



 EMERGING TECH RESEARCH

# Healthtech VC Trends

VC activity across the healthtech ecosystem

**Q2**  
2025

## REPORT PREVIEW

The full report is available through the PitchBook Platform.





# Contents

Healthtech landscape	3
Healthtech VC ecosystem market map	4
VC activity	5
Healthtech VC deal summary	15

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# Healthtech landscape

- 1 Telehealth
- 2 Care management
- 3 Sports & wellness
- 4 Analytics
- 5 Revenue cycle
- 6 Digital care & treatments
- 7 Infrastructure & compliance
- 8 EHRs & clinical information
- 9 Operations





# Healthtech VC ecosystem market map

This market map is an overview of venture-backed or growth-stage companies that have received venture capital or other notable private investments.

The full market map can be viewed on the PitchBook Platform.





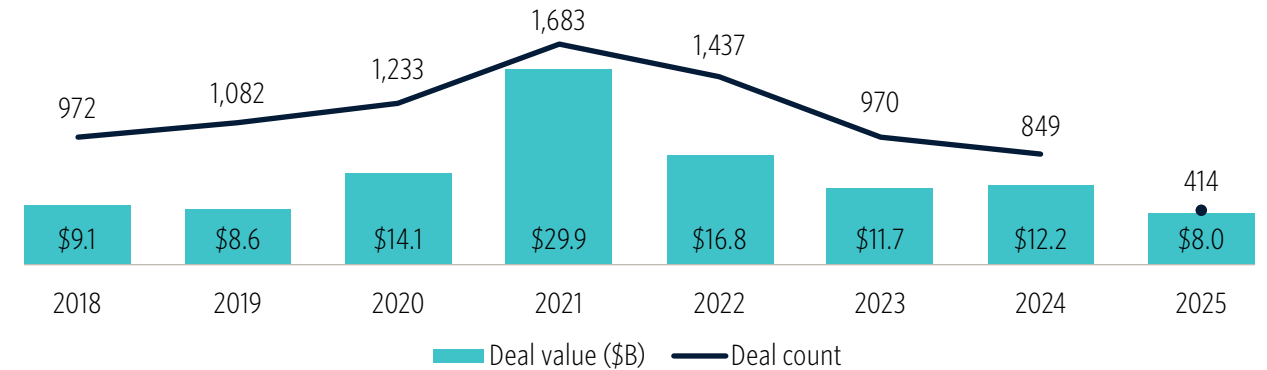
# VC activity

## Deal activity

Healthtech startups have raised \$7.9 billion of VC funding through the first half of the year. This is a strong result considering the challenging environment for VC investment the sector has experienced in the years since pandemic-era highs. If current funding trends hold, VC funding for 2025 could come in at its highest level since 2022. At the same time, overall deal counts continue to decline, and this year is likely to mark the fourth straight year of fewer total deals. Higher total deal value and rebounding valuations, along with roughly flat deal counts, are continuing to push median deal sizes higher. The current median pre-money valuation of \$33.8 million YTD is a multiyear high, up from \$30 million last year and well above the \$18 million average seen in 2022 to 2023.

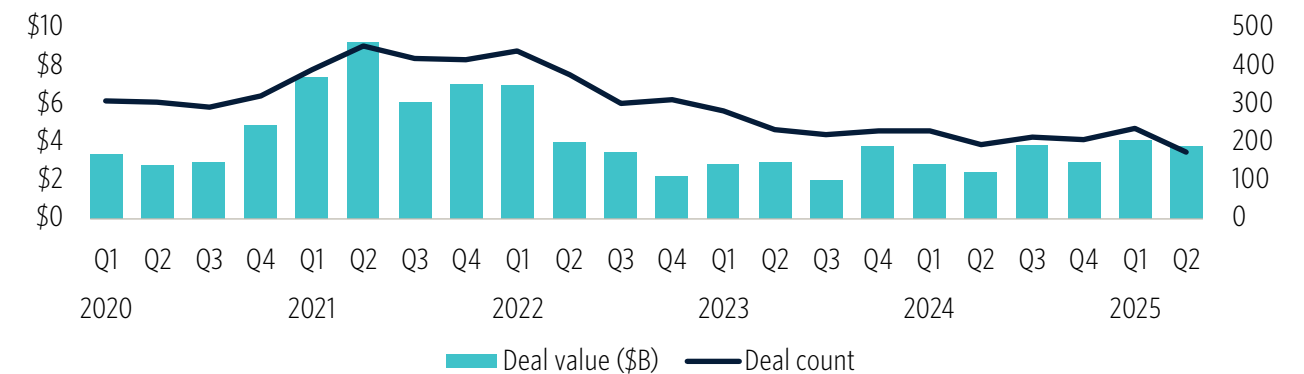
Alongside relative strength in the IPO market and improving public market conditions, the rising number of large funding rounds signals that a rebound in the VC healthtech sector is underway. Deal activity in the second quarter was led by two AI-first companies, Transcarent and Abridge, which raised \$481 million and \$316 million of new funding, respectively. These deals show that the largest VCs continue to be involved in healthtech, as Andreessen Horowitz led Abridge's latest round, and GC is backing Transcarent—and also provided funding for Transcarent's purchase of Accolade earlier in the year. In total, there were six deals exceeding \$100 million in the quarter, including new VC funding above that mark for Function Health, Commure, United Imaging Healthcare, and Tennr. There have also been five deals above \$300 million YTD, with four occurring in Q2 alone, led by Transcarent's \$481 million Series D1. In comparison, for all of 2024, there were only two deals above \$300 million in the sector (Doc.com and Caresyntax) and none above \$310 million.

## Healthtech VC deal activity



Source: PitchBook • Geography: Global • As of June 30, 2025

## Healthtech VC deal activity by quarter



Source: PitchBook • Geography: Global • As of June 30, 2025



## VC ACTIVITY

### Exit outlook

The second quarter delivered two of the most significant healthtech IPOs since the zero-interest-rate-policy period ended, with Hinge Health and Omada Health debuting at valuations of \$2.6 billion and \$1.1 billion, respectively. As covered in our [Hinge Health Breaks IPO Logjam](#) analyst note, the Hinge listing is the first in a potential wave of “B2B2C” startups considering going public, and the listing reflected a key test case for the digital health IPO window. Since going public, these two companies’ share prices have diverged—Omada shares are down 12%, while Hinge is up over 40%—as public investors continue to focus heavily on profitable growth. Notably, even with Hinge Health’s strong post-IPO performance, its valuation still trails its last private round when the company reached a valuation exceeding \$6 billion. That said, there is no doubt these listings are a net positive for the sector and a potential sign of things to come if the IPO window continues to crack open. Hinge Health’s virtual musculoskeletal (MSK) startup competitor Sword Health had previously been on our IPO shortlist. Although recent comments from CEO Virgílio Bento suggest its own listing may not occur soon, as the startup looks to first broaden its strategic approach by expanding into adjacent categories such as mental health.<sup>1</sup>

Broadly, late-stage startups and their investors in the healthtech sector have seen few concrete exit opportunities, with Hinge’s and Omada’s IPOs being the exception and not the rule. In our view, any signs that realistic exit pathways are emerging are likely to spur investor interest and improve capital flow, enabling reinvestment into the next generation of emerging startups. Despite the recent public listings, M&A activity across the consumer health and payer/provider tech

subsectors have remained subdued this year, owing to a lack of incumbents and ongoing valuation gaps with potential acquirers. Without a pickup in M&A, the IPO market may continue to shoulder most of the sector’s exit momentum heading into the back half of the year and going into 2026.

As we noted in our [previous sector update](#), Transcarent’s acquisition of publicly traded Accolade is the standout deal to date—a strategic play in the care navigation space aimed at accelerating the company’s growth and differentiating it in a crowded market. Other transactions, such as Quantum Health’s June acquisition of provider service analytics platform Embold Health, also point to ongoing consolidation in the highly competitive care & benefits navigation subsegment. We continue to expect Quantum Health to pursue an IPO within the next 12 to 18 months, as its PE sponsors are likely to seek an exit relatively soon, with hold times becoming extended—nearly five years for Warburg Pincus, and since 2017 for Great Hill Partners.

### AI scribes

Despite signs of growing fragmentation and intense competition in the space, investor appetite for AI medical scribes remains strong, with capital increasingly flowing toward platforms that have the potential to expand beyond basic transcription into revenue cycle, authorization, and electronic health records (EHRs) integration. Ambience’s \$243 million combined debt and equity raise in July vaulted it into unicorn territory, reinforcing its position among the most valuable startups in this emerging space. Similarly, Abridge’s \$316 million Series E round in June—captured in Q2 data below—signals market confidence in its ability to leverage its early market leadership

<sup>1</sup>: “Sword Health Nabs \$40M at \$4B Valuation, Pushes IPO Plans to at Least 2028,” TechCrunch, Marina Temkin, June 17, 2025.





## VC ACTIVITY

and deliver longer-term, profitable growth. In a sign of a broader shift in the ambient scribe landscape, Abridge specifically called out its plans to use new proceeds to move downstream and embed revenue cycle capabilities into its system. Ultimately, we expect platforms that can deliver clear return on investment beyond workflow improvements (and directly appeal to CFOs) will become more desirable as this sector matures. In additional news, on August 12, national “payvider” Highmark Health announced the adoption of Abridge for real-time prior authorization in another sign that these platforms are increasingly becoming a bridge between clinical and administrative workflows.

Despite these recent developments, we would contend that the AI scribe market is still in its early innings. Incumbent competition is increasing—for example we expect that Doximity’s recently announced free AI scribe offering could add additional pricing pressure to the market. At Epic’s flagship customer meeting, held recently in Verona, the EHR leader announced several new AI tools for patients and clinicians,<sup>2</sup> and it has also added Ambience to its Toolbox partner program.<sup>3</sup> While rising competition will be especially challenging for subscale platforms that have yet to achieve profitability, a rapid push to include add-on services should improve recurring revenue stickiness with customers and could trigger a new phase of competitive consolidation as platforms weigh build-versus-buy decisions.

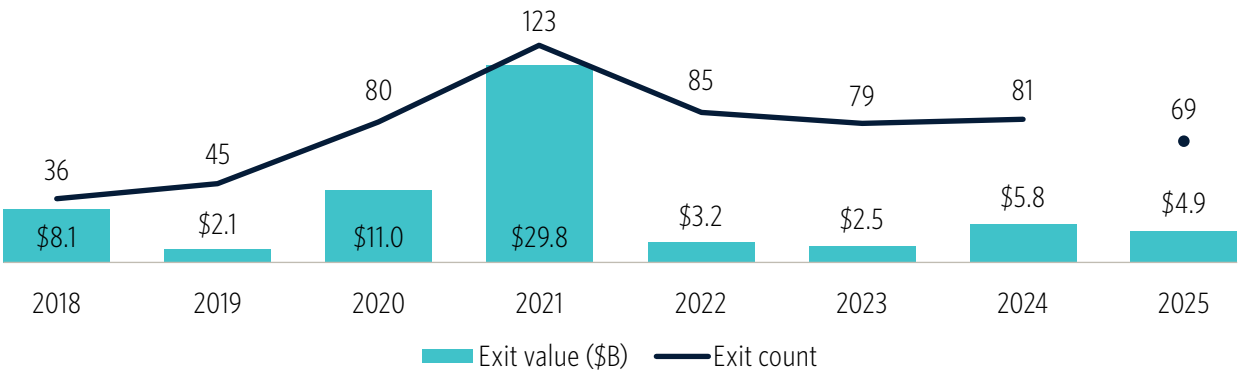
<sup>2</sup>: [“Epic Unveils AI Agents, Showcases New Foundational Models,” Healthcare IT News, Andrea Fox, August 20, 2025.](#)

<sup>3</sup>: [“Epic adds Ambience Healthcare’s AI to its Toolbox program,” Fierce Healthcare, Heather Landi, August 15, 2025.](#)



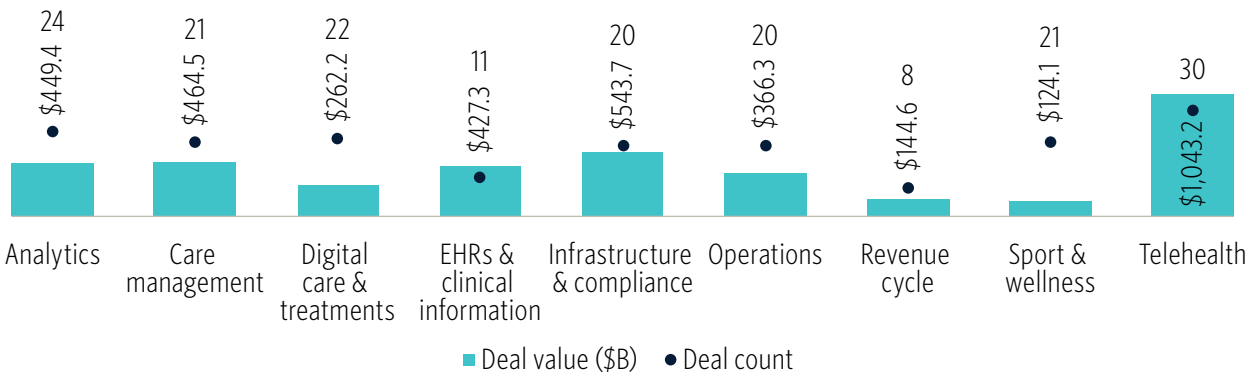
## VC ACTIVITY

### Healthtech VC exit activity



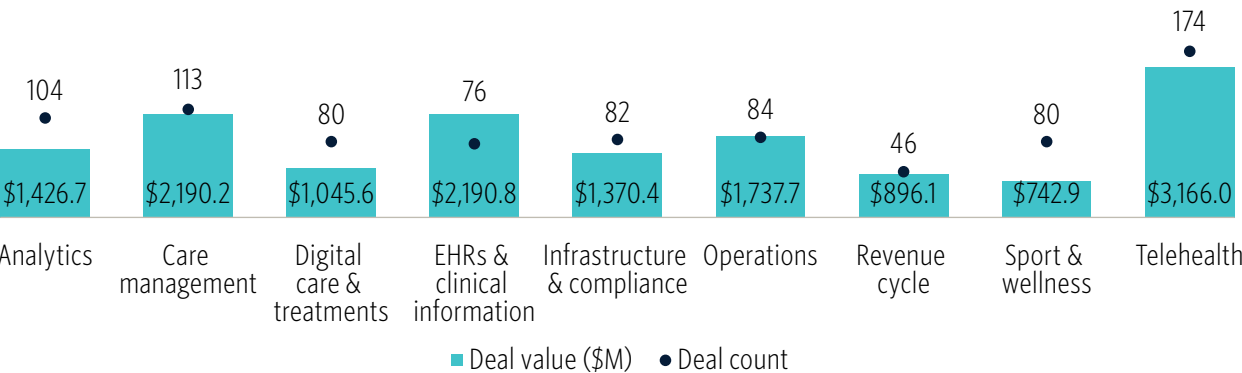
Source: PitchBook • Geography: Global • As of June 30, 2025

### Q2 2025 healthtech VC deal activity by segment



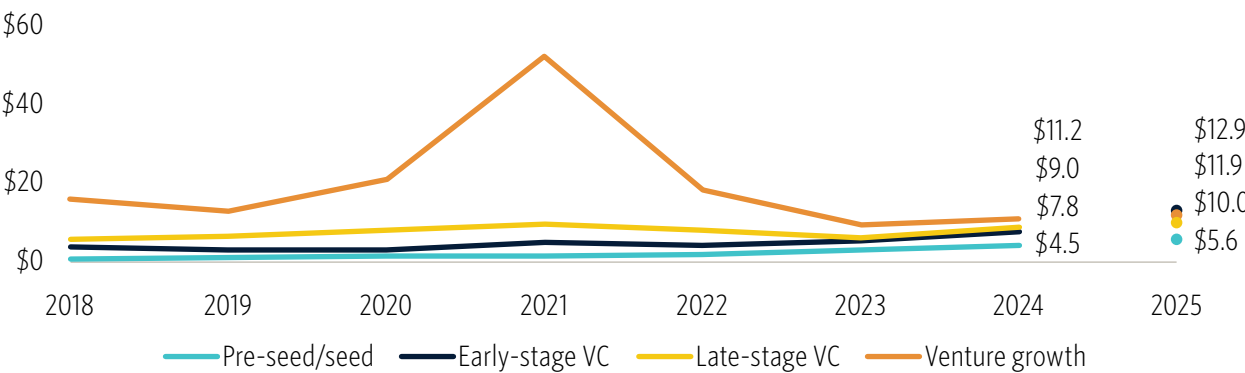
Source: PitchBook • Geography: Global • As of June 30, 2025

### Trailing 12-month (TTM) healthtech VC deal activity by segment



Source: PitchBook • Geography: Global • As of June 30, 2025

### Median healthtech VC deal value (\$M) by stage



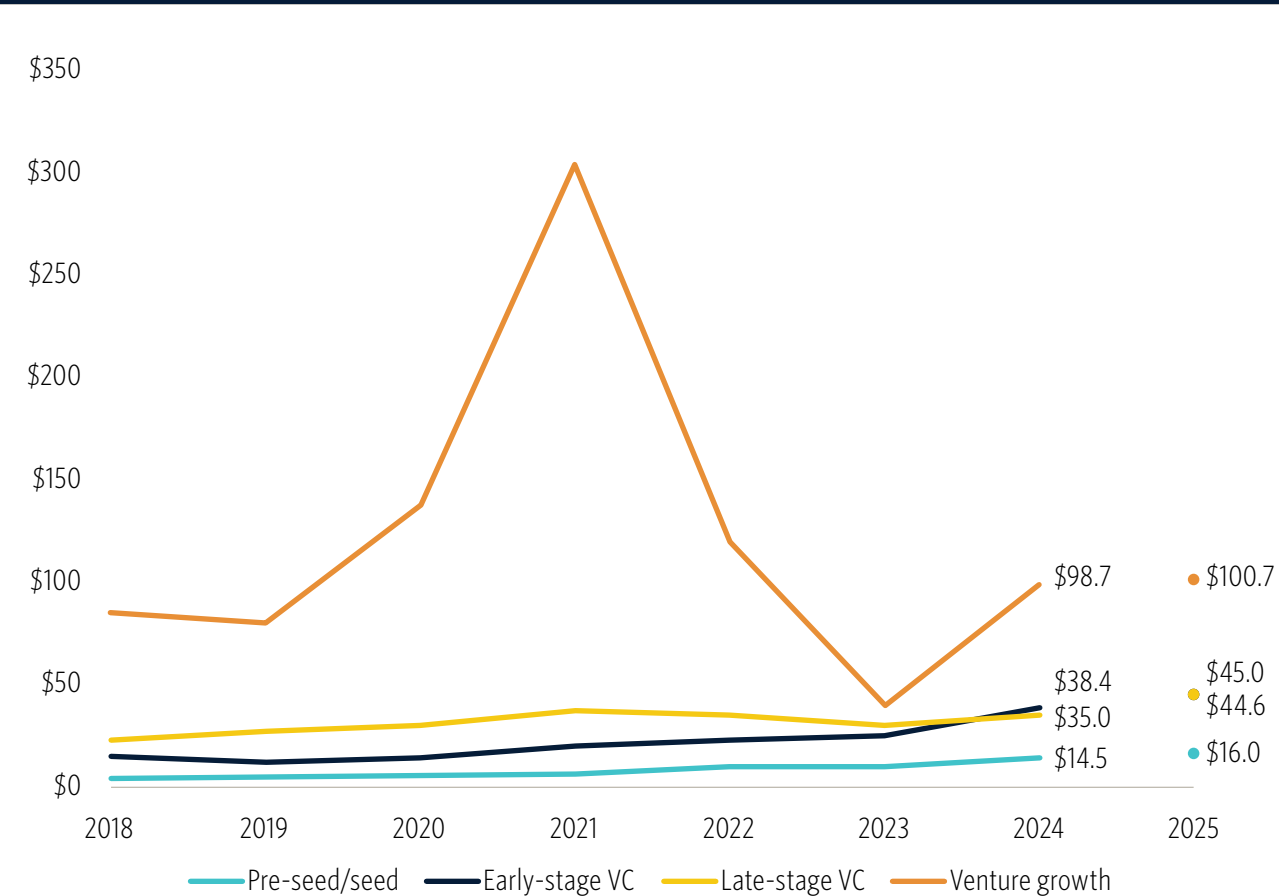
Source: PitchBook • Geography: Global • As of June 30, 2025





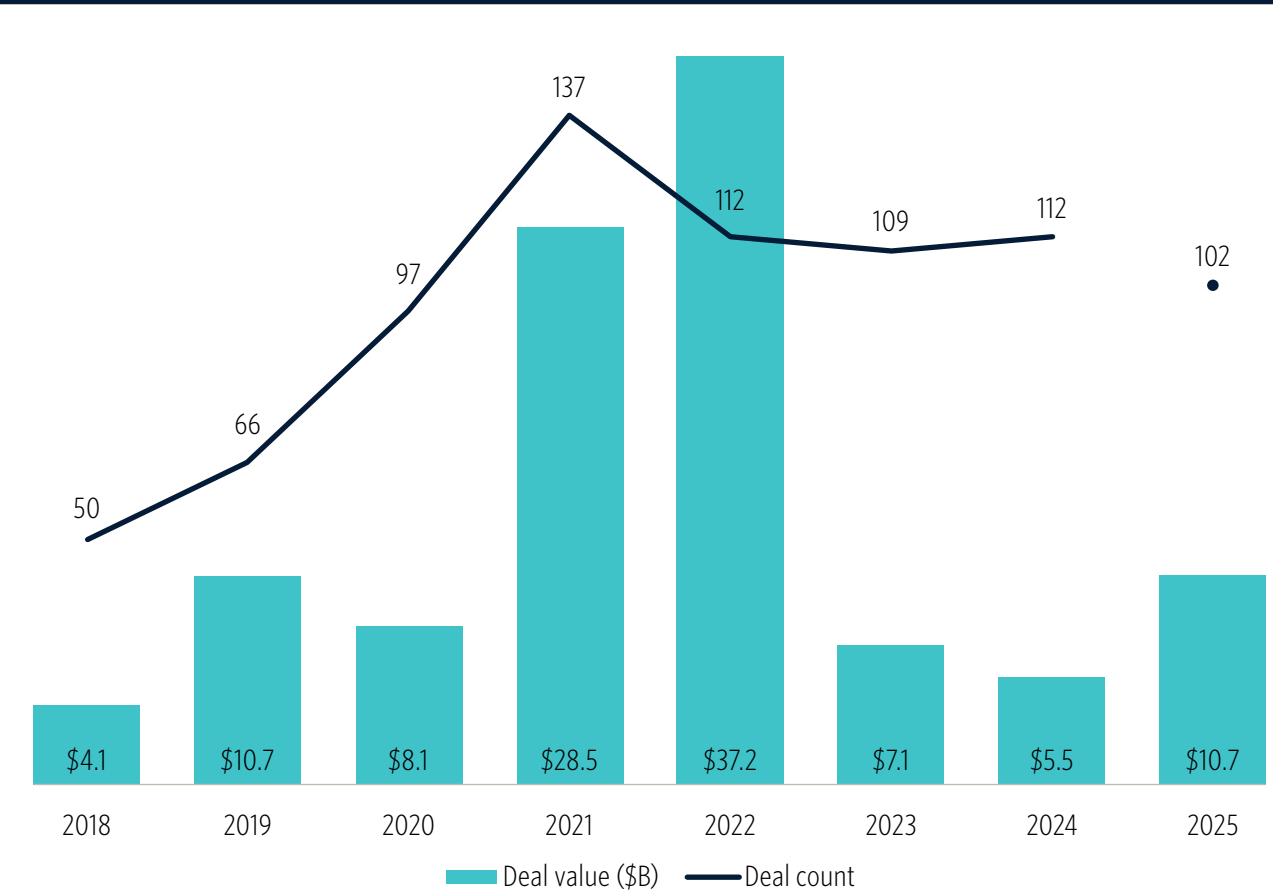
## VC ACTIVITY

### Median healthtech VC pre-money valuation (\$M) by stage



Source: PitchBook • Geography: Global • As of June 30, 2025

### Healthtech M&A activity



Source: PitchBook • Geography: Global • As of June 30, 2025



VC ACTIVITY

Q2 2025 top healthtech VC deals

Company	Close date (2025)	Deal size (\$M)	Post-money valuation (\$M)	Segment	Category	Deal type	Lead investor(s)
Transcarent	April 22	\$481.0	\$2,681.0	Telehealth	Primary & general care	Series D1	General Catalyst
Abridge	June 24	\$315.9	\$5,300.0	EHRs & clinical information	Clinical documentation	Series E	Andreessen Horowitz
Function Health	June 1	\$300.0	\$2,680.0	Telehealth	Primary & general care	Series B	N/A
Commure	June 19	\$200.0	N/A	Infrastructure & compliance	Cloud & software platforms	Series E	N/A
United Imaging Intelligence	June 20	\$139.0	N/A	Analytics	Clinical decision support	Series A	N/A
Tennr	June 16	\$101.0	\$620.0	Infrastructure & compliance	Process automation	Series C	IVP
Kakehashi	June 10	\$96.9	N/A	Operations	Pharmacy & medication management	Series D	The Goldman Sachs Group
Cohere Health	May 7	\$90.0	\$750.0	Revenue cycle	Billing & coding	Series C	Temasek Holdings
Akido Labs	May 16	\$84.3	\$395.0	Care management	Other care management	Series B	Oak HC/FT
Nabla	June 17	\$79.7	N/A	Operations	Telemedicine enablement	Series C	HV Capital

Source: PitchBook • Geography: Global • As of June 30, 2025



# Healthtech VC deal summary

	Quarterly activity					Trailing 12-month activity	
	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2023 to Q2 2024	Q3 2024 to Q2 2025
Deal count	196	214	209	235	176	881	834
QoQ change	-15.9%	9.2%	-2.3%	12.4%	-25.1%	N/A	-5.3%
Share of total VC	1.9%	2.2%	2.2%	2.4%	2.1%	2.1%	2.3%
Deal value (\$B)	\$2.4	\$3.9	\$2.9	\$3.9	\$3.9	\$11.3	\$14.6
QoQ change	-16.7%	58.5%	-24.0%	35.6%	-4.3%	N/A	29.4%
Share of total VC	2.6%	4.5%	2.3%	4.3%	3.6%	3.3%	3.6%
Exit count	19	21	29	35	33	71	118
Public listings	16	14	19	19	26	54	77
Acquisitions	3	6	8	15	6	15	35
Buyouts	0	1	2	1	2	2	6

Source: PitchBook • Geography: Global • As of June 30, 2025



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Our Industry and Technology Research provides detailed analysis of established industries and nascent tech sectors from the perspective of private market dealmaking, helping you stay current on market trends and providing the insights you need to pursue new opportunities with confidence.

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