

HEALTHCARE TRENDS & TRANSACTIONS: YEAR IN REVIEW

A breakdown of M&A activity and drivers in 2025.

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Introduction

At the end of 2024, we predicted that the healthcare mergers and acquisitions (M&A) market would pick up steam in 2025, given the combination of decreasing interest rates, a potential shift in the regulatory landscape with the new presidential administration and growing comfort and familiarity with new state reporting requirements related to physician practice management (PPM) and other healthcare transactions. However, the general sentiment appears to be that 2025 was more of the same—a generally steady year from a deal volume standpoint, marked by strong lower middle market activity and some high-dollar, headline-making transactions, such as Ascension entering into a definitive agreement to acquire AmSurg for a reported \$3.9 billion, private equity (PE) firm Sycamore Partners' take-private acquisition of Walgreens Boots Alliance for \$10 billion, UnitedHealth Group's (NYSE: UNH) successful antitrust approval in its long-running effort to acquire home health and hospice provider Amedisys for \$3.3 billion, and Cencora's (NYSE: COR) agreeing to buy out partner TPG's interest in oncology platform OneOncology for \$3.6 billion.

That said, a steady healthcare M&A market should be viewed favorably after the tumult and variability of the early 2020s. Moreover, the year seems to have ended on a positive note—early indications are that deal values increased significantly from Q3 to Q4 of 2025.

Below are some of the notable healthcare transactions announced or closed in 2025 within the following sectors:

- Physician Practice Management
- Clinical Research Organizations
- Ambulatory Surgery Centers
- Hospitals & Health Systems
- Home Health, Hospice & Personal Care Services
- Managed Care
- Digital Health & Health Information Technology
- Pharma Services, Pharmacy & Pharmacy Benefit Managers
- Behavioral Health

Physician Practice Management

Regulatory challenges remained at the forefront for PPM (particularly PE) investors throughout 2025. Multiple states—including Connecticut, Maine, New York, California, and Oregon—proposed or renewed legislative efforts to restrict PE involvement in healthcare transactions, particularly through management services organizations (MSOs) and dental services organizations (DSOs). Most recently, California's Senate Bill 351, which went into effect on January 1, codifies the state's existing corporate practice of medicine restrictions, including by limiting a PE firm's control over a physician or dental practice's hiring practices and coding and billing procedures for patient services. Additionally, 15 states have enacted or proposed "material transaction" laws, increasing notice and reporting requirements for healthcare deals, and several states and Washington, D.C. have introduced versions of the Uniform Antitrust Pre-Merger Notification Act. These developments collectively signal a heightened regulatory environment for healthcare transactions, particularly those involving PE investment. At the federal level, the Federal Trade Commission and Department of Justice plan to continue scrutinizing consolidation in the healthcare sector, with a particular interest in roll-up transactions (a major tool for PE platforms).

Nonetheless, deal activity in the PPM sector remained steady in several specialties, with dental practice acquisitions perhaps unexpectedly leading the way. DSOs dominated each quarter in terms of deal volume with active dealmaking among MB2 Dental Solutions (backed by Charlesbank Capital Partners and Warburg Pincus), Parkview Dental Partners (backed by Cathay Capital), Heartland Dental (backed by KKR), and Straine Dental Management (a dentist-owned and led DSO) expanding their networks across multiple states. Notably, MB2 Dental Solutions acquired its 47th practice of 2025 by the end of Q3 and officially reached 800 locations nationwide. Additionally, the DSO sector saw one of the year's largest PPM transactions when Chicago-based GTCR announced its acquisition of Dentalcorp, Canada's largest and one of North America's fastest-growing dental practices, for \$2.2 billion. Originally announced in September, the transaction was formally approved by the securityholders of Dentalcorp on December 4.

Ophthalmology platforms such as Sight Growth Partners (backed by Chicago Pacific Founders), Eye Health America (backed by LLR Partners) and EyeSouth Partners (backed by Olympus Partners) completed acquisitions in Connecticut, New York, Florida, and Illinois, with a focus on growing their retina care offerings.

Orthopaedics continued to garner interest in 2025. Dealmaking in the space was highlighted by the sale of OrthoCarolina's physical therapy business to a joint venture between PT Solutions Physical Therapy and Novant Health and NYU Langone's acquisition of Rothman Orthopaedics of Greater New York, both in Q1.

OneOncology (backed by PE firm TPG), one of the nation's largest community oncology platforms, remained active in 2025 by expanding its footprint throughout the country. In April, it partnered with Idaho-based Beacon Clinic and New York Oncology Hematology (NYOH). NYOH features a team of 60 providers. It then began Q4 by announcing the acquisition of GenesisCare out of bankruptcy in October and announced the acquisition of Maryland-based Chesapeake Oncology-Hematology Associates in November. Interestingly, just about a month later, OneOncology was the subject of the year's splashiest deals when Cencora announced it had entered into a definitive agreement to purchase TPG's and certain other investors' equity interest in the platform for approximately \$3.6 billion (plus another approximately \$1.3 billion to pay off outstanding debt). The deal values OneOncology at \$7.4 billion. Cencora's acquisitions in both the retina space (with the acquisition of Retina Consultants of America at the beginning of Q1) and oncology space have PE investors curious about other specialists in the PPM space that may follow, signaling a potential off-ramp for firms with investments in specialties that have a particular tie to drug spend.

Major healthcare corporations and strategic acquirers, including UnitedHealth Group subsidiary Optum and Cardinal Health (NYSE: Cardinal Health), also were active in 2025. Q3 saw Optum acquire Holston Medical Group to add HMG's extensive multi-specialty physician network in Northeast Tennessee and Southwest Virginia into Optum's larger system, while Cardinal Health's Specialty Alliance purchased Solaris Health from Lee Equity Partners for \$1.9 billion. Additionally, hospitals and health systems were among active physician practice buyers throughout the year. For example, in July, AdventHealth, one of the largest faith-based health systems in the United States, announced it acquired Bond Clinic, a physician group encompassing 90 providers among 28 specialties in Polk County, Florida. In September, HonorHealth, an Arizona-based health system, signed an agreement to acquire Phoenix-based Evernorth Care Group and its 18 clinics from Cigna (NYSE: CI). The parties announced the completion of the acquisition on January 2.

The continued consolidation within the PPM sector is driven by both market fragmentation and the pursuit of ancillary revenue streams, such as clinical research and ambulatory surgery centers. Increasing administrative burdens, rising costs and reimbursement pressure continue to drive many physicians to seek partnerships with MSOs, hospitals or larger physician groups for additional support.

Although the PPM platform frenzy launched by PE investors in 2021 and 2022 has cooled, it appears that the physician practice management sector is here to stay, with select PE firms, strategic acquirers and health systems actively pursuing transactions across a range of specialties. While regulatory scrutiny and legislative developments continue to shape the landscape, deal activity remains steady, particularly in dental, ophthalmology, orthopaedics, oncology and other high-growth specialties; and physicians and healthcare organizations are responding to market pressures

by seeking strategic partnerships and consolidation opportunities, positioning the sector for continued evolution. However, many PE firms are nearing their platform exits and will be seeking to sell their platforms over the next few years, potentially with fewer new platforms being sought by new market entrants, which will create some interesting market dynamics.

Clinical Research Organizations

The clinical research sector entered 2025 as one of the most compelling areas for healthcare investment, supported by rising pharmaceutical R&D spending, the accelerated use of AI in drug development, and a growing need for scalable, technology-enabled trial infrastructure. With investors facing heightened regulatory scrutiny in physician-practice sectors, clinical research organizations (CROs) and clinical trial platforms emerged as attractive alternatives—offering operational resilience and exposure to high-growth therapeutic areas. Against this backdrop, consolidation amongst a fragmented industry remained strong throughout the year, as both private equity sponsors and strategic buyers sought to build platforms capable of delivering faster, more data-rich, and more accessible clinical trials.

In Q1, PE firms increasingly turned to CROs as an alternative to physician- and dental-practice investments amid heightened regulatory scrutiny. The CRO market's fragmentation, scalable service models, and exposure to high-growth therapeutic areas—such as metabolic and weight-loss drugs—further strengthened its appeal. Key Q1 transactions included MMS's (backed by Lindsay Goldberg) acquisition of Exploristics and the KerusCloud Simulation platform to expand its data-driven capabilities, Flourish Research's (backed by Genstar Capital) purchase of Diablo Clinical Research, an established single-site operator with over 1,000 trials conducted, and The START Center for Cancer Research's (backed by Warburg Pincus) acquisition of the Carolina Urologic Research Center, a premier genitourinary oncology site. Investors also continued allocating capital to CRO-adjacent technology providers, exemplified by Clario's dual March acquisitions—WCG's eCOA business and NeuroRx—as well as Thoma Bravo's merger of Suvoda and Greenphire to streamline clinical trial workflow technology. Clario is a provider of digital endpoint data solutions to the clinical trial industry.

Deal activity accelerated in Q2 with a notably strong cadence of clinical research-related transactions, especially involving CROs and data solutions providers. Q2 featured BayPine's acquisition of CenExel Clinical Research, Clario's completed purchase of WCG's eCOA platform, and the merger of Julius Clinical and Peachtree BioResearch Solutions—all of which expanded capabilities in neuroscience, rare diseases, and Phase I-III trial management. Additionally, Lightship's merger with Circuit Clinical further illustrated the push toward integrated, hybrid trial models that combine mobile care with community-based research site networks.

Notable Q3 transactions included Evestia Clinical's (backed by Kester Capital) merger with Atlantic Research Group, THL Partners' majority investment in Headlands Research in a deal valued at approximately \$600 million, Kemin Industries' acquisition of Hennessy Research Associates to expand its animal health research capabilities, and Rovia Clinical Research's (backed by Gauge Capital) acquisitions of StudyMetrix Research and Coastal Research Institute to deepen its expertise across obesity, hepatology, gastroenterology, pain and internal medicine therapeutic areas.

In Q4, after scaling the company through the transactions described above, Thermo Fisher Scientific (NYSE: TMO) announced that it would acquire Clario for \$8.875 billion. The acquisition is expected to accelerate the digital transformation of clinical research by leveraging Clario's technology and AI capabilities, which support data collection across all phases of drug development and have contributed to roughly 70% of FDA approvals over the past decade.

Together, the deals from Q1 through Q4 2025 paint a clear picture that investors are doubling down on clinical research and trial-enablement infrastructure. The combination of growing demand for trials (driven by new therapies, AI-enabled drug development, and regulatory complexity), the fragmented nature of the CRO and data-services

sector, and the value of scalable, data-driven platforms is fueling consolidation across this industry. We expect further M&A activity—especially among players offering data solutions, trial-site networks, or technology-enabled services—and an increasingly consolidated clinical research ecosystem by the end of 2026.

Ambulatory Surgery Centers

The ambulatory surgery center (ASC) market remained steady in 2025, with growth attributed to its ability to combat healthcare costs in the U.S. With favorable reimbursement rates and a growing list of diseases and services being treated at outpatient centers, the sector will likely continue seeing rising investments. To begin the year, the ASC industry saw a wave of noteworthy transactions that broadened the reach of many healthcare providers and expanded the range of services offered to patients. That thread continued throughout the year.

In what is likely the biggest ASC deal announced in 2025, in June, Ascension announced it had entered into a definitive agreement to acquire AmSurg for a reported \$3.9 billion. Although the transaction has not yet closed, following the signing of the definitive agreement, AmSurg acquired Conway Surgery Center in October and Advanced Center for Surgery in early December. With the addition of Conway Surgery Center, AmSurg now has four facilities in South Carolina. Advanced Center for Surgery, on the other hand, is a new entry point for AmSurg into the central Pennsylvania market. Amber Sims, executive vice president and chief strategy and growth officer at Ascension, recently signaled a desire to continue to expand the company by sharing with Becker's CEO and CFO Roundtable that "[the ambulatory business is] where patients want to receive care, where payers want to seek care, and where providers want to provide care."

In Q4, Duly Health and Care, which identifies as one of the nation's largest multi-specialty, physician-directed medical groups, acquired a minority interest in Valley Ambulatory Center in partnership with Surgery Partners (NASDAQ: SGRY). Valley Ambulatory Center is an Illinois-based multispecialty ambulatory surgery center. According to the parties, the deal was motivated by a desire to bring patients greater comfort and more options when seeking care. In another move aimed at increasing access to quality patient care, in December, Surgery Partners announced a new partnership with Baylor Scott & White Health, the largest not-for-profit health system in Texas, to jointly own with physicians the 16-bed hospital in Bryan, Texas, known as The Physicians Centre Hospital. Through this partnership, the parties believe patients will be able to take advantage of a host of surgical options across multiple clinical specialties such as bariatrics and podiatry.

In 2026, we expect significant activity around cardiology-focused ASCs, given that the Centers for Medicare & Medicaid Services (CMS) recently added the 2026 Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System final rule pulsed field ablations to the ASC Covered Procedures List (CPL) effective January 1, 2026, allowing Medicare reimbursement of this rapidly growing procedure.

Hospitals & Health Systems

Hospital and health system M&A activity in 2025 remained steady, with a focus on outpatient expansion, acquisition of financially distressed assets, regional geographic expansion and divestitures by national health systems.

A defining trend this year in hospital and health system M&A was the shift toward acquiring and investing in outpatient facilities and specialized ancillary services. One significant example of this was Ascension's announcement of its intent to acquire AmSurg, as discussed above, which will strengthen Ascension's outpatient care offerings. In Q4, Allegheny Health Network also announced it has reached a letter of intent to acquire the Heritage Valley

Health System, which operates two hospitals and several outpatient facilities in Pennsylvania. Academic medical centers (AMCs) are also driving outpatient investment and development, with many AMCs opening and breaking ground on outpatient care centers this year. For example, in July, UC Davis Health opened the 48X Complex, one of the largest outpatient surgery centers in the nation.

Regional health systems were active in 2025, with two of the largest regional health systems involved in transactions this year. Notably, at the beginning of the year, Sanford Health, the largest rural health system in the U.S. based in South Dakota, and Marshfield Clinic Health System completed their merger. In May, New York-based Northwell Health and Connecticut-based Nuvance Health also completed their merger with the integrated regional health system operating 28 hospitals and having a \$22.6 billion operating budget. NYU Langone Health similarly completed its merger with Long Island Community Hospital, and Iowa-based UnityPoint Health acquired Iowa-based MercyOne Siouxland Medical Center. In November, West Virginia University Health System acquired five hospitals from western Pennsylvania-based Independence Health System. In December, Comanche County Memorial Hospital and Southwestern Medical Center completed a major regional health merger to form Memorial Health System of Southwest Oklahoma. Terre Haute-based Union Hospital also completed its long-awaited merger with Terre Haute Regional Hospital, which is part of HC Healthcare (NYSE: HCA).

Financial pressures on hospitals continued this year, with a significant number of transactions involving financially distressed sellers. A notable example in Q4 was the acquisition by venture capital firm General Catalyst (HATCo) of Summa Health, an Ohio-based financially struggling non-profit system, for \$515 million. This acquisition makes Summa Health the first hospital system fully owned by a venture capital firm. Also in Q4, the Connecticut General Assembly approved legislation for UConn Health to invest in Connecticut-based Waterbury Hospital, owned by Prospect Medical Holdings, which sought Chapter 11 protection early in 2025. Hartford Healthcare similarly completed its acquisition, effective as of the beginning of 2026, of Manchester Memorial Hospital and Rockville General Hospital from Prospect Medical Holdings.

Several national systems also continued to divest hospitals to focus capital elsewhere in light of financial pressures. A notable example is Community Hospital Systems (CHS), which has continued to divest a number of hospitals this year in line with its \$1 billion divestiture strategy. For example, in March, CHS sold ShorePoint Health System in Florida to AdventHealth for \$260 million. In April, subsidiaries of CHS sold North Carolina-based Lake Norman Regional Medical Center to Duke Health for \$284 million. Ascension also entered into a definitive agreement to acquire from CHS its 80% ownership in Cedar Park Regional Medical Center for \$460 million in cash. The transaction closed on July 1, with Ascension assuming full ownership, given that it already had a 20% ownership stake in the hospital. In Q4, CHS signed a definitive agreement to sell Commonwealth Health, a Pennsylvania-based three-hospital system, to Tenor Health Foundation, the completion of which would mark CHS's exit from the Pennsylvania market, and announced that its subsidiaries would be selling full ownership of Tennova Healthcare-Clarksville to Vanderbilt University Medical Center.

We expect deal volume to remain active in the hospital and health system sector in 2026. Given that financial distress remains a significant driver of M&A activity, we expect continued transactions involving the acquisition of financially struggling systems. We also expect continued investment in outpatient facilities as government policies and patient preferences continue to favor outpatient care.

Home Health, Hospice & Personal Care Services

Deal activity in the home health, hospice and personal care services space held steady in 2025, but (unlike some industry sectors) did not see a strong uptick in activity, as the sector weathered regulatory and economic uncertainties.

Of overall activity, the largest deal completed during the year was likely UnitedHealth Group's \$3.3 billion acquisition of Amedisys, which closed in August. The acquisition was announced in 2023, and the announcement was followed by two years of regulatory scrutiny - the Department of Justice sued to block the transaction in November 2024, and four states (Maryland, Illinois, New Jersey and New York) joined the suit. In Q3, United and Amedisys reached a settlement with the DOJ, which required that Amedisys and United divest over 160 home health and hospice locations across 19 states; such facilities accounted for an estimated \$528 million in annual revenue. The acquisition strengthens United's foothold in the home health and hospice space, with Amedisys providing services across 38 states. Amedisys will operate under United's Optum umbrella.

Certain providers followed an aggressive growth strategy throughout the year, completing several acquisitions aimed at expanding both geographically and with respect to service offerings. The Pennant Group, Inc. (NASDAQ: PNTG), a home health, hospice, and senior living company, completed several notable transactions throughout the year. In Q1, Pennant acquired the Oregon assets of Signature Healthcare at Home, which follows its acquisition of Signature's Idaho and Washington assets in 2024. The transactions help solidify Pennant's footprint as a home health and hospice provider in the Pacific Northwest. Later in the year, Pennant acquired GrandCare Health Services, which provides home health services in California, and Healing Hearts Home Health, a home care services provider in Wyoming. In October, Pennant acquired certain home health, hospice and personal care services operations in Tennessee, Georgia and Alabama from United and Amedisys pursuant to the contemplated divestitures discussed above for a combined purchase price of \$146.5 million. Help at Home, a leading provider of home care services, also remained active in the sector, acquiring Penn Highlands Personal Care Services, Affordable Home Care and Total Care Home Health, which provide services in Pennsylvania and Delaware, respectively.

PE firm Havencrest Capital Management acquired Home Care Angels, an Illinois-based at-home personal care services provider, and Private Duty Home Healthcare, a Michigan-based personal care and private nursing services provider, each of which operates in Havencrest's Avid Health at Home platform. LifeCare Home Health announced its acquisition of St. Gabriel's Hospice & Palliative Care, a hospice care provider serving approximately 300 patients in Texas. LifeCare also expanded its footprint into Arizona with its acquisition of Infinity Hospice Care, a family-owned hospice provider serving Nevada and Arizona. Addus HomeCare Corporation (NASDAQ: ADUS), one of the nation's leading providers of personal home care and support services, acquired Helping Hands Home Care Services, Inc., a Pennsylvania home care provider, for an estimated \$21.2 million. Active Day, a provider of adult day services and home care services, announced its acquisition of AllCaregivers and New Generations Home Care of Florence, South Carolina, to expand its presence in South Carolina to provide in-home services.

The year was also characterized by certain strategic combinations. In June, DispatchHealth and Medically Home merged, creating one of the nation's largest hospital-at-home providers. The combined company, operating under the DispatchHealth brand, will provide emergency-level care, inpatient hospital-level care and transitional care for those at risk of readmission following a hospital stay, and the entity plans to integrate Medically Home's technology platform.

Finally, certain transactions have emerged in the wake of hospitals shuttering their hospice service lines, owing to the overall shift toward in-home care, changes in reimbursement rates, and high operational costs. In October, Good Samaritan announced that CommonSpirit Health at Home would acquire Good Samaritan Hospice. The announcement came after Good Samaritan announced its plan to close its hospice program at the end of 2025. The acquisition by CommonSpirit will ensure continued access to end-of-life care throughout Indiana and Illinois. CommonSpirit and Good Samaritan have been in partnership for over three decades through Good Samaritan Home Care Services, a joint venture providing home healthcare. The transaction is anticipated to be completed in February of 2026.

We anticipate 2026 will bring continued acquisition activity, as the demand for in-home services continues to rise. Though buyers may remain cautious amid reimbursement uncertainty and the ongoing overhang for skilled home health from the threat of CMS clawback, we expect to see steady investment in the sector, particularly personal care, to meet the growing demands of the aging population.

Managed Care

M&A activity in the managed care sector was relatively steady, with deals consisting primarily of value-based acquisitions and selective plan affiliations. Affiliations with large nonprofit managed care organizations broadened the geographic reach of several large players. CareSource closed its affiliation with Common Ground Healthcare Cooperative in January, extending its ACA marketplace presence in Wisconsin, and Global Excel Management acquired Vitori Health to bolster employer plan-administration capabilities. Molina Healthcare completed its \$350 million acquisition of ConnectiCare Holding Company, adding roughly 140,000 individuals across the ACA marketplace, Medicare, and commercial plans. Value-based care enablement also drove transactions in the first quarter, with CareSource announcing an affiliation with ElderServe Health (RiverSpring Health Plans) to expand its offerings to Medicaid, Medicare Advantage and dual-eligible populations. Nashville-based Wellvana Health acquired CVS Health's Medicare Shared Savings Program business in an all-stock deal, with CVS retaining a minority stake, creating one of the largest value-based care enablement platforms in the country.

The second quarter saw less plan-to-plan consolidation, but more deals in the payor-enablement space. CareSource closed its acquisition of Commonwealth Care Alliance, adding nearly 50,000 dual-eligible patients in Massachusetts. Carenet Health acquired Balto Health Services, combining AI-enabled clinical decision support and CCM workflows with an MCO serving over 1.5 million members across the U.S., El Salvador, and the Philippines. Aledade acquired the Michigan value-based care operations of CCA Holding Company, an ACO and physician organization, to scale independent primary care in the state, and Oliver Wyman, a consulting subsidiary of Marsh McLennan (NYSE: MMC) entered into a definitive agreement to acquire Validate Health.

The third quarter saw an uptick in deal activity spanning various subsectors. Notably, Humana's CenterWell Senior Primary Care acquired The Villages Health out of Chapter 11 bankruptcy, and Astrana Health closed its \$708 million acquisition of Prospect Health. On the ACO front, Privia Health entered into a definitive agreement to acquire Evolent Care Partners for \$100 million plus up to \$13 million tied to MSSP performance, resulting in Privia now serving over 1.5 million patients in value-based arrangements. Platform add-ons in Q3 included CentralReach's acquisition of SpectrumAI and AI.Measures, enhancing outcome-based care for those with autism and intellectual & developmental diseases (IDDs). Kaiser Permanente announced a joint venture with Renown Health, which includes a majority stake in Renown's Hometown Health, forming Kaiser Permanente Nevada. CareSource received regulatory approval to acquire ElderServe Health, expanding its managed care footprint to 14 states. Finally, GovCIO acquired SoldierPoint Digital Health, assuming management of the VA's seven-year, \$2 billion Connected Care Integrated Network (CCIN) contract, under which it will support over 4 million veterans through its telehealth platform.

The fourth quarter saw a dramatic decrease in deal activity, potentially spurred by the uncertainty wrought by the longest federal government shutdown in U.S. history. In November, Vatica Health, backed by PE firm Frazier HealthcarePartners, announced that it merged with Cozeva, an SaaS platform specializing in value-based care enablement, population health management, and payer-provider collaboration.

In December, transaction activity in the managed care space picked up, starting with the announced partnership between Mercy, one of the 15 largest U.S. health systems boasting over 55 hospitals across Kansas, Missouri, and Oklahoma, and Wellvana Health. This partnership will expand access to value-based care programs for the communities that Mercy serves. ProactiveMD, a national value-based care provider, announced in December that it acquired multiple orthopedic, physical therapy, diagnostic services, women's health and chronic disease practices across Alabama, California, Georgia, North Carolina, South Carolina and West Virginia. Finally, Lightbeam Health Solutions announced its acquisition of Syntax Health, the maker of a SaaS platform geared towards simplifying the contracting process between payers and providers, promoting transparency and collaboration in the value-based care space. Lightbeam Health provides AI-enabled population health management technology, supporting payors and providers in several value-based and traditional insurance programs, including ACO REACH, the MSSP, Medicare Advantage, Medicaid, and commercial insurance plans.

Digital Health & Health Information Technology

In the digital health and health information technology sector, the first quarter of 2025 opened with steady—and overwhelmingly AI-related—deal flow that set the tone for the first half of the year. Arguably, the most consequential transaction was Transcarent's take-private acquisition of Accolade, positioning the Company to provide an AI-enabled navigation, advocacy, and care delivery platform at scale. Q1 also saw targeted consolidation of virtual and remote care platforms, including Teladoc's acquisition of Catapult Health and CoachCare's acquisition of VitalTech to expand its remote patient monitoring (RPM) and chronic care management (CCM) offerings. Venture financing signaled broad confidence in AI, highlighted by Hippocratic AI's massive Series B funding round and the continued advancement of extended-reality (XR) therapeutics, with XRHealth's acquisition of RealizedCare.

Deal activity remained steady in Q2, with a trend towards more mature targets. Teladoc acquired UpLift to extend its BetterHelp platform into payor-funded behavioral care. Centauri Health Solutions acquired MedAllies to strengthen integration, messaging, and record-location services that promote interoperability at the payer-provider level. Q2 also saw major international expansion with Hims & Hers' acquisition of ZAVA, consistent with 2024's cross-border digital health consolidation. i3 Verticals (NASDAQ: IIIV) sold its healthcare revenue cycle management (RCM) arm to Infinx, Inc., a provider of AI solutions for patient access and revenue cycle management. In April, Clearlake Capital Group, L.P. acquired a majority stake in ModMed, a developer of healthcare practice technology designed to support providers.

Q3 saw several notable strategic transactions in the sector, with a trend towards leveraging AI to expand and scale existing platforms' capabilities. Phreesia, Inc. (NYSE: PHR), a leading provider of patient engagement solutions, entered into a definitive agreement to acquire AccessOne Parent Holdings, Inc., a portfolio company of Frontier Growth, for \$160 million. AccessOne specializes in healthcare RCM and boasts of a receivables portfolio of approximately \$450 million. The transaction is expected to close in 2026, subject to regulatory approvals and meeting customary closing conditions. Doximity (NYSE: DOCS) acquired Pathway Medical Inc., a medical AI start-up, for cash consideration of \$26 million, and up to \$37 million in equity grants. Trella Health, a provider of customer relationship management solutions for post-acute care and other organizations, acquired Repisodic, a hospital discharge automation platform, deepening post-acute care discharge-automation workflows. CareCloud, Inc. (NASDAQ: CCLD, CCLDO), a leader in healthcare technology, acquired Medsphere Systems Corporation and Healthcare Financial Management Association's MAP App, expanding CareCloud's reach in RCM and enterprise IT. PurpleLab, a healthcare analytics organization, acquired KAID Health, a clinical analytics and care management company, and Glooko, Inc., a provider of remote patient monitoring for diabetes, acquired Monarch Medical Technologies, which developed a software platform for insulin dosing and glycemic management.

Deal activity in the fourth quarter maintained a steady pace. In October, Hologic, Inc. (NASDAQ: HOLX) announced that it had entered into a definitive agreement to be acquired by funds managed by Blackstone and TPG in a take-private transaction valued at up to \$79 per share (representing an enterprise value of up to \$18.3 billion). Hologic provides AI-driven innovative medical technologies geared at effectively and accurately detecting, diagnosing and treating health conditions and raising the standard of care for women globally. The transaction is expected to close in the first half of 2026. In October, healthcare investment firm Patient Square Capital acquired Premier, Inc., a technology healthcare improvement company, for \$2.6 billion, taking the company private. Samsung acquired Xealth, a digital health platform, which Samsung anticipates will help unify fragmented health information. The newly combined platform will continue to permit physicians and care teams to order, deliver, and monitor digital health tools via their native EHRs. Findhelp acquired Uno Health, a digital enrollment platform offering eligibility, enrollment, and redetermination review for Medicaid and other income-and employment-based government benefit programs. SteadyMD was acquired by DocGo, Inc. (NASDAQ: DCGO), a provider of mobile health and medical

transportation services. SteadyMD offers a 50-state virtual clinical workforce, clinical operations and other technology that powers real-time matching between patient needs and clinical expertise. SteadyMD's scaled network will enable DocGo to more efficiently deliver patient care remotely.

Waystar (NASDAQ: WAY), a provider of healthcare payment software, acquired Iodine Software, a leading provider of AI-powered RCM solutions. Investment firm Marlin Equity Partners made a growth investment in Intelligent Locations, a provider of AI-powered location system software for healthcare enterprises. Venture-backed Fabric, a digital health company, acquired UCM Digital Health, a telehealth provider boasting over one million covered lives and 400 payor and employer clients. In November, London-based Kooth, Inc. (AIM: KOO), a provider of digital mental health services, expanded into the U.S. with its acquisition of Kismet Health, a virtual patient engagement platform. Also that month, AVIA Marketplace, a digital health platform, announced the acquisition of Panda Health, a community and market intelligence platform that provides data to providers to aid in clinical decision-making. Mosaic Clinical Technologies, a radiology technology division of Radiology Partners, acquired Cognita Imaging for \$80 million. Finally, GE Healthcare (NASDAQ: GEHC) entered into a definitive agreement to acquire Intelrad, a provider of medical imaging software, in a transaction valued at \$2.3 billion. The transaction is expected to be completed in the first half of 2026. In December, Freenome Holdings, Inc., a company that operates an AI-driven platform developing blood tests, and Perceptive Capital Solutions Corp. (NASDAQ: PCSC), a special purpose acquisition company, announced a definitive merger agreement, which, upon closing, would result in Freenome becoming a publicly traded company.

Expect investment in AI-powered platforms to continue into 2026, as providers seek to expand access, increase efficiencies and address fragmentation in care.

Pharma Services, Pharmacy & Pharmacy Benefit Managers

M&A activity in the Pharma Services, Pharmacy and Pharmacy Benefit Manager sectors throughout the year displayed a steady, inconspicuous trend line, punctuated by a couple of significant spikes in activity. The first such spike was tracked in the Q1 announcement that struggling retail-healthcare giant Walgreens Boots Alliance entered into a definitive agreement to sell to Sycamore Partners for \$10 billion—a deal that ultimately closed in August and ended Walgreens' public trading on the Nasdaq. Then, in Q2, the U.S. Bankruptcy Court of New Jersey approved CVS Health's (NYSE: CVS) proposal to purchase certain select Rite Aid assets, after Rite Aid filed for bankruptcy in May. On October 15, CVS announced it had completed the acquisition. According to its press release, CVS Health acquired the prescription files of 626 former Rite Aid and Bartell Drugs pharmacies in 15 states and acquired and is now operating 63 former Rite Aid and Bartell Drugs stores in Idaho, Oregon and Washington.

In the specialty pharmacy and infusion services space, BioMatrix Infusion Pharmacy (backed by Frazier Healthcare Partners) was particularly active in 2025. After scooping up specialty pharmacy and infusion services provider MyLyfe back in March, in Q4, BioMatrix made headlines by closing two deals aimed at expanding its national footprint. In October, the company announced it had acquired LUX Infusion, an Alaska-based ambulatory infusion center business. Then, in December, BioMatrix announced it had acquired Total Infusion Care, a Nevada-based infusion therapy provider serving patients across the western United States. The financial terms of the transactions were not disclosed.

Behavioral Health

Behavioral health transactions remained robust in 2025, fueled by high patient demand and continued interest from PE. While M&A activity saw some fluctuation throughout the year, several subsectors of the behavioral health space experienced significant growth and high demand, including autism & applied behavior analysis (ABA), mental health and substance and use disorders (SUD), and tele-behavioral health. Technology also continues to play a significant role in investment in the behavioral health industry and was the focus of several transactions this year.

The year began with a flurry of transactions, and while activity has slowed somewhat, deal activity has remained active throughout the remaining quarters of 2025. Tele-behavioral health fueled much of the early investment this year, with Avel eCare acquiring Amwell's telepsychiatry business for \$21 million. The same month, Iris Telehealth acquired Quartet Health's telepsychiatry division, innovaTel, making it one of the largest telepsychiatry providers in the U.S., before the balance of Quartet Health was purchased by NeuroFlow, a behavioral health technology and analytics company.

Investment in the autism and ABA therapy-related sector remained one of the most active sectors of behavioral health M&A, with a significant number of transactions announced and completed this year. For example, PE firm Nautic Partners acquired New York City-based Proud Moments ABA, which provides ABA therapy in homes and its clinics, from Audax Private Equity. NexPhase Capital also acquired California-based Behavior Frontiers, an autism therapy provider located across 12 states. Bradford Health Services (backed by Lee Equity) also acquired Cornerstone of Recovery in Tennessee, and three Texas-based substance use disorder treatment clinics.

Key players also continued to expand their geographic scope and service lines this year. Oceans Healthcare, a Texas-based inpatient and outpatient behavioral health provider, acquired Haven Behavioral Healthcare. SUN Behavioral Health (backed by LLR Partners, Petra Capital Partners and NewSpring Capital), a provider of inpatient and outpatient psychiatric services, announced its acquisition of the home and community-based services division of Seaside Healthcare, backed by Pharos Capital Group.

In line with trends in the first three quarters of the year, M&A activity in Q4 involved transactions in the same key sectors. BrentCare Behavioral Health Holdings, an adolescent behavioral health provider, acquired Modern Recovery Network, allowing BrentCare to offer residential, outpatient and virtual care nationwide. Pediatric behavioral health provider Hazel Health merged with Little Otter, a youth mental health startup that provides coaching, therapy and psychiatric services for children with mental health challenges and their families. JoyBridge Kids, a leading provider of care for children with autism in the Southeast, acquired Pediatric Advanced Therapy, a North Carolina-based provider of pediatric speech, occupational and physical therapy, along with counseling services. ARC Health Partners similarly acquired Clarity Counseling Center, an outpatient therapy-based practice in North Carolina. We expect many of the same trends and investment interest in the behavioral health sector will continue into the new year.

Conclusion

Although 2025 may not have met expectations at the outset of Q1, it was a solid year for healthcare M&A activity nonetheless, and perhaps only served to build further pressure for a burst of activity in 2026 due to a number of factors. Those factors include increasingly lower interest rates, dry powder waiting to be deployed, stable private credit markets and PE platforms entering their maturity windows, among others. The dam, then, could very well break in 2026.

About Our Healthcare M&A Team

For over 15 years, we have represented clients in transactions valued at an aggregate of more than \$136 billion. We have represented healthcare companies in some of the largest transactions in the industry, including a leveraged buyout and, later, a private equity-backed initial public offering that were the largest in U.S. history at the time. Bass, Berry & Sims was honored to be recognized as a winner in the [Healthcare/Life Sciences Deal of the Year](#) (\$50MM to \$100MM) category at the 23rd Annual M&A Advisor Awards in 2024. The firm was honored in that category related to its work representing TT Capital Partners in the recapitalization of Pyx Health. This deal was also named a finalist in the Private Equity Deal of the Year (\$75MM to \$100MM) category.

Representing providers and non-providers, our attorneys have developed a thorough understanding of the legal and regulatory constraints affecting the healthcare industry. The industry engenders unique challenges in the areas of due diligence and evaluation of potential risks and liabilities. We offer an unmatched combination of sophistication and value and are focused on serving and adding value in the middle- and lower-middle markets, and are uniquely positioned to provide the cost-effective yet sophisticated transactional solutions the current environment demands.

Our results-oriented, business-minded deal attorneys work seamlessly with our nationally ranked healthcare regulatory attorneys to help healthcare companies, private equity funds and their portfolio companies achieve their strategic goals. Most notably, we pride ourselves as being deal facilitators and real-world risk analyzers. As a result of this experience and depth, the firm continues to be recognized as a choice firm for healthcare transactions. To learn more about our team, industry experience and value-add, visit bassberry.com/healthcareM&A.



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