3

Digital Health News Report

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Prepared by Woesthuis MedTech Consultancy

Focus: VC & growth investments · M&A · Market access · Clinical evidence · Adoption & utilization

Executive Summary

July 2026 confirmed that digital health has entered a more mature and more selective funding environment. Capital is still flowing, but it is concentrating in scaled companies that combine artificial intelligence with a clear operational, clinical or reimbursement-linked value proposition. The month was led by large rounds in preventive health, value-based care, brain health, digital diagnostics and workflow AI. Neko Health's $700 million raise was the standout headline, while Pearl Health, Hemispheric, TytoCare, Corner Health and a cluster of later-July rounds showed continued investor appetite for category leaders rather than broad-based sector exposure.

Strategically, July also reinforced two themes that matter for EU- and US-facing digital health companies. First, artificial intelligence is no longer a differentiator by itself: companies are being rewarded when AI is embedded in care delivery, clinician workflow, coding, diagnostics or operational efficiency. Second, exits continue to skew toward strategic consolidation rather than IPOs. That was visible both in the broader H1 market data released during the month and in deal activity such as XRHealth's acquisition of Swing Therapeutics and Doctronic's acquisition of Summer Health. Market access momentum also continued, with Samsung's FDA-cleared smart ring for sleep apnea risk standing out as one of the most visible consumer-health regulatory stories of the month.

1. Funding and Investment Activity

July was an active month for growth capital, especially in AI-enabled care models, diagnostics, preventive health and operational infrastructure. The most notable rounds included:

- **Neko Health — $700M** — The largest digital health round of the month. The company, cofounded by Spotify founder Daniel Ek, raised capital to expand its AI-enabled full-body health scanning platform into the U.S. and further develop its technology.
- **Pearl Health — $110M** — Funding to expand its AI platform for Medicare providers, launch new risk offerings, expand into Medicare Advantage and deepen partnerships. The round underlined continued investor conviction in value-based care enablement.
- **Medable — $91M** — Raised to advance decentralized clinical trial infrastructure. While the coverage surfaced at the start of August, the financing was part of late-July funding flow and remained one of the larger life-sciences-adjacent digital health rounds tied to trial enablement.
- **Spring Health — $76M** — Raised to expand digital mental health services at scale, reinforcing the continued resilience of behavioral health as an investable digital-health category.
- **Hemispheric — $52M** — Raised for its AI brain foundation model, trained over six years on more than 250,000 hours of brain activity data. One of the clearest examples in July of investors backing deep, defensible health-specific foundation models rather than generic AI applications.
- **K Health — $42M** — Series D funding for the AI-enabled virtual primary care platform. K Health remains a key example of longitudinal care delivery paired with AI triage and decision support.
- **Corner Health — $32.5M** — Raised to enable nurse practitioners in Arizona and Washington to launch and operate independent primary care practices. A notable example of digital infrastructure supporting workforce redesign.

- **Epitel — $26M Series B** — Raised to scale AI-driven wireless brain-health technology focused on seizure detection and diagnosis. A strong signal that neurology-related remote monitoring remains attractive to investors.
- **Gravie — fresh funding round** — Raised growth funding led by General Atlantic. Although not a classic care-delivery startup, Gravie remains relevant as a digital benefits and employer-health platform with strong strategic positioning.
- **SoundHealth — $12.25M** — Raised to commercialize digital sleep therapeutics built around its FDA-cleared Sonu Band wearable headband, illustrating continued capital availability for evidence-led sleep health platforms.
- **Ahead Health — $10M** — Raised to scale preventive health services in European markets, showing that preventive and concierge-style AI-enabled care remains investable in Europe.
- **Qureight — $20M Series B** — Raised to advance its enterprise-grade 3D medical imaging platform for clinical trials, especially in lung disease and precision endpoint generation.
- **Assured — $19M Series A** — Raised to automate provider onboarding and credentialing, a niche but increasingly important part of healthcare workflow infrastructure.
- **Precise Behavioral — $14.2M** — Raised to expand physician-led digital mental health solutions.

What the funding mix says

The July funding profile was narrower but stronger. Capital clustered around companies with one of four profiles: large preventive-health platforms with consumer pull, AI-enabled infrastructure for providers and payers, specialized clinical-intelligence platforms, or workflow tools tied to reimbursement and efficiency. The broader H1 2026 funding data published during July showed the same pattern: digital health reached $7.4 billion across 244 deals in the first half of the year, with 20 megadeals accounting for 45% of all capital invested. In other words, less than one-tenth of deals absorbed nearly half the money. That concentration is becoming one of the defining characteristics of the market.

2. M&A and Strategic Consolidation

July's M&A activity reinforced the idea that strategic consolidation is increasingly the default exit route in digital health.

- **XRHealth acquires Swing Therapeutics (16 July)** — Acquired Swing Therapeutics to expand its chronic pain and autoimmune portfolio. The acquisition adds Swing's FDA De Novo-authorized Stanza program and deepens XRHealth's reach into virtual specialty care, digital therapeutics and reimbursable pain management.
- **Doctronic acquires Summer Health (29 July)** — Acquired virtual pediatric care startup Summer Health. This deal points to continued interest in narrow, high-engagement telehealth verticals with strong consumer retention potential.

July's company-level deals were reinforced by market-wide data released during the month. Rock Health and other analysts noted that digital health M&A is on an upswing, while Galen Growth highlighted that acquisitions now account for the overwhelming majority of digital health exits. The implication is clear: for many founders, strategic sale is no longer a fallback outcome but the most realistic path to liquidity.

3. Market Access, Regulatory and Commercialization Milestones

July did not deliver the same volume of headline FDA digital health guidance seen earlier in the year, but several regulatory and commercialization signals stood out.

- **Samsung smart ring for sleep apnea risk** — Samsung announced an FDA-cleared smart ring for sleep apnea risk. This was one of the most visible regulatory stories of the month because it pushed digital sleep monitoring further into mainstream consumer health and blurred the line between wellness wearables and clinically actionable detection.

- **SoundHealth / Sonu Band** — Commercialization funding for an FDA-cleared sleep wearable aimed at digital therapeutics use cases. This matters because it shows investors still support regulatory-grade sleep technology when paired with a credible commercial story.
- **XRHealth + Swing Therapeutics** — XRHealth's acquisition of Swing Therapeutics is also a market-access story: it adds an FDA De Novo-authorized digital therapeutic into a platform already working through Medicare Part B, VA programs and expanding commercial coverage pathways.

A secondary but important theme in July was commercialization discipline. The companies attracting capital or strategic buyers were not just building technology; they were proving a route to reimbursement, provider workflow adoption or direct consumer monetization. That is a notable shift from earlier digital health cycles that often prioritized growth before payment mechanics were clear.

4. Clinical Evidence and Product Validation

July's evidence narrative was less about blockbuster randomized controlled trials and more about the continuing validation of AI and digital platforms in real workflows.

- **Abridge ecosystem expansion** — The expansion of Abridge's partner ecosystem, highlighted in July market coverage, reinforced how ambient clinical documentation is evolving from a single-use transcription layer into a broader clinical-assistant platform connected to coding, payment, validation and smart-room infrastructure.
- **Trial and specialty monitoring platforms** — The ongoing investor support for Medable, Qureight and Epitel underlined continued confidence in platforms that enable decentralized research, advanced imaging endpoints and remote neurological monitoring. These are less consumer-visible than mainstream AI copilots, but they matter because they extend digital health deeper into evidence generation and specialized care pathways.
- **Shift from AI novelty to AI ROI** — The July market debate around AI in digital health increasingly shifted from whether AI works to where it creates measurable return. Funding and partnership activity consistently favored AI tied to clinician productivity, value-based care performance, diagnosis, monitoring or workflow simplification over generic front-end chatbot experiences.

5. Adoption and Utilization Signals

Adoption news in July was tightly linked to scale and operating leverage.

- **Pearl Health** — Its round reinforced that provider organizations continue to value AI-enabled tools that improve risk management and performance in Medicare and Medicare Advantage populations. Adoption in this segment matters because it is directly linked to revenue outcomes rather than softer engagement metrics.
- **Neko Health** — Neko Health's raise was itself a utilization signal: investors are betting that full-body scanning and early detection can move from an attention-grabbing consumer concept into a scaled preventive-health model with international expansion potential.
- **XRHealth** — XRHealth's presence across Medicare Part B, VA programs and commercial insurance pathways makes it one of the more credible examples of digital therapeutics moving beyond pilot-stage adoption.
- **IPO watchlist sentiment** — The broader H1 2026 data released in July showed that companies nearing IPO-watch status include Oura, Whoop and Virta Health. Even without public listings yet, their positioning shaped July sentiment around what scaled digital health now looks like: measurable utilization, defensible reimbursement, and increasingly hybrid consumer-clinical models.

6. Urology-Specific Developments

Although July was not a blockbuster month for urology funding, it was meaningful for AI-enabled diagnostics, digital pathology and commercial deployment in prostate and bladder cancer workflows. The most relevant developments were concentrated around precision diagnostics and the operational integration of AI into urology practice.

- **ArteraAI Prostate Test expands into Puerto Rico** — CorePlus became the first laboratory in Puerto Rico to implement the ArteraAI Prostate Test into routine clinical use. The test analyzes digital pathology images from prostate biopsies, consumes no tissue, is included in NCCN guidelines, and delivers results within 24 hours. Commercially, this is important because it shows continued geographic expansion of an AI urology tool into real referral networks rather than limited academic pilots.
- **Photocure + Artera in bladder cancer AI** — Photocure and Artera continued to build momentum around AI-guided uro-oncology through their bladder cancer collaboration. The partnership uses Photocure's blue light cystoscopy registry and Artera's AI pathology platform to develop and validate multimodal histopathology biomarkers in non-muscle invasive bladder cancer. This matters because it connects digital pathology, procedural diagnostics and long-term clinical registry data in a way that could improve treatment selection for NMIBC.
- **AI moving into core urology decision-making** — The July commercialization activity around Artera reinforces a broader trend: urology is emerging as one of the specialties where AI can move beyond administrative efficiency and create direct clinical decision support in diagnosis, risk stratification and treatment planning.
- **Prostate cancer AI remains one of urology's leading digital subsegments** — Even though the headline coverage landed outside July, Avenda Health's continued market presence and prior deployment of AI-guided prostate cancer planning at major institutions remained part of the commercial backdrop in July. Together with Artera, this points to growing normalization of AI-supported prostate cancer workflows in real clinical settings.

7. Key Takeaways for EU and US Digital Health Companies

- AI remains central, but only when anchored to workflow, reimbursement or measurable care impact.
- Strategic M&A is becoming the default exit route for many digital health ventures.
- Preventive health, value-based care infrastructure, diagnostics and specialized monitoring remain some of the strongest capital magnets.
- Consumer health is still investable when paired with strong brand pull and a credible path toward clinical relevance, as shown by Neko Health and Samsung's sleep-apnea-related wearable story.
- Digital therapeutics remain alive, but the strongest signals are coming from platform combinations and reimbursement-linked niches rather than standalone category hype.
- In urology specifically, digital value creation currently appears strongest in oncology diagnostics, digital pathology and AI-supported treatment planning rather than in broad consumer or telehealth models.

Sources

MobiHealthNews; Fierce Healthcare; Modern Healthcare; LevinPro Healthcare M&A; Digital Health Funding; FDA; Rock Health market overview coverage; MLO Online; Photocure press materials.

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