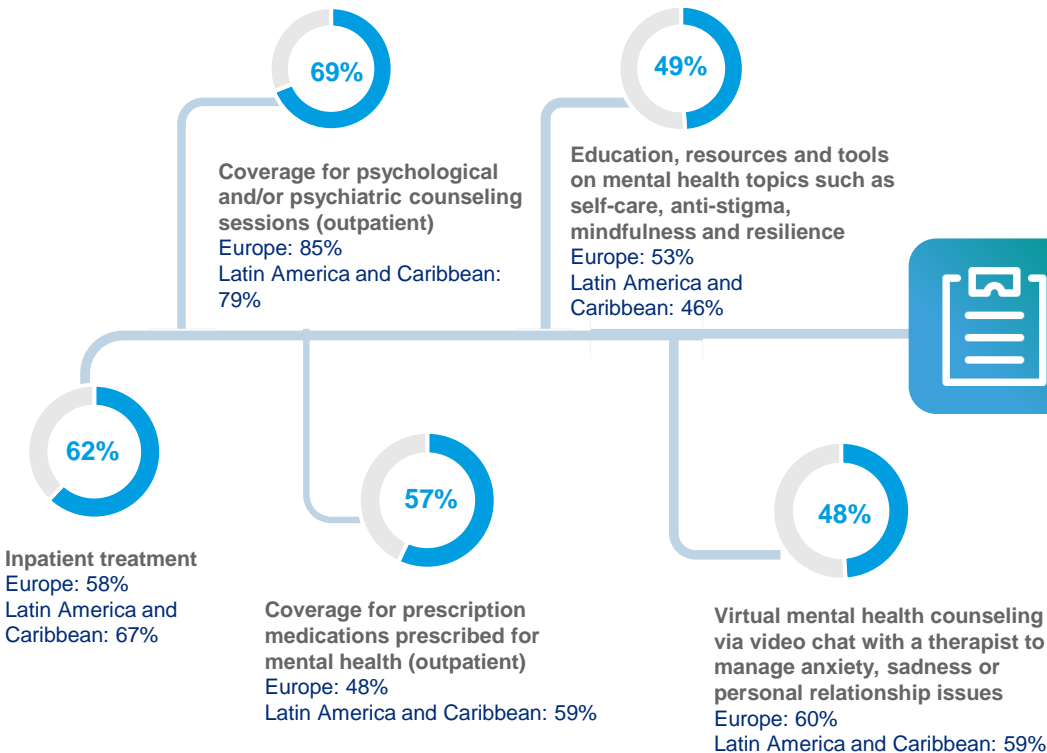
Implication: Mental health issues such as stress, depression, anxiety and burnout, lead to sub-optimal productivity, safety, benefit spend, absenteeism, and loss of talent. A risk mitigation approach is required.

Implication: Employers have a unique opportunity to advance health support for their employees and fill gaps within traditional systems of healthcare.

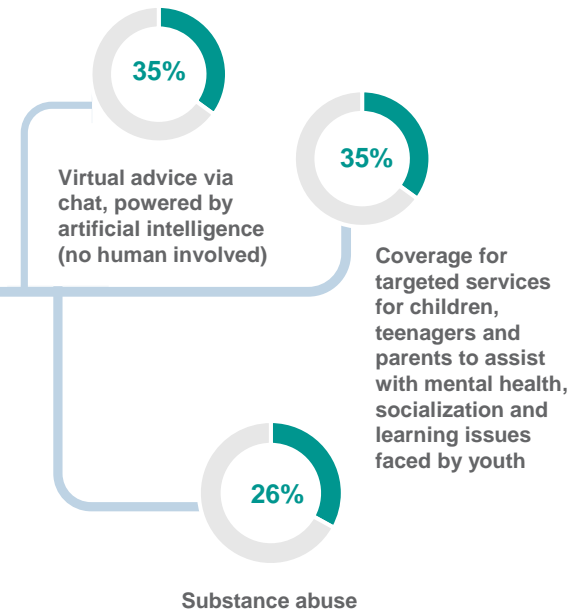
Implication: Employee health and safety is a staple of any people risk agenda, but organizations must broaden the scope of how they define and support well-being at work.

Globally, insurers are adopting digital and targeted solutions for mental health

Top services typically included



Top services insurers are considering to include



Recommendations on mental health coverage to bridge the gap



Bridging the mental health gap: Regulatory interventions



86%

Establishing a **minimum level** of mental health coverage across all insurance plans



78%

Implementing **public awareness** campaigns to **reduce stigma** surrounding mental health



77%

Increasing the availability of **in-network mental health providers**



77%

Establishing guidelines for insurers to include **rehabilitation and de-addiction centers** as part of their hospital networks



73%

Implementing **strong data privacy protections** for mental health claims



In person therapy sessions by clinical psychologists / psychiatrist (77%)



Mental wellness assessment (76%)



Teleconsultations with counsellors / clinical psychologists (73%)



Teleconsultations with psychiatrists (70%)



24/7 emergency helpline number (70%)



Medication and diagnostics cover (65%)



In-app access to support groups and self-help content for issues such as abuse, addiction therapy (57%)

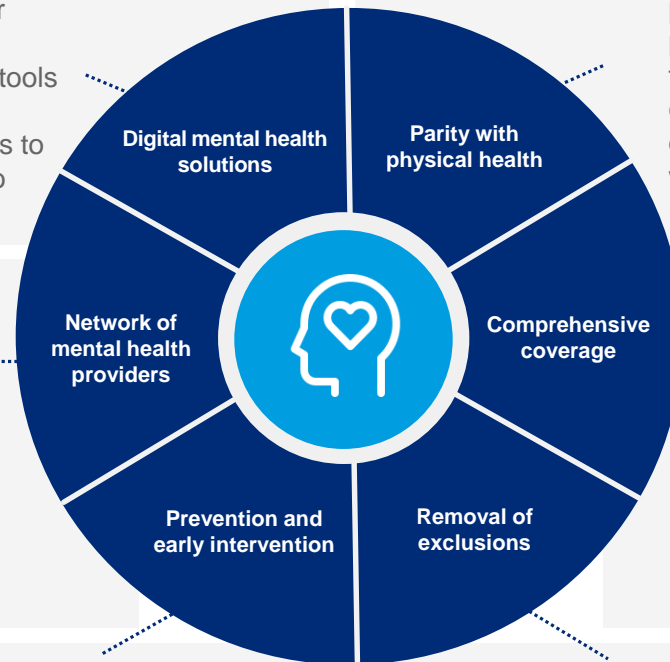


Recommendations for comprehensive and inclusive coverage of mental health treatment

Encourage the inclusion of **digital mental health solutions**. These offer convenient and accessible ways to manage mental health. They provide tools like CBT exercises and mindfulness techniques. By breaking down barriers to care, these solutions make it easier to prioritize mental well-being.

Insurance companies should **establish and maintain a robust network of mental health providers**, including psychiatrists, psychologists, therapists, and counselors. This network should be easily accessible to policyholders, **ensuring timely and convenient access to mental health services**.

Insurance policies should prioritize prevention and early intervention strategies for mental health. This includes **coverage for mental health screenings, preventive counseling, and educational programs** aimed at promoting mental well-being and identifying potential issues at an early stage.



Insurance policies should **ensure true parity between mental health and physical health coverage**. This means that mental health services should be covered, without any limitations or discriminatory practices against individuals with pre-existing mental health conditions.

Insurance policies should include **adequate coverage for a wide range of mental health services, including outpatient mental health treatments** such as diagnostic assessments, therapy sessions, psychiatric consultations, medication, and inpatient hospitalization and psychiatric care in rehabilitation centers, among others.

Exclusions related to self-inflicted injuries, suicide attempts, and substance use disorders should be removed from insurance policies. These exclusions perpetuate stigma and discrimination against individuals with mental health conditions and hinder their ability to receive appropriate care and support.

About Marsh

Marsh is the leading insurance broking and risk management firm in India. In India, Marsh received its broking license from the Insurance and Regulatory Development Authority of India (IRDAI) and was established in 2003. Today, it has 17 offices and over 1,600 professional staff in India dedicated to creating and implementing innovative risk management and insurance solutions to help clients succeed.

Marsh understands cost containment is as important as risk management. We work with you to understand your business first, then provide customized and innovative risk management and insurance solutions at cost effective terms available in the market to help your business succeed.

About Mpower

Mpower – a unit of the Aditya Birla Education Trust, under the leadership of its Founder & Chairperson – Mrs. Neerja Birla, is a leading voice in mental health advocacy which has transformed countless lives through innovative youth centric programs and unwavering commitment to mental well-being.

Established in 2016, Mpower strives to change public perception by creating awareness, fostering education, advocating prevention & providing world-class holistic mental health services, regardless of age, gender, and socio-economic boundaries.

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The findings presented in this survey report are based on the responses provided by the participants. While every effort has been made to ensure the accuracy of the data, there may be inherent limitations, such as respondent bias or sampling error, which could affect the representativeness of the results. The interpretations and conclusions drawn from the survey data are based on the expertise and judgment of the researchers. Different interpretations may be possible, and readers are encouraged to form their own opinions based on the presented information. The survey was conducted during a specific period, and the results may reflect the circumstances and opinions of the participants during that time. Changes in the external environment or evolving attitudes may impact the relevance of the findings over time.

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Compliance ID: IND-20241008

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