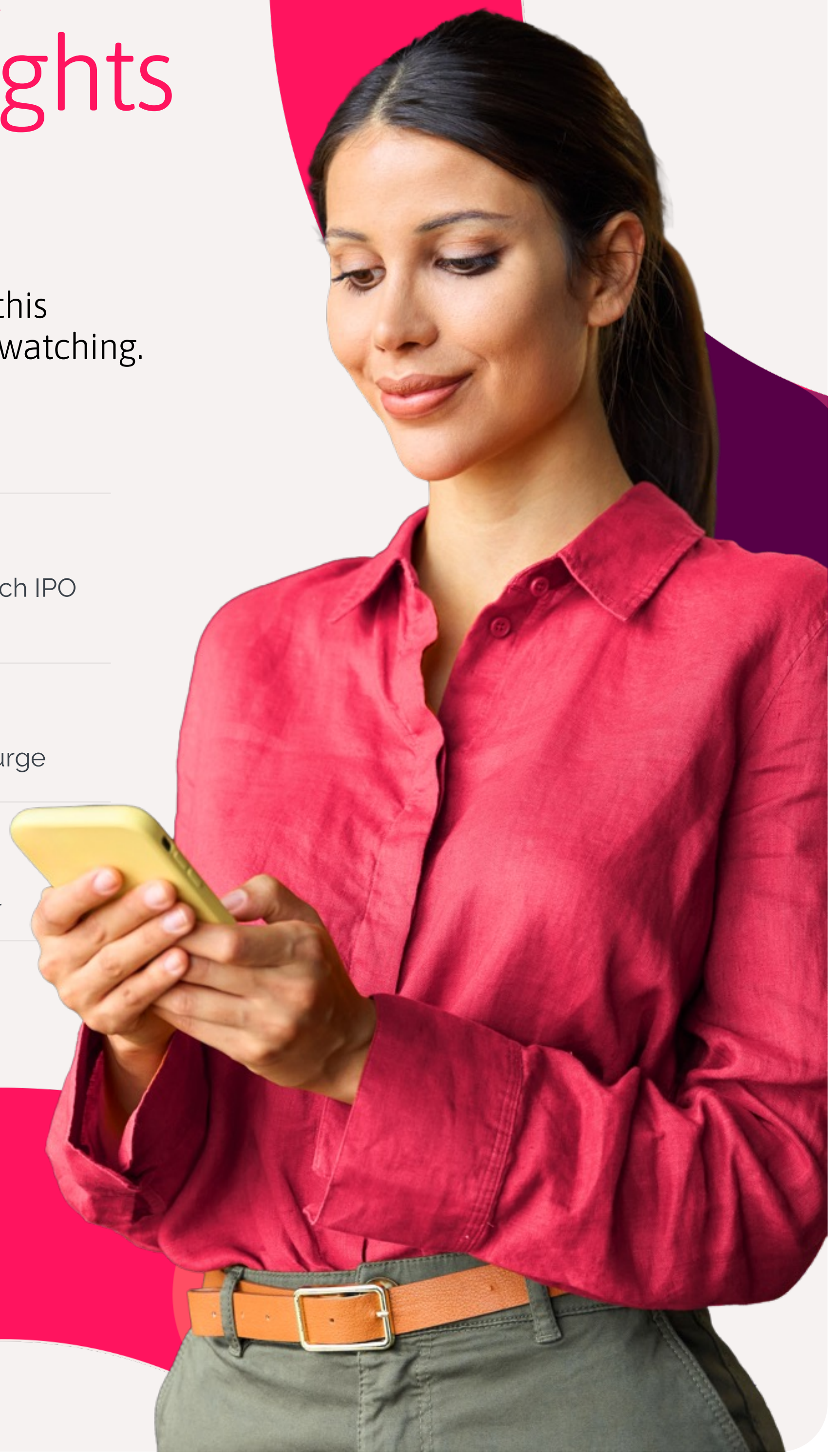
MARKET INSIGHTS

Healthcare Market Insights

August Edition

What moved in US healthcare this month, and the startups worth watching.

In This Issue

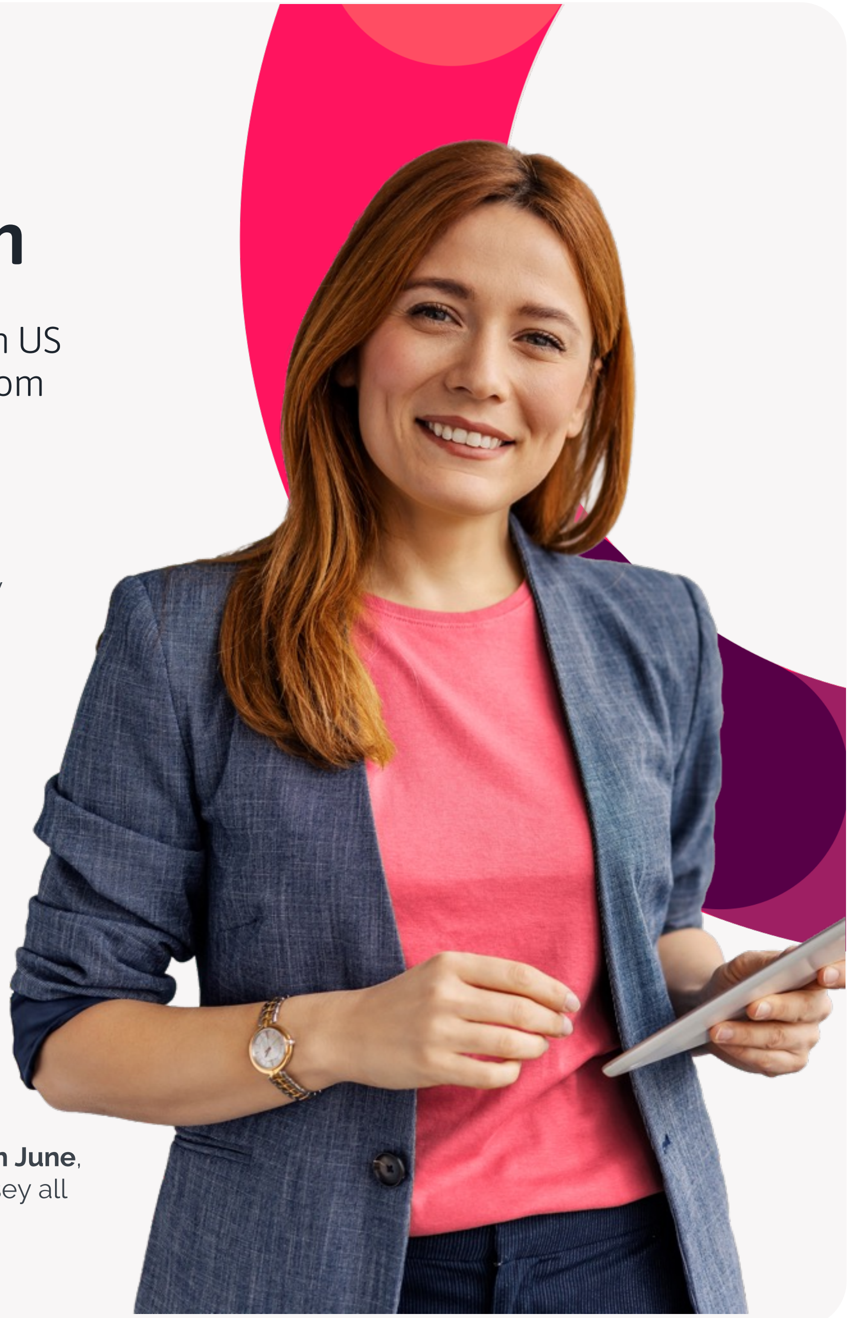


collective loop

FINANCING

Money in Motion

$7.4B raised across 244 deals in US digital health in H1 2026, up from $6.4B a year earlier.



Capital is concentrating

Nineteen companies took twenty megarounds of $100M or more, roughly **45% of all H1 dollars**. Median deal size rose to $14M.

M&A is running hot

GSK agreed to acquire oncology biotech **Nuvalent for $10.6B** (June 9). Digital health logged its busiest acquisition quarter since 2021, concentrated in revenue cycle and data infrastructure.

IPO window reopened

The XBI biotech index rose **18% in June**, with Kailera, Kardigan, and Odyssey all pricing.

Market Signals

- **This is a barbell market.** Money flows to category-defining scale or to genuine niche ownership, and squeezes everything in the middle.
- **"Good but undifferentiated"** is now the hardest position to fund, riskier than either clear leadership or a defended niche.
- Note also what acquirers are buying: **revenue cycle and data plumbing**, not clinical moonshots. They want proven cost takeout, which rewards startups with a hard ROI story over a vision deck.
- The **reopened IPO window** is the liquidity signal to watch, since it can pull forward secondaries and revive strategic M&A appetite through H2.

TREATMENT

Treatment Trends

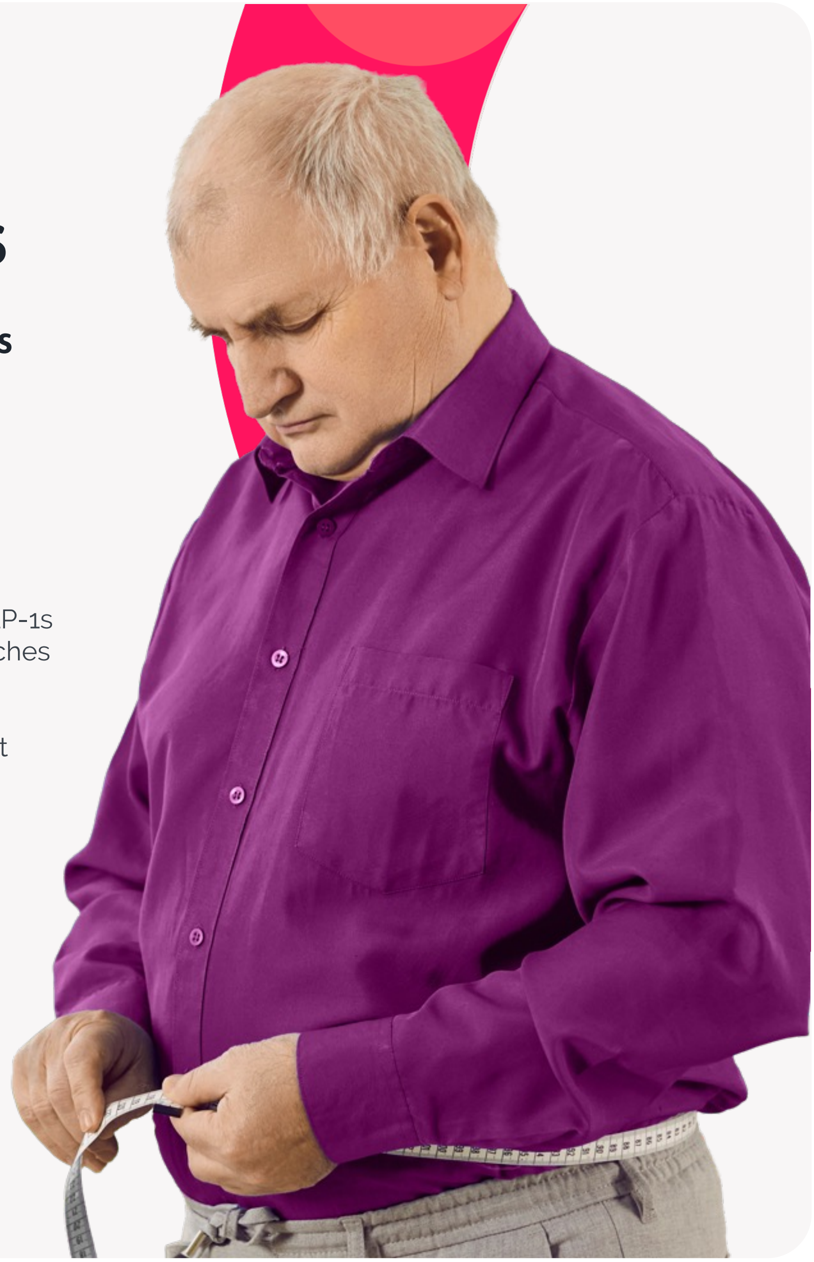
Medicare's GLP-1 Bridge launches July 1, 2026, capping eligible beneficiaries' cost at **$50/month.**

GLP-1 and obesity

The Bridge runs through December 2027, covers Wegovy and select GLP-1s (not Ozempic or Mounjaro), and reaches an estimated **3.8M** beneficiaries. Negotiated Medicare and Medicaid pricing sits at **$245/month**. US adult obesity is projected at **46.9% by 2035 (JAMA / IHME)**.

Mental health

Mental health is the top funded clinical indication for the **seventh straight year**.



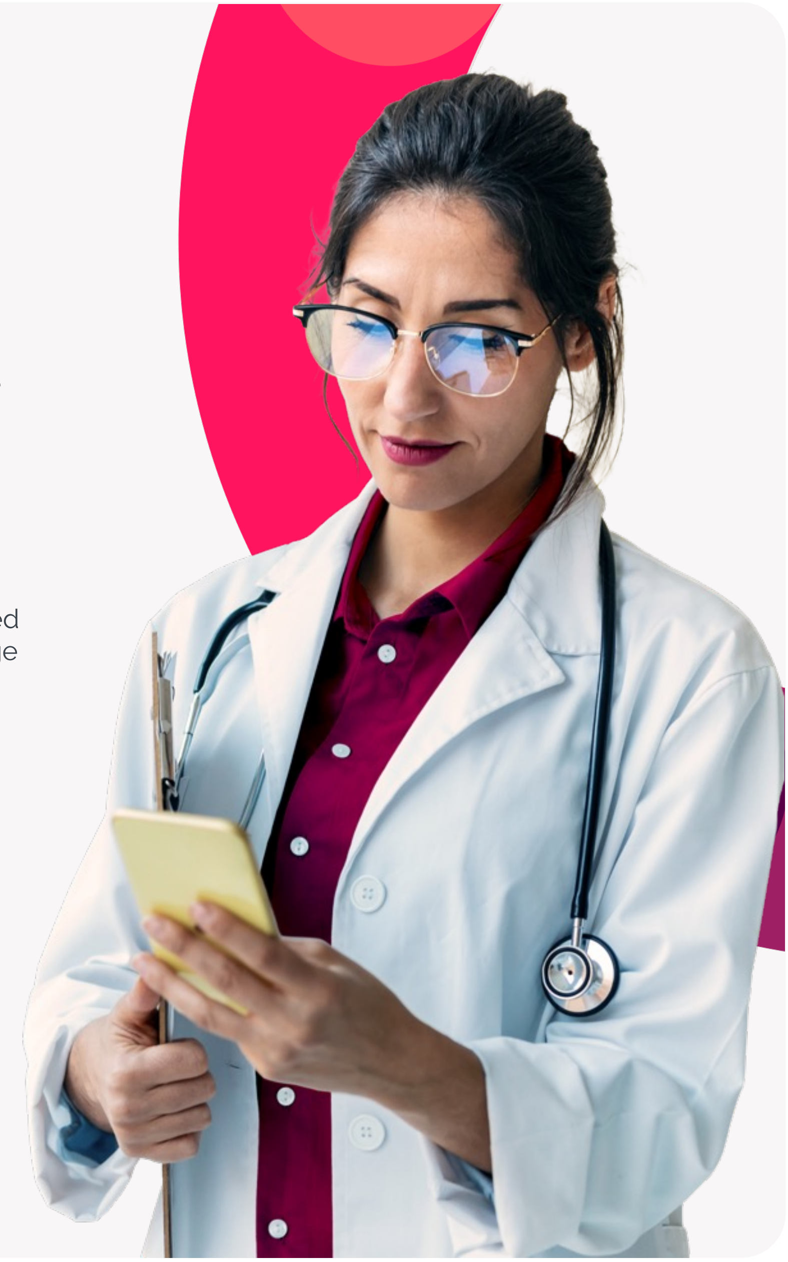
Market Signals

- Watch which drugs the Bridge excludes.
- Covering **Wegovy** while leaving out the diabetes-indicated **Ozempic and Mounjaro** draws a hard reimbursement line between "obesity" and "diabetes," and that line will dictate how brands position and which patient funnels open.
- More importantly, a **$50 copay** removes the price objection and moves the fight to adherence, coaching, and demonstrated outcomes, which is exactly the ground care-delivery startups can win on rather than manufacturers.
- Mental health is following the same arc: after a seven-year funding run, the category is shifting from "access to a therapist" to **"proof the therapy worked,"** and the next winners will differentiate on measured results, not supply.

TECHNOLOGY

Care Delivery

71.4% of US physicians now use telehealth weekly, nearly triple the 2018 rate.



AI is baseline

Rock Health **retired its "AI deal" category** because AI is now embedded almost everywhere. Durable advantage comes from domain depth, owning more of the workflow, and network effects..

Telehealth found it’s floor

Behavioral health drives **68.9% of US telehealth claim lines**, thirty six times the next category, and psychiatry leads specialty use at 85.9%.

Market Signals

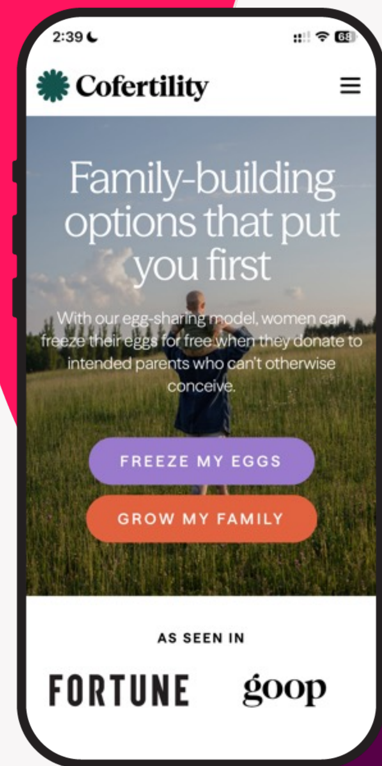
- When the analyst who coined "AI deal" retires the term, it means **"AI-powered" has become a commodity** claim that buyers will discount. Messaging that leads with AI will now underperform messaging that leads with outcome and workflow fit.
- Telehealth's behavioral concentration points to a quiet bifurcation: **behavioral and longitudinal chronic care** are going virtual-first, while acute and procedural care stay physical.
- The instruction for founders is to **pick a lane**, not to sell "telehealth for everything." And because the moats that now matter, domain depth and workflow ownership, take years to build and cannot be faked in a pitch, expect diligence to probe them harder and brand narrative to carry more weight as the proxy for depth.

BRANDING

Branding Spotlight

Cofertility

A $0 egg freezing model. Members can freeze their eggs for free when they donate half to a family that can't conceive.



About Cofertility

Cofertility is a fertility company, backed by tennis star Maria Sharapova, running two programs, Freeze and Family, across egg freezing and donor family building.

Brand Activity

In late 2025 the company relaunched its identity.

The centerpiece is a new "burst" icon that reads as a sunburst, cell, snowflake, or north star. The wordmark was rebuilt with connected letterforms for legibility, and one type family spanning sans, mixed, and serif weights now holds the system together.

The brand architecture was untangled too: "Freeze by Co" became Cofertility Freeze and "Family by Co" became Cofertility Family, putting the masterbrand first and ending naming confusion.

The palette separates the two programs while avoiding the clinical blue that dominates the category, and a confetti motif plus non-stock photography replaced tired imagery of women and babies.

Brand Highlights

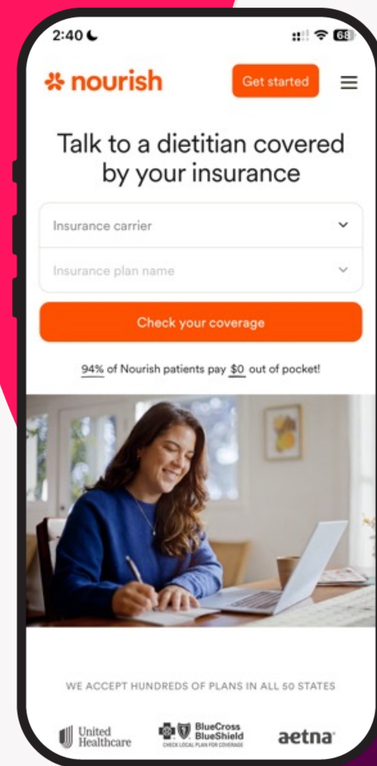
- The rebrand wins by refusing the category's defaults.
- Fertility branding usually trades on urgency, fear, and clinical blue;
- Cofertility led with celebration, inclusivity, and a flexible system built to absorb future services. The sharpest move is strategic rather than visual.
- Fixing the naming architecture removed real customer confusion, a reminder that what you call your products can matter as much as your logo.

VIEW WEBSITE

CONTENT

Content Spotlight

Founder and clinician posts out-engage brand pages 8.2 to 1 on identical content, and drive 4.1 times the qualified inbound (5W Health Tech 2026).



About Nourish

Nourish, the insurance covered virtual nutrition startup, has turned a consistent LinkedIn presence into a growth channel, mixing product news, clinician voices, and food-as-medicine education.

Content Insights

- **Launch with a purpose.** Announcing Nourish Labs, free metabolic testing built into dietitian-led care, framed around what it does for patients rather than the feature itself.
- **Proof from providers.** Registered dietitians sharing their first-week experiences, which humanizes the brand and quietly doubles as recruiting.
- **The clinical reframe.** Dietitian-authored, plain-language myth-busting on nutrition and GLP-1s. 5W found this format drives 3.4 times the engagement of the same content on a brand page.
- **The milestone, reframed.** Scale news, unicorn status, 3,000+ dietitians, all 50 states, told as access expanding rather than as a trophy.

Brand Highlights

- The content that travels has a human and a specific outcome in it, not a product screenshot.
- Patient stories earn reposts at 2.9 times, and regulatory explainers convert at 8.7%.
- For any startup planning to be tagged and promoted, the lesson is to put dietitians and founders in the byline, post on a rhythm you can hold for a year, and lead with the person, not the logo.

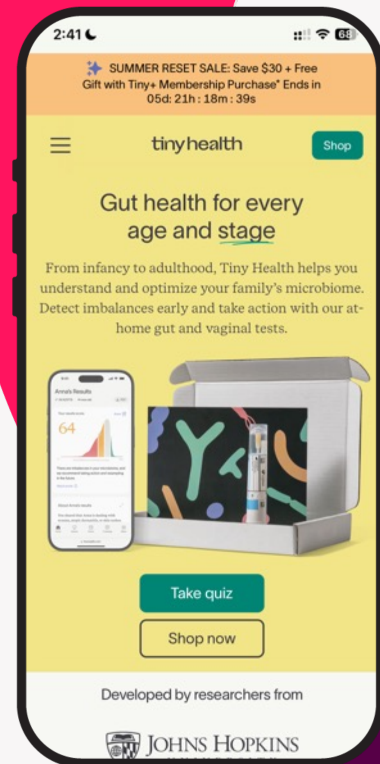
VIEW POSTS

BRANDING

Featured Startup

tiny health

Nearly half of US children live with at least one chronic condition, and the microbiome's most shapeable window is the first 1,000 days of life.



About Tiny Health

Tiny Health was founded in 2020 by serial entrepreneur Cheryl Sew Hoy, with co-founder Donald Koo, after her child's eczema and allergies traced back to gut imbalances and she found no infant gut test existed.

Highlights

- **Science.** Shotgun metagenomic sequencing reads microbial strains and their functions, a far deeper view than the genus-level snapshot most consumer tests offer.
- **Breadth.** Tests span pregnancy, postpartum, infancy, childhood, adult gut, and vaginal health.
- **Reach.** Over 100,000 people tested in three years, with expansion from the US into the EU, Canada, and Mexico.
- **Outcomes.** 76% of infants tested increased beneficial bacteria, and 60% improved symptoms after following recommendations.

What Impressed Us

- Tiny Health is attacking a real crisis at the one moment it is most reversible, the first 1,000 days, when the gut is still forming and roughly 80% of the immune system takes shape there.
- The moat is scientific and genuinely hard to copy: proprietary strain-level data, real clinical rigor, and a research posture most consumer testing brands never attempt.
- It is turning an overlooked biomarker into an early warning system for lifelong health.

VIEW WEBSITE

STARTUPS

Startups to Watch

Joon

A game based digital therapeutic where children with ADHD and autism complete "quests" set by parents and clinicians; it proves behavior change can be driven through play.

VISIT WEBSITE

Oshi Health

A virtual GI clinic delivering multidisciplinary digestive care in network nationwide; it shows a specialty long thought un-virtualizable can be delivered remotely with lower total cost.

VISIT WEBSITE

Allara Health

Virtual, insurance covered care for PCOS and hormonal and metabolic conditions in women; it gives a long-dismissed patient population a coordinated clinical home.

VISIT WEBSITE

Midi Health

Virtual, insurance covered care for perimenopause and menopause in all 50 states; it built a national clinical model for a life stage medicine has ignored for decades.

VISIT WEBSITE

Parsley Health

Functional, root cause primary care moving from cash-pay membership to in network coverage; it is a live test of whether preventive and longevity focused medicine can scale.

VISIT WEBSITE

Grow Therapy

A marketplace helping therapists accept insurance and patients find in network care; it attacks the single biggest barrier to therapy, cost and access, at national scale.

VISIT WEBSITE

Function Health

A membership giving consumers over 100 lab biomarkers a year with a clear action plan; it reframes lab testing from reactive diagnosis to a consumer owned baseline for prevention.

VISIT WEBSITE

Maven Clinic

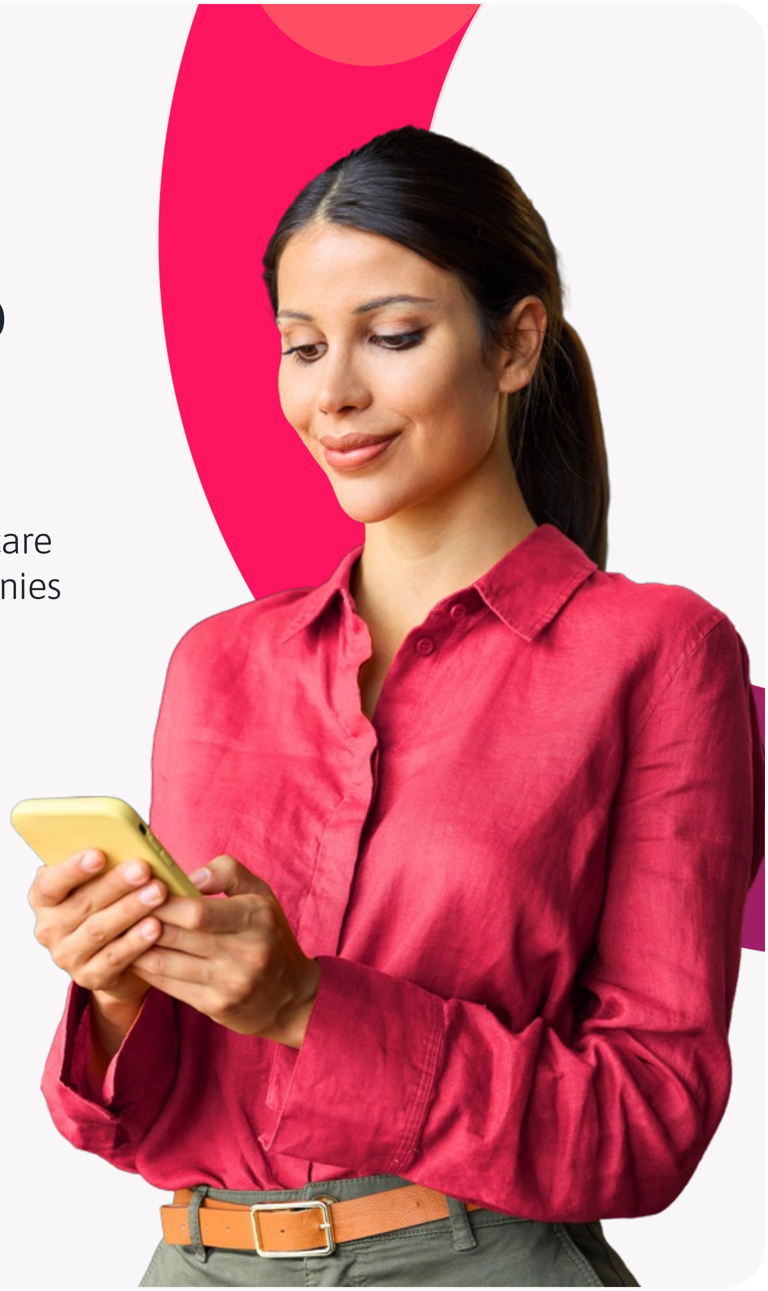
The largest virtual clinic for women's and family health, spanning fertility, maternity, and menopause; it turned an underfunded category into enterprise grade benefits.

VISIT WEBSITE

ABOUT US

Celebrating the Healthcare Startup Community

Our monthly updates give you a snapshot of activities across healthcare startups, as well as featuring companies that grab our attention.



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Are you building something interesting? We spotlight growth-stage healthcare companies. To be considered, email john.beggs@collectiveloop.com.au.

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Subscribe to get regular insights, updates and awareness of healthcare startups.

SUBSCRIBE

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