

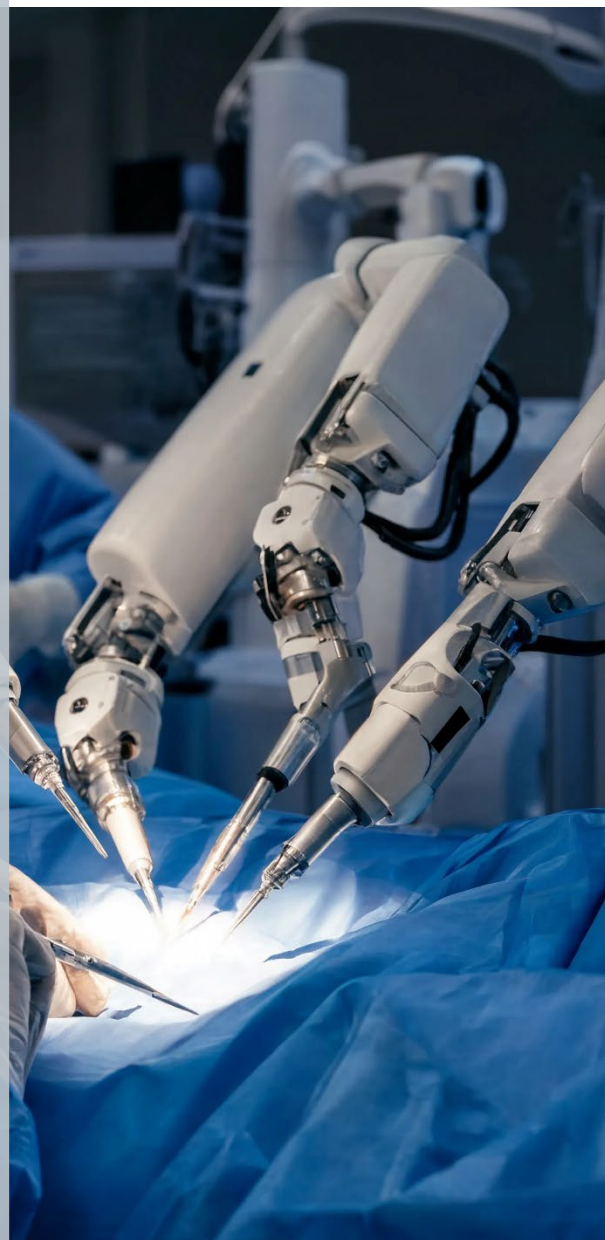


MEDTECH - INDUSTRY REPORT

Surgical Robotics and Outpatient Expansion

Transform the US MedTech Landscape

September 2026



Abstract

This comprehensive report examines the structural evolution, market dynamics, and transactional landscape driving the US MedTech industry. Supported by favorable demographic shifts, an increasing chronic disease burden, and an accelerated migration of care into outpatient settings, the medical device ecosystem continues to demonstrate strong long-term expansion. As advanced technologies transition from standalone applications into foundational clinical and operational layers, the industry is witnessing rapid adoption of artificial intelligence (AI), continuous biosensors, and surgical robotics that establish recurring revenue models and decentralize care delivery.

This structural realignment is transforming care delivery models and capital allocation strategies, while forcing medical device manufacturers to navigate persistent operational headwinds, including complex reimbursement environments, strict data governance frameworks, and provider margin constraints. Against a backdrop of selective venture financing, resilient private equity M&A activity, and strategic corporate consolidation, this report evaluates core macro growth drivers, emerging operational trends, and strategic imperatives for industry leaders seeking to pair technological innovation with quantifiable clinical outcomes, provider productivity, and disciplined commercial execution.



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Executive Summary

The broader US healthcare sector encompasses the world's largest medical device ecosystem in its MedTech market, which is projected to reach \$315 billion by 2032 at a 6.8% CAGR. Growth is fueled by foundational macro drivers, including an aging demographic, a rising chronic disease burden, and an accelerated transition of complex surgical procedures into outpatient ambulatory surgery centers (ASCs).

Technological integration, particularly continuous glucose monitoring (CGM) and AI-enabled devices, is rapidly expanding. With over 1,300 FDA-authorized medical devices, AI is increasingly optimizing core operational workflows, supply chain logistics, and clinical decision-making. Meanwhile, surgical robotics and wearable biosensors are establishing sustainable recurring revenue streams through flexible equipment licensing models, expanding specialized procedural capabilities, and continuously shifting patient care delivery toward decentralized, lower-cost settings.

Despite strong overall market expansion, robust digital health funding, and resilient private equity transaction activity, MedTech manufacturers face notable operational headwinds. Complex reimbursement structures, strict data governance requirements, and ongoing hospital margin pressures continue to weigh on the sector. Consequently, achieving sustainable, long-term market leadership will depend on pairing technological innovation with quantifiable clinical outcomes, elevated provider productivity, enhanced operational efficiency, and disciplined commercial scaling.

\$135 Billion

is the projected market size of the US medical device market by 2032, growing at a CAGR of 6.8%, as per Fortune Business Insights



1,300+

AI-enabled medical devices are authorized cumulatively, as per FDA's 2025 annual report





US Healthcare Sector | Market Highlights

Healthcare Payment Reform and Targeted Investment Reshape Care Delivery

US healthcare is being reshaped by the expansion of accountable care, changes in insurance coverage, investment in rural services, and broader Medicare drug-price negotiations. These developments influence how providers receive payment, where healthcare investment flows, and which business models can sustain growth.

Market Drivers

14.3 Million

Medicare beneficiaries in accountable care | Jan-26

19.2 Million

Effectuated Affordable Care Act (ACA) Marketplace enrollment | Feb-26

\$50 Billion

Rural Health Transformation Program funding

Sources: Centers for Medicare & Medicaid Services (CMS), HHS ASPE Report



Accountable Care Expands Across Medicare

Participation increased 4.4% from 2025, extending payment arrangements that hold providers accountable for care quality and spending. This expansion supports demand for care coordination, population health management, and systems that track performance across providers.



Marketplace Coverage Declines Shift Financial Risk to Providers

Enrollment declined from 22.1 million in 2025 to 19.2 million in February 2026 following the expiration of enhanced premium tax credits. The reduction makes coverage verification, patient retention, and collection risk increasingly relevant to healthcare providers. Marketplace enrollment losses do not necessarily translate directly into an equivalent increase in uninsured people.



Federal Investment Supports Rural Healthcare Modernization

All 50 states received awards under the program, with first-year awards averaging approximately \$200 million per state in 2026. Funding supports rural access, facility and technology modernization, and new care models, creating opportunities for providers and healthcare infrastructure partners.



Medicare Drug Negotiations Extend into Physician-Administered Therapies

Fifteen drugs were selected for the third Medicare drug-price negotiation cycle. The selection includes Medicare Part B drugs for the first time, extending negotiations beyond Part D prescriptions. Negotiations take place in 2026, with prices effective January 1, 2028, increasing the importance of reimbursement planning across pharmaceutical manufacturers and affected providers.

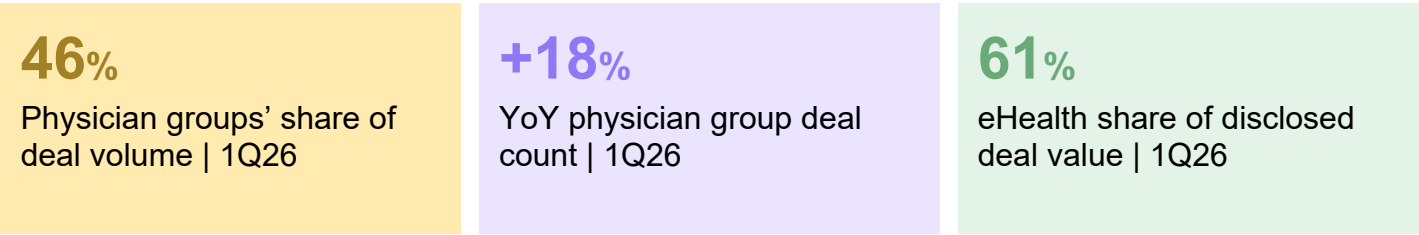
Investor Implication: Healthcare opportunities increasingly depend on the payment model and patient population served. Businesses that improve coordination, preserve access, and demonstrate value to payers should be better positioned to secure contracts and investment.



Healthcare Services M&A Favors Assets with Predictable Reimbursement and Cash Generation

US health services deal volume softened in 1Q26, while deal value remained resilient. Buyers prioritized businesses with dependable reimbursement, sustainable margins, and clear integration plans.

Healthcare Services M&A Momentum



Source: PwC

What Buyers Are Prioritizing

Reimbursement Visibility	Sustainable payer contracts, predictable collections, and manageable policy exposure.
Financial Performance	Cash generation and credible opportunities to improve margins.
Portfolio Restructuring	Carve-outs that sharpen operating focus and release capital.
Execution Readiness	Compliance, integration feasibility, and demonstrated technology returns.

Investor Implication: Acquisition appetite remains selective. Predictable cash flows and achievable improvements support valuations, while uncertain reimbursement and difficult integrations weaken investment cases.





Digital Health Funding Increases as Larger Rounds Capture More Capital

US digital health startups raised \$7.4 billion across 244 deals in 1H26, compared with \$6.4 billion across 245 deals a year earlier. Funding increased approximately 16% despite essentially unchanged transaction volume.

Capital Remains Concentrated as twenty mega-round financings were raised by 19 companies during 1H26. The median funding round increased to \$14 million, compared with \$12 million for full-year 2025. Mental health remained the most-funded clinical category for the seventh consecutive year, followed by weight management and obesity.

\$7.4 Billion

US digital health funding | 1H26

45%

Funding captured by rounds of \$100M or more

\$14 Million

Median funding round | 1H26

Source: Rock Health, July 13, 2026. Figures cover US digital health startups.

Selected Healthcare Transactions

Acquisition	Value	Strategic Rationale and Transaction Status
IKS Health / TruBridge	Approximately \$557 million	Acquisition completed July 9, 2026, adding electronic health records and revenue cycle management capabilities serving rural and community hospitals.
Roche / PathAI	\$750 million upfront, plus up to \$300 million in milestones	Agreement announced May 7, 2026, to expand digital pathology, diagnostic algorithms, and companion diagnostic capabilities.
Merck / Terns Pharmaceuticals	Approximately \$6.7 billion equity value	Agreement announced March 25, 2026, to strengthen Merck's hematology pipeline through TERN-701, an investigational treatment for chronic myeloid leukemia.

Investor Implication: Higher funding indicates improving capital availability, but concentration in large rounds points to continued selectivity. Clinical expertise, established customer relationships, and measurable outcomes remain important differentiators.



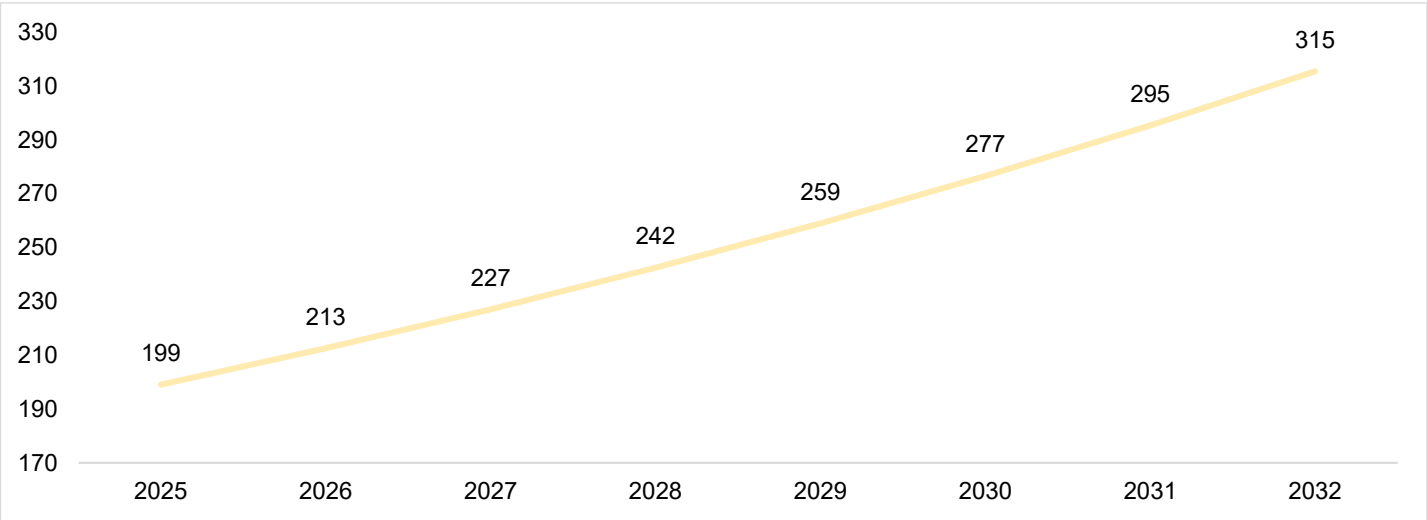
US MedTech Industry | Market Overview

The US MedTech industry is the world's largest medical device market, supported by established manufacturers, investment in research and development, and demand for advanced diagnostics and treatments. The US medical devices market was estimated at \$199.1 billion in 2025 and is projected to reach \$315 billion by 2032, expanding at a CAGR of 6.8% during 2025–2032, as per Fortune Business Insights. An aging population, a growing burden of chronic diseases, and increasing adoption of minimally invasive procedures are supporting demand, alongside greater use of wearable devices for continuous monitoring.

The industry spans cardiovascular and orthopedic devices, diagnostic imaging, in vitro diagnostics, surgical instruments, diabetes care, and patient monitoring technologies. AI is becoming increasingly embedded in medical products, with the FDA's 2025 annual report recording more than 1,300 AI-enabled medical devices authorized cumulatively. Growth opportunities are also expanding as procedures move into ambulatory surgery centers, creating demand for technologies suited to lower-cost settings and efficient clinical workflows. However, manufacturers face pressure to demonstrate clinical effectiveness and economic value while navigating reimbursement requirements, margin constraints, and data governance. Together, these developments suggest that competitive advantage will increasingly depend on combining differentiated technology with measurable patient outcomes, provider productivity, and disciplined commercialization.

The US leads the global MedTech market, driven by demographic shifts and rising chronic conditions that spur demand for AI, continuous monitoring, and decentralized outpatient care. Despite this momentum, navigating complex reimbursement structures and data governance remains critical. Long-term commercial success will depend on delivering technological innovation alongside quantifiable clinical value and enhanced operational efficiency.

Figure 1: US MedTech Market Size (in \$Billions)



Source: Fortune Business Insights



Macro Drivers



Aging Population Supporting Medical-Device Demand

Population aging is expanding the need for diagnosis, treatment, and mobility support. The US Census Bureau's August 2026 report projects that adults aged 65 and older will represent 23.4% of Americans by 2060, supporting long-term demand for implants, monitoring equipment, and assistive devices.



Chronic Disease Burden Sustaining Demand for Diagnostics and Monitoring

Chronic diseases continue to create substantial demand for medical technologies. The American Cancer Society's 2026 report projects approximately 2.1 million new cancer cases in the US in 2026, reinforcing the need for diagnostic imaging, biopsy devices, surgical technologies, and ongoing patient monitoring.



Rising Healthcare Expenditure Supporting MedTech Demand

Healthcare expenditure continues to expand the spending base serving US MedTech. CMS's June 2026 projections forecast average annual national health expenditure growth of 5.4% during 2025–2034, exceeding GDP growth of 4.1%, providing a supportive backdrop for medical-device utilization and procurement.



Outpatient Surgery Expansion Reshaping Device Purchasing

Surgical care is increasingly moving into ambulatory settings, expanding demand for equipment and consumables suited to outpatient workflows. MedPAC's March 2026 report found that ambulatory surgical procedures per fee-for-service (FFS) Medicare beneficiary increased 3.5% in 2024, supporting opportunities for surgical-device suppliers.



Hospital Cost Pressures Increasing Focus on Productivity

Rising hospital costs are strengthening the business case for technologies that improve workforce productivity. The American Hospital Association's March 2026 report found that workforce costs in 2025 rose 5.6% from the previous year, increasing the importance of labor-saving equipment, workflow efficiency, and measurable economic benefits.



Emerging US MedTech Trends

Expansion of Surgical Robotics and Recurring Revenue Models

Surgical robotics is evolving into a broader platform opportunity for US MedTech companies, combining equipment with instruments, accessories, service, and financing. Adoption is expanding through additional procedures and more varied system formats. According to Precedence Research's May 2026 report, the US surgical robots market is estimated to reach \$2 billion in 2026 and is projected to expand at a 10.5% CAGR during 2026–2035. This expansion creates opportunities for manufacturers to generate ongoing revenue from instruments, accessories, and services as the installed base and procedure volumes grow.

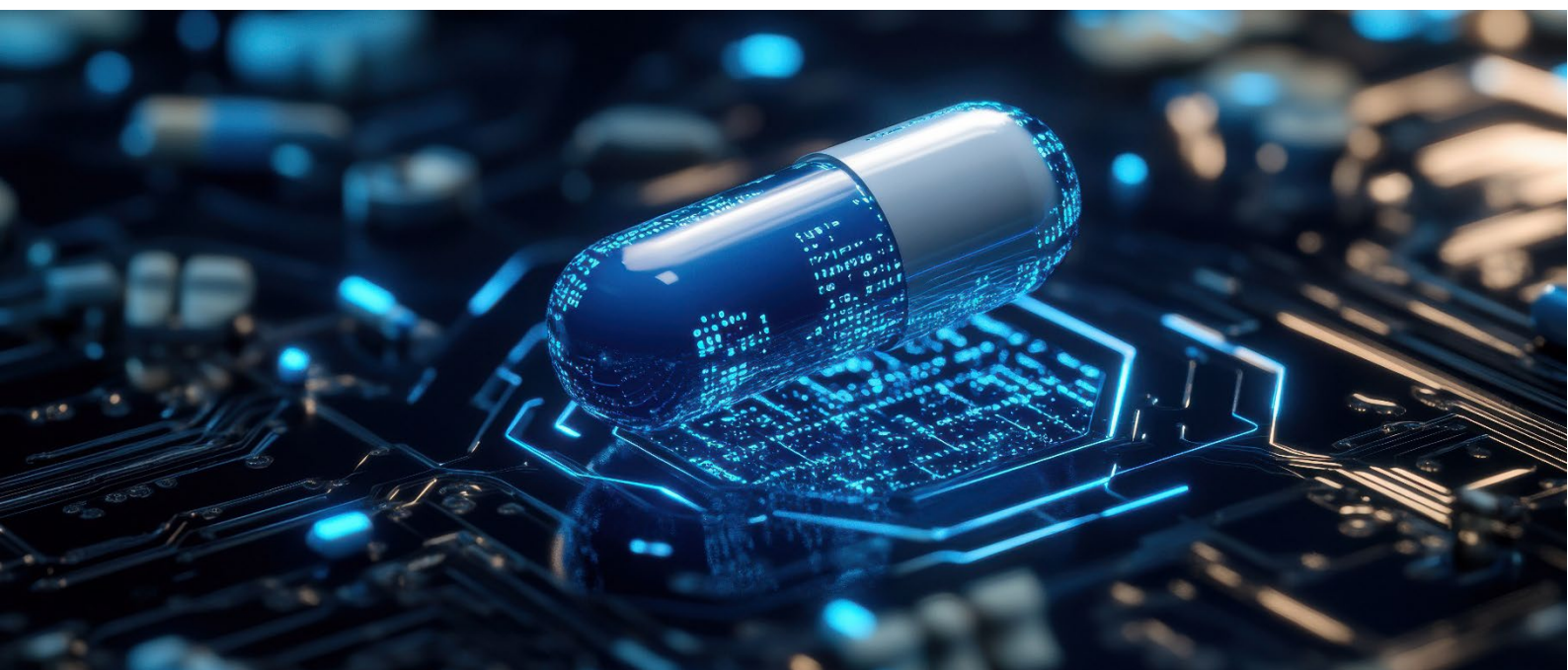
10.5%

is the projected CAGR of the US surgical robots market during 2026–2035, as per Precedence Research



Manufacturers are widening access through product design and commercial flexibility. Stryker's July 2026 US launch of Mako RPS introduced handheld robotics for total knee replacement, extending its portfolio beyond robotic-arm systems. Meanwhile, Intuitive placed 254 of its 468 da Vinci systems worldwide under operating leases during the quarter, including 131 under usage-based arrangements. Such models can reduce customers' initial capital requirements while linking supplier revenue more closely to ongoing utilization.

For investors, these developments suggest that system placements should be assessed alongside procedure growth, instrument consumption, and lease economics. A larger installed base creates opportunities for recurring revenue and deeper customer relationships, but financial returns depend on sustained utilization. Broader adoption also raises the importance of training, service capacity, and demonstrable clinical and economic value. Competitive advantage is therefore likely to depend on the complete surgical offering and its lifetime economics.





Migration of Complex Procedures to Outpatient Settings

The migration of complex procedures into ASCs is reshaping the US MedTech market as providers seek more efficient care delivery and payers encourage treatment in lower-cost settings. The shift is extending into higher-acuity specialties, changing the equipment, training, and support that facilities require. Deloitte's January 2026 analysis highlights the addition of more than 500 procedures to Medicare's ASC Covered Procedures List for 2026, including cardiac ablation and spine procedures. Further expansion is under consideration as CMS's July 2026 proposed rule would remove 638 services from the inpatient-only list for 2027, allowing Medicare payment in hospital outpatient settings when clinically appropriate.

For MedTech manufacturers, this changes both product requirements and purchasing relationships. ASCs need technologies that support predictable procedure times, rapid room turnover, and streamlined staffing. Commercial teams must also engage physician owners and smaller administrative teams, tailoring proposals around procedure economics and implementation support. These differences require adapting product delivery, training, and sales models.

For investors, the implication is a broader opportunity for suppliers that can serve dispersed outpatient customers profitably. Competitive positioning will depend on affordable equipment access, reliable service, and evidence of workflow efficiency. Expanded reimbursement eligibility creates an opportunity for migration, but actual adoption will depend on patient suitability, facility readiness, and physician acceptance.

500+
procedures

were added to Medicare's ASC Covered Procedures List for 2026, as highlighted by Deloitte in January 2026



Continuous Glucose Monitoring Expands into Broader Metabolic Health

CGM is expanding across the US into non-insulin-treated diabetes and consumer metabolic health, broadening the commercial opportunity for wearable biosensors. Clinical evidence is strengthening the case for wider use. In the Dexcom-sponsored CONNECT randomized trial, reported in June 2026, non-insulin-using adults with type 2 diabetes who used the Dexcom G7 achieved a 0.9 percentage-point greater reduction in HbA1c than the routine-care control group after 26 weeks. Separately, Dexcom's July 2026 results showed 11% YoY US revenue growth in 2Q, reflecting momentum across its broader business.

Companies are also building more accessible consumer experiences around sensor data. Dexcom began launching a redesigned Stelo app with enhanced food logging and AI-driven insights. In January 2026, Withings announced a partnership with Abbott's Lingo, connecting glucose information with its wider health-tracking ecosystem and offering Lingo sensors through its US website.

For investors, the opportunity extends across repeat sensor purchases, digital engagement, and broader distribution. However, clinical diabetes management and consumer wellness have different demand drivers. Wider medical adoption depends on evidence, coverage, and clinician acceptance, while consumer expansion depends more heavily on affordability, sustained engagement, and repeat purchasing. These developments suggest that durable growth will require both reliable sensing technology and a compelling reason for users to continue monitoring.

0.9 percentage points

greater HbA1c reduction with Dexcom G7 versus routine care after 26 weeks in non-insulin-using adults with type 2 diabetes, as per the Dexcom CONNECT Study.





Operationalizing AI in the US MedTech Industry

AI Integration Across Core MedTech Operations and Workflow Productivity

US MedTech firms are embedding AI into the processes used to develop, manufacture, distribute, and service medical technologies. Applications extend across supply chain planning, quality management, technical support, and internal knowledge retrieval. By connecting proprietary operational data with AI assistants and workflow systems, companies are helping employees identify supply shortages, investigate product issues, and retrieve technical guidance. These applications can reduce administrative work and support faster decisions, while retaining human review within sensitive processes.

Adoption is advancing, although broader workflow transformation remains limited. In Deloitte's Center for Health Solutions' 2026 survey of 100 MedTech leaders across multiple geographies, 45% reported having agentic AI in production, but 90% said AI agents had materially transformed fewer than 15% of workflows. Deployment was strongest in IT and cybersecurity, HR and internal services, customer support, and supply chain and manufacturing.

Company initiatives demonstrate how operational integration is taking shape. Johnson & Johnson MedTech began deploying generative AI within its electrophysiology Control Tower in 2025, enabling teams to query demand, inventory, and backorder data and identify emerging shortages. Meanwhile, GE HealthCare reported piloting a conversational agent that synthesizes service manuals and historical records, recommends potential equipment fixes, and provides source material for engineers to verify. These examples suggest that operational value depends on integrating AI with trusted data and specific employee tasks. Scaling these approaches requires clear accountability, documented controls, and measurement of outcomes such as service response times and quality resolution costs.

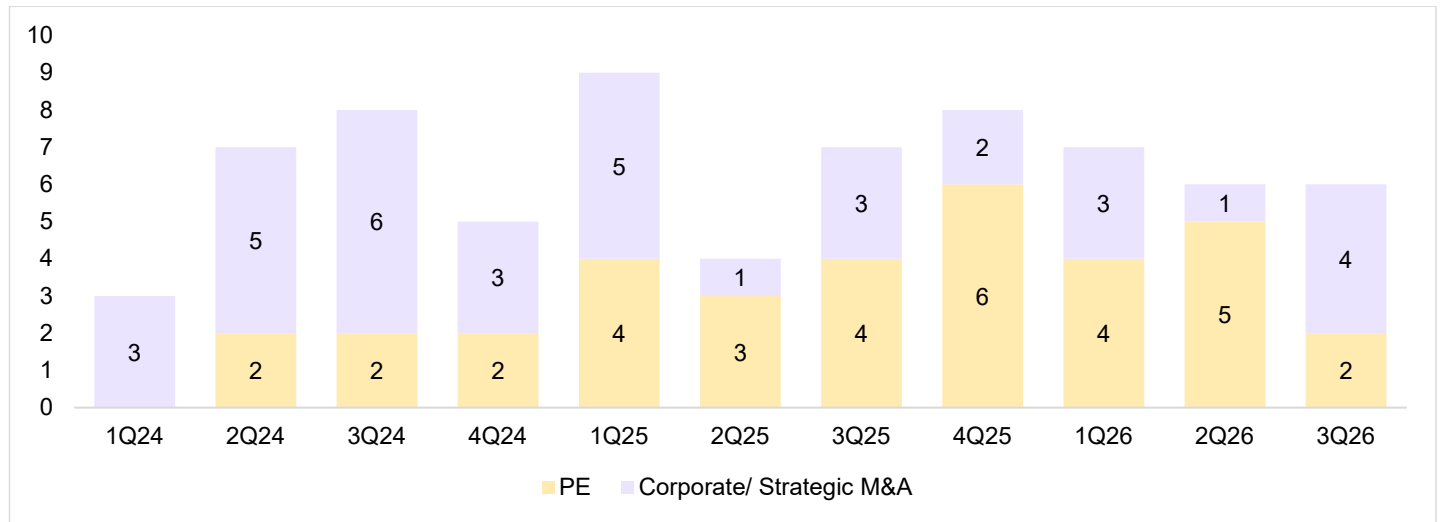
AI is transforming core US MedTech operations, optimizing supply chains, quality management, and technical support to boost productivity. While targeted deployments are actively accelerating decision-making and reducing administrative burdens, widespread workflow transformation is still emerging. Scaling these capabilities successfully requires pairing AI systems with trusted internal data, robust governance controls, and clear metrics for operational impact.

45%

of surveyed MedTech leaders reported agentic AI is already in production, as per Deloitte's Center for Health Solutions' 2026 survey

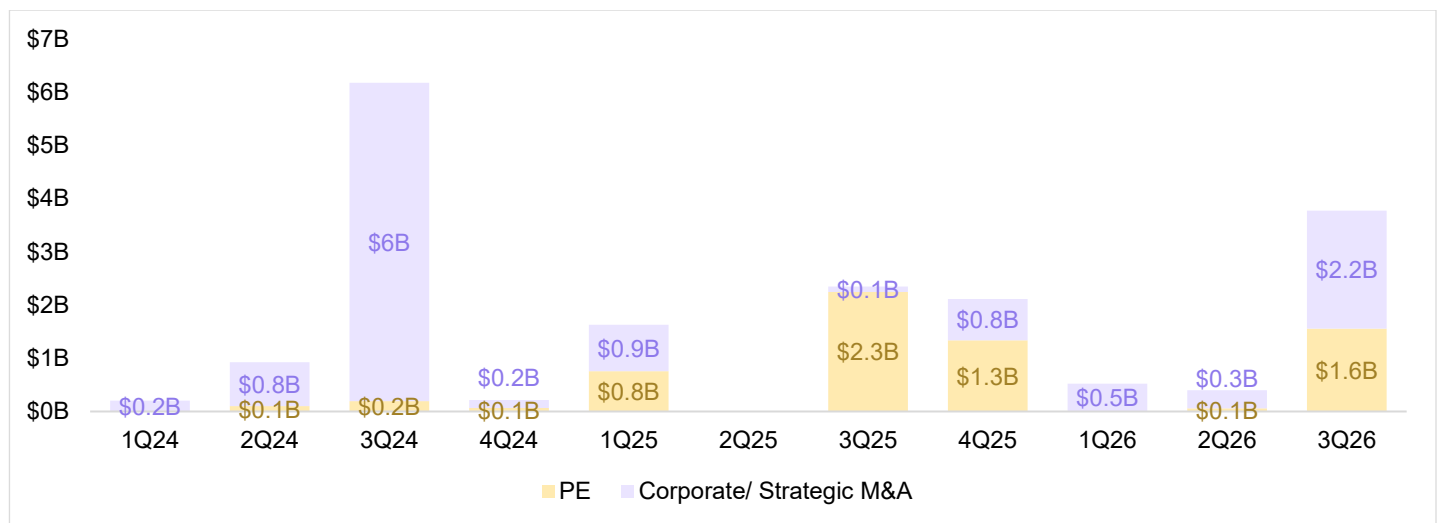
Key US MedTech Deals

Figure 2: MedTech Lower Middle Market and Middle Market Deal Count



Source: PitchBook, data as of September 10, 2026

Figure 3: MedTech Lower Middle Market and Middle Market Capital Raised

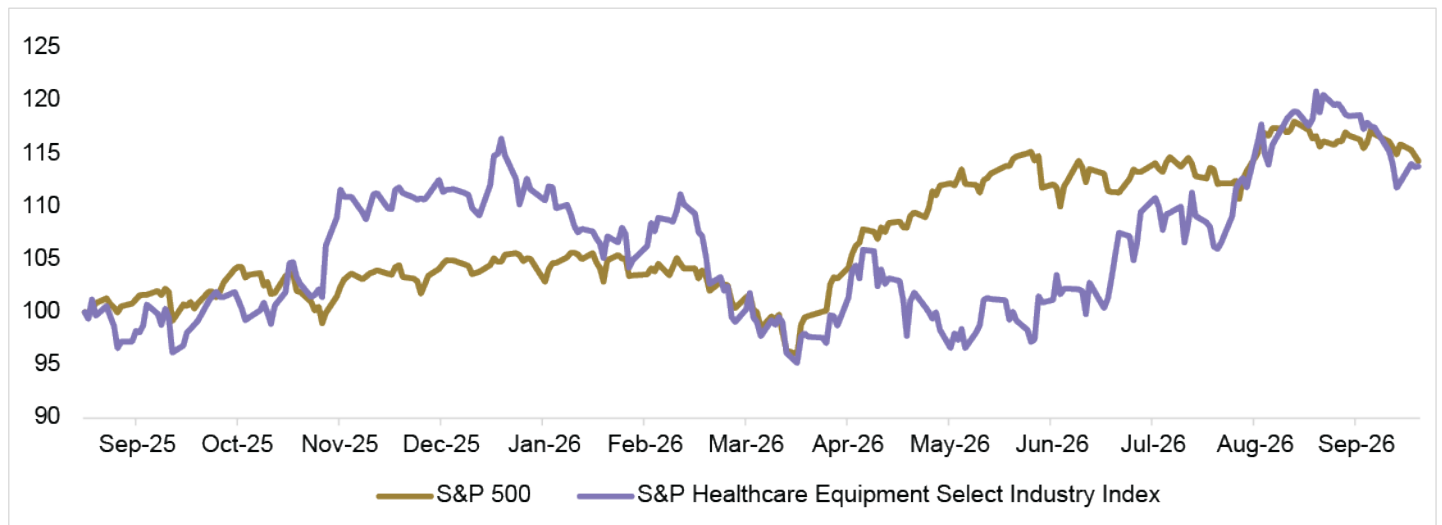


Source: PitchBook, data as of September 10, 2026

MedTech Lower Middle Market and Middle Market Deal Summary

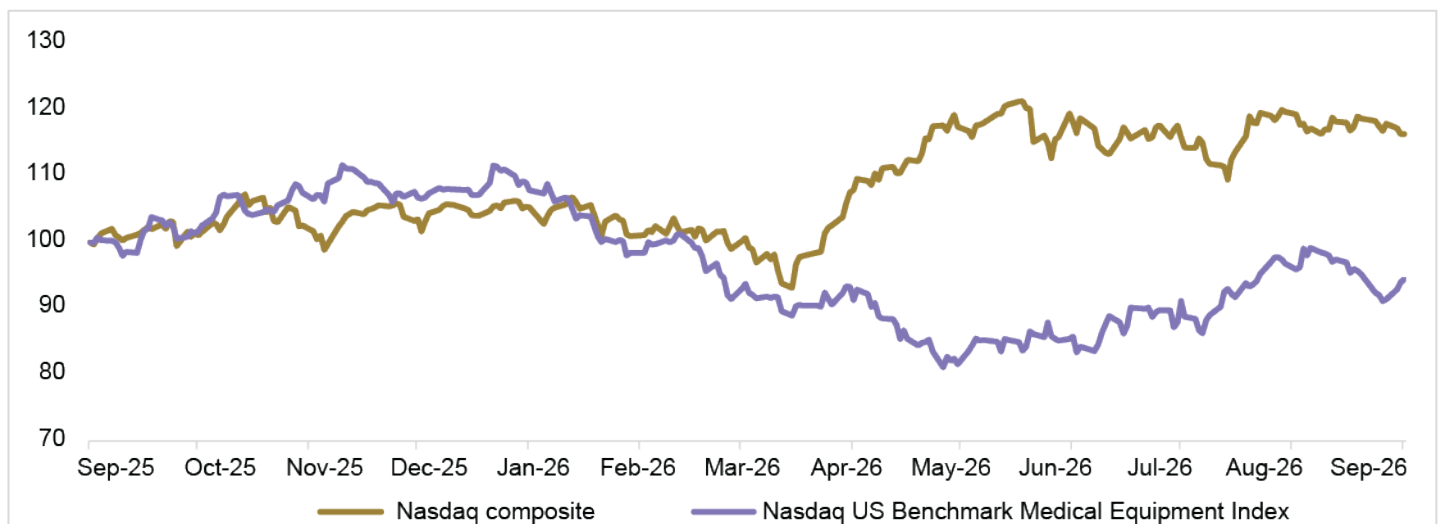
Companies	Deals	Investors	Exits	Largest Deal	Capital Invested
80	100	123	48	\$5.1B	\$16.8B

Figure 4: S&P Healthcare Equipment Select Industry Index Sector Index YTD Performance



Source: S&P Global, data as of September 16, 2026

Figure 5: Nasdaq US Benchmark Medical Equipment Index YTD Performance



Source: NASDAQ, data as of September 16, 2026



Key Private Equity MedTech Deals

August 3, 2026 KKR to Acquire Integer a US medical-device contract development and manufacturing organization, for approximately \$5.7 billion in enterprise value.	July 27, 2026 AIP to Acquire AVANOS a medtech firm focused on pain management and digestive health, for approximately \$1.3 billion in enterprise value.	April 8, 2026 AVISTA HEALTHCARE PARTNERS Acquire bentec MEDICAL a manufacturer of silicone-based medical-device components and finished goods, for an undisclosed amount.
July 27, 2026 Goldman Sachs Alternatives to Acquire NUMANTEC HUMAN INNOVATION TECHNOLOGY a developer and manufacturer of infusion systems and drug-delivery devices, for approximately \$791 million.	May 19, 2026 Salt Creek Capital Acquires MML Diagnostics Packaging, Inc. a manufacturer of outsourced in vitro diagnostic and single-use medical devices, for an undisclosed amount.	April 7, 2026 GRAHAM PARTNERS Acquire MPE a medical device manufacturer specializing in complex electromechanical and robotic-assisted surgical systems, for an undisclosed amount.

MedTech Upcoming Events

Michigan Medical Device Summit	September 30, 2026	Washtenaw Community College, Morris Lawrence Building, 4800 E. Huron River Drive, Ann Arbor, MI
MPO Summit	October 7–8, 2026	Grand America, Salt Lake City, UT
Phoenix 2026	October 7–9, 2026	Grand Hyatt Scottsdale Resort, Scottsdale, AZ



About Straive SG Analytics

SG Analytics (SGA), a Straive company, is a global data, analytics, and AI consulting firm specializing in turning data into actionable insights and operationalizing AI at scale.

With expertise across BFSI, Capital Markets, TMT (Technology, Media & Telecom), Supply Chain & Manufacturing, and other high-growth industries, SGA empowers clients with Ins(AI)ghts for Business Success.

SGA's 1,400+ experts operate across the U.S., U.K., and India, bringing together domain expertise, data, innovation, and AI capabilities. Recognized by Gartner, Everest Group, and ISG, and featured in the Deloitte Technology Fast 50 India 2024 and Financial Times & Statista APAC 2025 High-Growth Companies, SGA helps organizations translate intelligence into better decisions and scalable AI deployment..

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