

Healthcare Technology M&A Pulse

Bass, Berry & Sims is pleased to share with you our first installment of Healthcare Technology M&A Pulse for 2026. This quarterly publication is designed to provide timely insights into the intersection of healthcare, technology and transactions, reflecting the evolving digital health landscape and the issues that matter most to our clients and industry partners.

Each edition will highlight notable trends and developments we see across healthcare technology and digital health, including transactional activity, regulatory and legal considerations, and emerging best practices. We will also feature perspectives from healthcare technology leaders, practical takeaways from recent deals and market activity, and updates on upcoming events and opportunities to engage with our team. Through this newsletter, we aim to offer thoughtful analysis and actionable insights that help you stay informed, anticipate change, and navigate an increasingly complex and dynamic market.

Dealmaker Insights

In this edition, we are pleased to feature insights from Connie Heil, Principal at Brighton Park Capital, an investment firm focused on entrepreneur-led, rapidly growing software and healthcare technology companies, and Jack Jeong, Partner and Co-Founder at OM Partners, a healthcare investment banking and strategic advisory firm.



Connie Heil is a Principal at Brighton Park Capital, focusing on investments in healthcare and life sciences. Connie brings deep experience partnering with founders and leadership teams to build differentiated, high-growth healthcare platforms.

Where are you seeing the most attractive buy-and-build opportunities in healthcare technology in 2026?

The opportunities we find most compelling right now are the combination of established healthcare services businesses with artificial intelligence (AI)-native technology platforms. Within the healthcare industry today, revenue cycle management for provider organizations, third-party administrators for self-insured employers and service providers remain critical to customers. These aren't functions that health systems or employers are rushing to bring in-house. The workflows are too complex, the domain expertise is too specialized, and switching costs are high if you have outsourced for a considerable amount of time.

What has changed is that the technology to transform these historically labor-intensive operations into autonomous or semi-autonomous workflows is now real and proven. You can take a services platform that has deep customer relationships, scaled operations, and rich proprietary data, and overlay AI technology that drives both margin expansion and topline growth. We think of it as combining the best of the 1.0 businesses—customer trust, domain expertise, and distribution—with the best of the 2.0—AI-driven productivity, workflow automation, and software-like unit economics.

How has the view of AI as foundational infrastructure changed your investment thesis on platforms versus point solutions?

The shift has been fundamental for us. Two years ago, our diligence on healthcare technology companies centered on whether AI was a meaningful feature differentiator or future opportunity; today, we are evaluating whether a company is positioned to be durable infrastructure or is a feature that will be commoditized. We are now focused much more squarely on two types of platforms. The first is AI-native disruptors—companies that were architected from the ground up around AI and are

genuinely rewriting how work gets done in healthcare, not just layering automation on top of legacy processes. The second is deeply embedded systems of record or systems of action—platforms so integrated into customer workflows, that work off of proprietary data being generated in real time, that are extremely difficult to disintermediate. These are the companies that we believe have real staying power, and that already act as the foundation from which one can enhance with AI.

What we are deliberately avoiding is point solutions. Customers increasingly do not want to manage multiple different AI vendors—they want partners that can deliver multiple capabilities through a unified platform. Point solutions, by definition, don't have the surface area to expand across workflows or compound their data advantages over time. For us, durability and defensibility are the key words, and I think those qualities live in platforms, not solutions.



Jack Jeong is a Partner and Co-Founder of OM Partners, where he advises healthcare technology and services companies on mergers and acquisitions, capital raises and strategic transactions. Jack brings 20 years of experience advising market leading healthcare technology and digital health clients.

Are valuation multiples expanding for companies with production-grade AI versus early-stage “AI-enabled” solutions?

Definitely. There is no doubt that AI continues to advance at an unprecedented pace, but the market is also quickly maturing in how it approaches AI opportunities and risks in M&A transactions and their valuations.

After several years of the market rewarding “AI potential” (e.g., selling the dream), buyers and investors are now increasingly focused on proven “AI execution” (e.g., I need to see actual results), which is also driving a widening valuation gap between production-grade AI with scaled operations and early-stage experimental laggards. We are seeing premium valuation for production-grade AI with proven workflow enhancements and demonstrated productivity gains, especially when combined with proprietary data moats.

How is Q1 activity influencing seller expectations and process design for the rest of 2026?

We are becoming more “cautiously optimistic,” based on the level of deal activity in Q1, that we might be finally shifting away from the “cautious waiting” period of the last several years and into a period of strategic urgency, especially given the pace at which the market is moving to integrate AI in everything we do and also that scale really matters. And when deals are getting done primarily based on strategic urgency, sellers and buyers are acutely focused on finding the right fit that can maximize shareholder value today and, if applicable, together in the future. This is often best achieved through bespoke, tailored and targeted discussions rather than a broader auction process. While we will continue to see competitive bidding wars in broader auction processes for the highest-quality businesses, given the “flight to quality” being more evident than ever, we expect more M&A transactions to be completed through targeted processes during the rest of 2026, often leveraging existing commercial relationships or discussions that serve as the catalyst for M&A.

Market Signals

Q1 2026 Healthcare Technology Transactions

At the 44th Annual J.P. Morgan Healthcare Conference held in January 2026, Jeremy Meilman, Global Head of Healthcare Investment Banking at J.P. Morgan, predicted, “We’re set for an active year ahead - biopharma innovation, medtech and life science breakthroughs, and AI transforming healthcare services.” In line with Meilman’s prediction, the first quarter of 2026 saw a strong start to healthcare technology deal flow. A defining characteristic of healthcare technology M&A that is evident from Q1 is a shift toward fewer but larger, more strategically focused transactions, which aligns with broader M&A trends showing total deal value across the healthcare and all other industries up 50% compared to Q1 2025 but deal volume down 22%.

Deals involving digital health and AI-enabled platforms were at the forefront of Q1 deal flow in both public company and private equity spaces. In the **consumer telehealth and digital pharmacy subsector**, Hims & Hers (NYSE: HIMS) agreed to acquire Eucalyptus, a telehealth company with operations in Australia, the UK, Germany and Canada, that provides online consultations and pharmacy services. The deal is valued at up to \$1.15 billion and is part of Hims & Hers' strategic plan to expand into Australia and Japan and continue to expand its presence in the UK, Germany and Canada. In the **AI-enabled digital therapeutics/virtual care platform space**, Sword Health, a fast-growing AI-powered musculoskeletal and pain management platform, acquired Kaia Health in a \$285 million deal. Kaia Health is a digital health company with a focus on musculoskeletal and pulmonary care, and acquiring Kaia Health was a move by Sword Health to expand its care to more people in the United States as well as to enter the German market. In the **medical imaging technology subsector**, on March 18, GE HealthCare (Nasdaq: GEHC) announced it had completed its acquisition of Intelrad, a leading medical imaging software provider, for a base purchase price of \$2.3 billion in cash with customary adjustments. The acquisition of Intelrad was explicitly framed around building an AI-enabled, cloud-first enterprise imaging platform that "will support GE HealthCare's imaging technologies and AI capabilities by simplifying complex workflows, and providing patients and customers with more precise, connected care across the continuum." This acquisition was part of GE HealthCare's broader D3 strategy that involves leveraging smart devices, digital tools, and disease-focused solutions.

In the **virtual behavioral health subsector**, Universal Health Services (NYSE: UHS) announced that it had entered into an agreement to acquire Talkspace, Inc. in a transaction valued at approximately \$835 million. Talkspace is a virtual behavioral healthcare company that has a focus on innovative approaches to mental health services. Additionally, Spring Health, a global mental health platform that supports employers and health plans, also announced that it had entered into an agreement to acquire Alma, a membership-based platform that helps independent mental health providers with insurance credentialing, billing and practice management. By combining these two platforms, Spring Health is aiming to alleviate some of the most persistent challenges in mental health - namely, connecting people with the right care for their mental health needs and avoiding disruptions as people's employment, coverage and circumstances change. The transaction is expected to close in Q2 of 2026. In the **AI clinical documentation subsector**, Grow Therapy acquired Tenor Therapy, which had developed a product that was a HIPAA-compliant, AI-powered clinical documentation tool that generated therapy notes and helped with documentation. Tenor's product was no longer available after February 28, with Tenor noting that it is building within Grow Therapy's platform directly. Also in this space, Heidi Health, Australia's leading healthcare AI platform, acquired AutoMedica, a UK-based clinical AI startup focused on evidence-led frameworks and regulatory-compliant clinical reasoning. The acquisition strengthens Heidi's capabilities beyond documentation into real-time evidence generation and patient communication tools while supporting its international expansion and UK/EU regulatory relationships.

In the **health data aggregation and interoperability subsector**, OpenAI, one of the largest players in the AI space, announced that it acquired Torch, a healthcare startup that was working on an AI-driven product that combines patients' medical information from multiple sources, such as lab tests, doctors' visits, and wearables, among others. The deal was reportedly valued at approximately \$100 million. In the **healthcare consulting technology space**, Chartis, a healthcare advisory firm based in Chicago and backed by Blackstone, acquired Leap AI. Leap AI is a California-based company that provides AI-driven analytics and workflow solutions for healthcare organizations. The financial terms of the deal were not disclosed.

Deals involving healthcare technology infrastructure were prevalent as well. In the **revenue cycle management (RCM) subsector**, EnableComp announced its acquisition of Health Resources Optimization, Inc. (H/ROI), a premier clinical denials and revenue recovery firm serving major Northeast health systems. The deal bolsters EnableComp's complex RCM platform with specialized expertise in medical-necessity denials, DRG downgrades and post-bill validation amid rising payer scrutiny. In the **RCM/pediatric-specialized subsector**, Lead Capital Partners, a Nashville-based, healthcare-focused private equity firm, announced its investment in PedsOne. PedsOne is a leading provider of outsourced revenue cycle management that supports and partners with independent pediatric practices across the country.

Also in the **RCM/specialized billing space, specifically in the emergency medical services subsector**, EMS Management & Consultants, a leading provider of revenue cycle management, compliance and operational solutions for emergency medical services, fire and mobile healthcare organizations across the United States, announced its acquisition of Health Services Integration. Health Services Integration is a specialized air medical billing and reimbursement company, and EMS Management & Consultants' CEO cited this acquisition as a "strategic milestone in our long-term commitment to air medical services,"

which is an industry that involves unique challenges, such as regulatory scrutiny and payer complexity. Further demonstrating activity in **payments and patient financial engagement**, RevSpring acquired TrustCommerce, integrating the latter's enterprise payment gateway and security solutions to deliver end-to-end visibility and simplify payment operations across pre-, point- and post-service collections. Additionally, Knowtion Health acquired revly, an AI-powered intelligent reimbursement and claims routing technology provider, expanding Knowtion's EHR-agnostic capabilities to identify revenue opportunities before and after claim submission.

In the **electronic health records (EHR) data management subsector**, Harmony Healthcare IT announced its acquisition of Blue Elm, a MEDITECH data solutions provider. Since its founding in 2001, Blue Elm has served more than 500 hospitals and vendors, and its acquisition by Harmony Healthcare IT will help MEDITECH hospitals and health systems have more support and access to expertise throughout the entirety of the data lifecycle. In the **care management and virtual care (home-based) subsector**, Harbor Health, a Texas-based primary and specialty care clinic group, acquired Rippl, a dementia care platform designed to help people living with dementia remain at home as opposed to in the emergency department, hospital and post-acute settings. Rippl's platform uses a coordinated care approach to bring together a variety of resources, such as healthcare providers, community resources and social services, to meet the needs of both individuals with dementia and their caregivers.

This focus on consolidating resources and data for healthcare providers and consumers was also seen in the formation of Interra Health. In the **e-prescribing and prescription decision support subsector**, the newly formed Interra Health, resulting from the merger of the healthcare technology companies DoseSpot and Arrive Health, will offer a platform that combines each company's software to give clinicians real-time cost and coverage information when prescribing medications.

Overall, the various transactions of Q1 2026 reflect a broader conviction, shared by a range of buyers, that AI is no longer a differentiating feature of healthcare technology but ought to be a foundational layer of its infrastructure. Consolidation across subsectors—telehealth, mental-health platforms, imaging technology, RCM, EHR data services and pharmacy interoperability—signals a clear maturation of the market. Notable consolidation in complex RCM (including clinical denials, payments infrastructure and AI-driven claims optimization) alongside clinical AI tools further underscores the shift toward scalable, AI-native infrastructure. Consolidation to provide a more seamless and data-informed experience for clinicians and patients appears to be a continued focus of healthcare technology transactions as well. It remains to be seen whether the dynamics established in Q1 2026 will continue defining the pace and character of healthcare technology M&A throughout the remainder of the year.

Where We're Connecting

[AGC HCIT & Life Sciences Tech Summit](#)

May 14, 2026 | Nashville, Tennessee

Bass, Berry & Sims is proud to sponsor AGC Partners 2026 HCIT & Life Sciences Technology Summit. The summit is a premier showcase for fast-growing private technology companies and will include growth equity professionals for one-on-one meetings. For more information, [click here](#).

[Kayo Healthcare Private Equity Summit](#)

June 22-23, 2026 | Washington, D.C.

Bass, Berry & Sims is proud to be a platinum sponsor of the 2nd annual Kayo Healthcare Private Equity Summit, which will bring together investors, operators, lenders and advisors for best-in-class content and curated networking and provide attendees with actionable insights on the healthcare private equity market. For more information, please visit the [Kayo website](#).

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About Our Healthcare Technology M&A Practice

Bass, Berry & Sims provides a full-service, deal-focused approach to Healthcare Technology M&A, advising private equity sponsors, strategic buyers and rapidly growing companies across the entire transaction lifecycle. Ranked 6th in healthcare private equity deals (Pitchbook 2025), we have served as lead counsel in over 400 transactions ranging from \$20 million to more than \$15 billion in the last four years. Our team combines M&A, regulatory, healthcare and technology capabilities to structure complex transactions involving healthcare technology and intellectual property assets, while helping clients navigate strategic growth initiatives, partnerships and regulatory considerations in a rapidly evolving market. To learn more, [click here](#).