

# Digital Health Strategy Monitor Edition 04

Coverage period 10 March 2026 – 23 March 2026

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## Introduction

This briefing provides a curated overview of notable developments in digital health between 10 and 23 March 2026, based solely on publicly available sources. It is not a comprehensive transaction or policy database, but a selection of signals that are particularly relevant for stakeholders in the US and Europe (including DACH).

### 1. Investment climate and startup funding signals

Across March 2026, investors continue to concentrate capital in digital health companies that combine strong clinical validation with clear evidence of scalable business models. Analyses of Galen Growth 2026 HT250 cohort published in mid-March highlight growing investor appetite for AI-native platforms, robust real-world data assets, and solutions embedded into clinical workflows rather than stand-alone apps.

Within this context, workforce- and operations-focused health tech remains attractive. Earlier in March, Carefam in the US raised around US\$10.5 million to further develop AI-enabled workforce automation for hospitals and care providers, helping them recruit, schedule, and retain clinicians more efficiently.

Data-driven navigation and benefits-optimization platforms also continue to draw capital. For example, Garner Health, which raised roughly US\$118 million shortly before this period, uses extensive claims data to steer employees and health plan members towards higher-value providers, exemplifying the shift toward outcomes- and value-oriented digital infrastructure.

In Europe, sector newsletters such as “This Week in European MedTech and HealthTech” and similar briefings indicate ongoing funding activity across AI diagnostics, remote monitoring, and workflow tools, though individual deal sizes are often smaller and less publicly disclosed than in the US. Many of these companies focus on regulatory readiness (MDR, IVDR) and pathway integration with national eHealth platforms.

Public and philanthropic funders are also supporting digital health. March 2026 calls and opportunities include EU-level initiatives (e.g. EIT Health and EDCTP3/Horizon-linked programs) and global health funds that explicitly target digital infrastructure, decision-support tools, and data platforms for implementation in real-world care settings.

## **2. Reimbursement and policy developments – US and Europe**

### **United States**

Digital health reimbursement in 2026 remains shaped by a mix of extended temporary telehealth flexibilities and targeted new payment models. The FY 2026 appropriations package, signed into law in early February 2026, extended key Medicare telehealth flexibilities for another year, keeping parity or near-parity for many telehealth services with in-person visits. This gives virtual-care providers more time but still falls short of permanent status.

The Centers for Medicare & Medicaid Services (CMS) is simultaneously operationalizing the ACCESS Model (Advancing Chronic Care with Effective, Scalable Solutions), a voluntary payment model to be launched in mid-2026. Under ACCESS, CMS will make per-beneficiary payments to participating organizations that deploy technology-supported chronic-care management, with a substantial portion of payments contingent on meeting predefined clinical and patient-reported outcome targets. This explicitly rewards digital health tools capable of improving chronic disease management at scale.

In addition, Medicare's 2026 Physician Fee Schedule continues to support specific categories of digital services, such as remote monitoring and certain digital mental-health interventions, through dedicated CPT and HCPCS codes. However, coding and documentation requirements remain complex, and many smaller providers still struggle to operationalize billing for these services.

### **Europe and DACH**

In Germany, changes announced earlier in 2026 to the DiGA ("Digitale Gesundheitsanwendungen") framework introduce more stringent reporting requirements for apps that receive permanent reimbursement. Manufacturers will need to regularly submit real-world usage and adherence data, including utilization patterns and prescription renewals, with first comprehensive reports due in 2027. This increases the pressure on digital-therapeutics vendors to demonstrate not just efficacy but sustained engagement.

Across Europe, health-policy discussions continue to focus on the implementation of the European Health Data Space (EHDS) and the role of digital tools in routine care and value-based payment models. National initiatives frequently emphasize interoperability, data quality, and alignment of reimbursement incentives as key enablers for scaling digital health.

For payers and policymakers, a recurring theme in March 2026 commentary is the need to move beyond short-term telehealth extensions toward stable, technology-neutral payment structures that reward demonstrable improvements in access, quality, and efficiency.

### **3. M&A and strategic consolidation**

Digital health M&A activity in 2026 continues at a brisk pace, driven by the need for scale, AI capabilities, and stronger bargaining power with payers. Sector analyses describe 2026 as an inflection point where many digital health companies, after several challenging funding years, pursue strategic combinations to extend runway or to build integrated care platforms.

Deals announced earlier in 2026 – such as Universal Health Services’ planned acquisition of virtual mental-health provider Talkspace, the merger of DoseSpot and Arrive Health into Interra Health, Hims & Hers’ agreement to acquire Eucalyptus, and Sword Health’s acquisition of Kaia Health – illustrate how strategic buyers are using M&A to deepen capabilities in mental health, musculoskeletal (MSK) care, international direct-to-consumer telehealth, and prescribing/benefits-optimization.

In Europe, healthcare M&A remains active across provider networks, specialized clinics, and selected digital-therapeutics and remote-care platforms. Commentary from advisers' points to reimbursement frameworks like Germany’s DiGA scheme and national telemonitoring programs as important value drivers, particularly where digital solutions already have contracts with major statutory health insurers.

Investors and strategics emphasize that the current wave of deals is more disciplined than the 2020–2021 boom: buyers prioritize sustainable unit economics, integrated technology stacks, and clear paths to operating leverage. Targets that position themselves as “must-have” infrastructure or core clinical-pathway enablers are more likely to command premium valuations.

### **4. Strategic takeaways for US and EU/DACH stakeholders**

For providers and payers, the present investment and M&A environment suggests that digital health solutions with demonstrable impact on outcomes, costs, and workforce sustainability are the most likely to attract funding, reimbursement, and strategic interest. Priority should be given to platforms that integrate with existing EHR and claims systems, support hybrid-care models, and provide robust data for quality improvement and value-based contracts.

For digital health and medtech companies in the US and Europe, it is increasingly essential to design products with reimbursement and exit options in mind from the outset. This includes mapping to existing billing codes (or clear pathways to new ones), aligning with models such as CMS’s ACCESS program, and building data and AI capabilities that make the company an attractive acquisition target for payers, providers, and strategics.

For investors, March 2026 reinforces the thesis that disciplined deployment of capital into clinically validated, AI-enabled, workflow-integrated platforms can still generate strong

returns on both sides of the Atlantic. The accelerating consolidation wave offers multiple exit routes – from strategic buyers building end-to-end care platforms to focused roll-up strategies that aggregate point solutions into more comprehensive offerings.

## 5. YTD 2026 Perspective

**March 2026 marks an inflection point for digital health.** After a challenging Q1 with funding volumes down approximately 35% year-over-year from Q1 2025, the combination of selective capital deployment, accelerating M&A, and clearer reimbursement signals suggests the sector is entering a more mature, value-oriented phase.

### Key YTD themes:

- **Funding:** Shift from broad consumer/digital therapeutics bets toward AI-enabled workflow tools, workforce solutions, and data infrastructure (Carefam, Garner Health). European deal flow remains steady but smaller, focused on MDR/IVDR-ready scaleups.
- **Reimbursement:** US sees temporary telehealth extensions + new models like CMS ACCESS; Europe refines permanent frameworks (DiGA reporting, EHDS prep). Both signal: "prove sustained outcomes or no reimbursement."
- **M&A:** Volume up 28% YoY through Q1, with strategic buyers (UHS/Talkspace, Hims&Eucalyptus, Sword/Kaia) prioritising unit economics over top-line growth. 2026 deal multiples average 6-8x revenue vs 12-15x peak 2021.

**The bottom line:** Digital health companies that cannot demonstrate workflow integration, regulatory readiness, and payer-validated outcomes face increasing pressure. Those that can are seeing premium valuations in both funding and M&A markets. Q2 will likely see further consolidation as buyers position for the post-telehealth boom era.

## 6. How to use this briefing

This briefing is intended as a high-level, curated overview for boards, investment committees, and strategy teams active in digital health in the US and Europe (including DACH). It can be used to frame internal discussions about portfolio realignment, partnership opportunities, and priority areas for evidence generation and regulatory strategy.

The content is based solely on publicly available information and does not claim to cover all transactions, funding events, or policy changes in the period. You are free to quote this briefing with attribution to the author.

For deeper dives into specific subsegments – such as DiGA and other European reimbursement pathways, AI-enabled decision support in chronic care, or M&A readiness for digital health scale-ups – please connect for tailored advisory support.

## Sources used in Digital Health Briefing (10-23 March 2026)

### Investments & HT250:

- Galen Growth HT250 2026 - "The Signal Beneath the Noise" (16 March 2026)[[galengrowth](#)]
  - <https://www.galengrowth.com/ht250-2026-digital-health-investor-signals/>
- Basepoint VC - Startup Funding Roundup March 2026 (13 March 2026)[[basepoint](#)]
- Road - Health Tech Major Funding Rounds (4 March 2026)[[pipelineroad](#)]

### Reimbursement US:

- Arnold Porter - Virtual & Digital Health Digest (25 Feb 2026)[[arnoldporter](#)]
- Holland & Knight - CMS CY2026 Medicare Physician Fee Schedule (11 Nov 2025)[[hklaw](#)]
- Covington Digital Health - 5 Developments to Watch 2026 (4 Jan 2026)[[covingtondigitalhealth](#)]

### Reimbursement EU/DiGA:

- Inside EU Life Sciences - Germany DiGA rule changes (2 Feb 2026)[[insideeulifesciences](#)]
- Healthcare.digital - European MedTech/HealthTech week (5 & 19 March 2026)[[healthcare](#)]

### M&A deals:

- XTALKS - Healthcare M&A 2026 roundup (12 March 2026)[[xtalks](#)]
- BioIntel - Digital Health M&A wave accelerates (3 March 2026)[[thebiointel](#)]
- Albiacapital - Healthcare M&A thermometer week of 2 March 2026[[albiacapital](#)]

### YTD stats & trends:

- Galen Growth HT250 (funding trends)[[galengrowth](#)]
- BioIntel (M&A volumes)[[thebiointel](#)]