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INDUSTRY RESEARCH

Takeaways From the J.P. Morgan Healthcare Conference

The dawning of a new era in healthcare

PitchBook is a Morningstar company providing the most comprehensive, most accurate, and hard-to-find data for professionals doing business in the private markets.

Key takeaways

- **Cautious optimism returns amid policy scars:** JPM 2026 reflected a cautious optimism following 2025's policy turbulence, with investors increasingly constructive on structural reform tailwinds—particularly FDA acceleration, AI-enabled drug development, and care-delivery transformation.
- **AI shifts from promise to performance:** Across biopharma and healthtech, the narrative on AI moved decisively from theoretical upside to demonstrated operational ROI, with agentic AI, closed-loop discovery, and ambient clinical automation emerging as near-term value drivers.
- **Medtech anchors M&A momentum:** Boston Scientific's $14.5 billion acquisition of Penumbra underscored continued appetite for megadeals, reinforcing medtech as a reliable source of deal value despite muted overall transaction volume.
- **Biopharma dealmaking pauses, but momentum stays intact:** While rumored large-cap pharma acquisitions failed to materialize, underlying innovation velocity—particularly in oncology, cardiometabolic, and AI-native pipelines—remains strong heading into 2026.
- **Drug discovery enters the agentic era:** High-profile initiatives such as the $1 billion Eli Lilly-NVIDIA Co-Innovation AI Lab validated AI as an end-to-end engine for molecule generation, while smaller players emphasized proprietary biological foundation models and differentiated data strategies.
- **Ambient AI catalyzes a care-delivery rethink:** Standing-room-only sessions for ModMed and Abridge highlighted ambient scribing and AI-powered clinical/administrative agents as inflection technologies reshaping provider workflows and economics.

- **No AI bubble in healthcare—yet:** Unlike in other tech sectors, AI adoption in healthcare is grounded in real-world deployment, measurable productivity gains, and enterprise-scale contracts across providers, health systems, and life sciences.

- **Federal innovation posture turns proactive:** CMS used JPM 2026 as an industry outreach forum, while ARPA-H emerged as a powerful DARPA-like catalyst with billion-dollar, high-risk programs aimed at breaking regulatory and clinical bottlenecks.

Summary

Policy uncertainty gives way to tailwinds

We are on the cusp of meaningful positive structural reforms that can happen only in this AI era.

The overall tone at the 2026 J.P. Morgan Healthcare Conference (JPM 2026), held from January 12 to 15 in San Francisco, was an understated, cautious optimism following a tumultuous policy year in 2025. Wounds take time to heal, and the wounds of 2025 policy uncertainty are still fresh, but looking forward there is a sense that we are on the cusp of meaningful positive structural reforms that can happen only in this AI era. Advancements in AI in drug discovery, though still meeting a more skeptical investor audience, should improve clinical trial success rates and fundamentally improve the risk-reward profile in investing in early-stage biotech assets. In addition, ambient-scribing technology integrated with multiple clinical and administrative agents has the power to revolutionize care delivery in a way that was previously inconceivable within the historically conservative health system industry. While policy disagreements remain about Medicaid and health insurance exchanges, the US Food and Drug Administration (FDA) is advancing the regulatory framework to accelerate drug development approval, understanding that the US needs to reverse its ceding of drug development innovation to China to prevent what happened in the semiconductor industry from occurring in healthcare.

We were also impressed with the Department of Health and Human Services' presentation on its Advanced Research Projects Agency for Health (ARPA-H) program designed after the Department of Defense's Defense Advanced Research Projects Agency (DARPA). The annual billion-dollar project-based investing program has the power to fund high-impact, high-risk/high-reward endeavors but also deliver the clout to break down regulatory barriers. We provide details on open funding program opportunities later in this note.

In the near term, the cautiously optimistic outlook for deal activity should provide an easy hurdle to overcome, as we expect a robust and expectations-breaking 2026.

Medtech provides the megadeal while biopharma remains quiet

In one of the most significant announcements of the week, Boston Scientific announced its acquisition of Penumbra for $14.5 billion in cash and stock, representing an estimated 11.3x revenue multiple and a 19% premium to the company's preannouncement share price. The transaction marks Boston Scientific's largest acquisition since the $27 billion Guidant deal in 2006 and follows a string

of tuck-in acquisitions for the medical technology (medtech) giant, including its acquisition of Valencia Technologies announced earlier in the week. Penumbra's products both fill a gap in Boston Scientific's neurovascular portfolio and add to its already strong cardiovascular segment. The acquisition follows Stryker's $4.9 billion (8.1x revenue) purchase of Inari Medical earlier in 2025, as medtech incumbents continue to strengthen their cardiovascular offerings amid rising procedural volumes and favorable demographic trends.

The transaction reinforces 2025's trend toward megadeals despite subdued overall activity. While medtech deal volume remained in line with 2024's muted figures, large-scale transactions drove aggregate deal value to multiyear highs. Both strategic buyers and financial sponsors demonstrated willingness to execute transformative deals despite tariff uncertainty and persistently elevated interest rates, as evidenced by Abbott's $21 billion acquisition of Exact Sciences and the $18.3 billion Blackstone-TPG take-private of Hologic. Looking ahead, we expect heightened M&A activity in 2026. As zero-interest-rate-policy-era valuations have normalized, large-cap strategics will likely turn to M&A to improve scale against emerging competitors and add AI capabilities.

Biopharma dealmaking was comparatively quiet during the conference, with several rumored acquisitions failing to materialize. Although this may disappoint deal watchers, we view it as largely immaterial to broader sector momentum. Instead, conversations centered on the durability of the independent biotech model, with success stories such as argenx, UCB, and BridgeBio serving as the blueprint. These companies have made "shorting the launch" an outdated maxim, proving that commercial execution can drive profitability and fund pipeline reinvestment. Investors remained focused on building enduring biopharma leaders even as Big Pharma is still expected to pursue acquisitions to offset the coming patent cliff.

AI at JPM 2026: From theoretical hype to operational ROI

AI in drug discovery

AI is shifting from discovery assistance to an always-on, end-to-end engine to generate and refine drug candidates continuously.

Eli Lilly and NVIDIA kicked off the week by announcing a Co-Innovation AI Lab in South San Francisco, backed by a financial commitment of $1 billion. Lilly CEO David Ricks said the initiative aims to "model the whole system all at once," combining molecular simulation, target identification, and experimental validation in a single integrated agentic, closed-loop workflow. In this context, "agentic" refers to AI's capability to take autonomous, goal-directed actions (such as planning and iterating experiments to improve a molecule's solubility), rather than simply responding to a prompt. These closed-loop systems are structured for continuous feedback that connects the computational ("dry") lab to automated, robotic ("wet") lab execution, allowing models to learn from experimental results in near real time. The message signals that AI is shifting from discovery assistance to an always-on, end-to-end engine to generate and refine drug candidates continuously.

At JPM 2026, smaller drug development companies worked to demonstrate the operational return on investment (ROI) of their AI-based approaches. Across the conference, many of the next-generation players in the space emphasized a shift toward biological foundation models. Built on time-resolved, multimodal datasets, these models capture the downstream effects of chemical intervention on biology rather than focusing only on the chemistry of binding in isolation. insitro embodied this shift, highlighting its "virtual human" technology stack and agentic approach to predicting causal human biology. Its well-attended JPM presentation drew significant attention as the company disclosed a pipeline of "100% first-in-class" programs spanning liver fibrosis, adiposity, ALS, and AMD. Although other large private players in the space, including Xaira Therapeutics and Generate:Biomedicines, did not present at JPM 2026, the broader momentum behind multimodal human biology datasets was clear. This demand is already flowing through to enabling tools companies. For example, Element Biosciences announced the launch of its AVITI24 system, positioned as a fully integrated multiomics platform designed to generate data suitable for time-resolved AI models. Looking ahead, we expect continued strategic shifts toward proprietary data generation as companies work to move AI-native programs beyond early clinical validation into durable Phase 2+ success.

Iambic Therapeutics represented a slightly different paradigm, describing progress in model training to enhance its protein-ligand prediction model, which the company claims can outperform AlphaFold head-to-head. Iambic argued there is still meaningful progress to be made in the more traditional "lock-and-key" optimization side of AI-enabled drug discovery. Refreshingly, the AI model descriptions were accompanied by impressive preclinical data, including the lead candidate's performance in HER2 exon 20-mutant non-small cell lung cancer models and uncharacteristically high tumor uptake relative to plasma. Investor interest following the presentation suggests there is still strong demand for best-in-class protein-ligand co-folding models, even as much of the broader narrative shifts toward biological foundation models.

Not unexpectedly, JPM 2026 continued to highlight AI-driven drug discovery efforts across both public and private markets. The relationship between publicly and privately funded initiatives in this space is rapidly evolving and will be a fascinating area to watch in 2026. On one hand, large-scale efforts such as the Lilly-NVIDIA Co-Innovation AI Lab may validate the sector and help de-risk core infrastructure for smaller biotech companies, building on programs like Lilly TuneLab and NVIDIA's Inception program that provide startups access to industry-grade foundations. On the other hand, investors may increasingly question whether smaller private companies can meaningfully differentiate when the scale on display from strategic players is so massive. 2026 may prove to be a key inflection point as first-generation, now-public AI drug development companies approach critical readouts while second-generation privates place bets on lead programs to move to the clinic.

Medical superintelligence

One of the most fascinating healthtech sessions was OpenEvidence's presentation in which founder Dr. Daniel Nadler shared the company's framework for achieving its goal of medical "superintelligence," or expert-level understanding across every subdomain of a field. Dr. Nadler envisions a future of digital teams of specialist AI agents, with each agent optimized for its own objective function. The team of agents would then deliberate a patient's case through an orchestration function. OpenEvidence is starting to do this in oncology with its partnership with the National Comprehensive Cancer Network. According to the company, as of July, approximately 40% of US physicians utilized OpenEvidence as a clinical reference source for more challenging cases, and the company is the official AI partner of the New England Journal of Medicine. The company claims it supported 18 million clinical consultations in the US in December alone. Given the nature of its current platform, we would expect the medical superintelligence endgame at OpenEvidence to continue to keep a human in the loop with physicians operating at the top of their licenses, but that is an assumption, and we would welcome a discussion with the company.

No AI bubble in healthcare

AI is already transforming healthcare administrative and clinical workflows in addition to advancing drug discoveries.

Healthcare services AI as a category was well represented in private-track presentations, and for good reason. AI is already transforming healthcare administrative and clinical workflows in addition to advancing drug discoveries. Other AI participants at the conference besides OpenEvidence included two companies with leading ambient-scribing capabilities: ModMed and Abridge. Both also presented to standing-room-only audiences. ModMed is the specialty practice and ambulatory surgical center (ASC) electronic health record (EHR) company that was acquired by Clearlake Capital Group in a $5.3 billion LBO in March last year.

The company's EHR systems are all top rated for its 11 specialties by Black Book. Natively embedded capabilities in its EHRs include ambient-scribing dictation and ancillary functions, practice management, patient engagement, practice analytics, revenue cycle management, payment processing, and procurement management solutions. The company's AI-powered practice agents include a front-office assistant, clinical assistant, and billing assistant. ModMed Scribe, the company's AI scribe for clinical documentation, won the 2025 BIG Innovation Award.

ModMed delivered a 50% CAGR in annual recurring revenue (ARR) from 2011 to 2025 and projects over $750 million in ARR in 2025. Going forward, the company believes AI will drive revenue cycle management solutions to become subscription-based products as opposed to the current industry standard of charging a percentage of revenue collections but that existing tech stack incumbents have a right to win as long as they can operationally deliver on the AI solutions—which ModMed clearly has, in our opinion.

Abridge, the Andreessen Horowitz- and Khosla Ventures-backed enterprise-grade AI company (offering ambient scribe and healthcare services agents) with a $5.3 billion post-money valuation, updated the investment community at the conference, noting

over 200 health system partners over 50 specialties and across 28 languages, with over 350,000 physicians at its partners. More details on AI scribes can be found in our past analyst notes Healthtech AI Scribes and Healthcare Services AI Agents: A $155 Billion Opportunity. Abridge cited its total addressable market estimates as follows: $2 billion to $3 billion for the ambient scribe market, $300 billion for payment/revenue cycle management transformation, and $500 billion for improvement in clinical outcomes.

In addition, New Mountain Capital's collection of AI healthcare assets that are expected to be spun out by Matt Holt (Datavant, Machinify, and Smarter Technologies) presented at the conference along with analytical AI companies ConcertAI and Monogram Health. Innovaccer presented for the second year in a row and has an impressive collection of provider and payer customers.

Major LLM healthcare announcements

Anthropic

Anthropic announced Claude for Healthcare, a HIPAA-ready enterprise suite targeting healthcare administration. The core of the announcement was the launch of "Connectors"—native integrations that allow Claude to pull live data from the Centers for Medicare & Medicaid Services (CMS) Medicare Coverage Database, PubMed, the National Provider Identifier Registry, and International Classification of Diseases 10. On the life sciences front, Anthropic added deep-bench tools for clinical trials, integrating with platforms such as Medidata and ClinicalTrials.gov.

OpenAI

OpenAI introduced ChatGPT Health, which allows users to connect medical records and fitness data (via a back-end partnership with b. well). ChatGPT Health is designed to support medical care awareness and is not intended for diagnosis or treatment. It helps consumers "navigate everyday questions and understand patterns over time," enabling patients to be "more informed and prepared for important medical conversations."[1] In addition, OpenAI introduced HealthBench, a new benchmark designed to better measure the capabilities of AI systems for health, and GDPval, a task-based evaluation benchmark; both tools draw data from real-world scenarios.

Google

Google released MedGemma 1.5 4B. Last year, Google published the MedGemma collection of open medical generative AI models that are intended to be starting points for developers to evaluate and adopt medical use cases. This model update includes high-dimensional medical imaging, longitudinal X-ray imaging, anatomical localization X-ray imaging, and structured data extraction from medical lab reports. Google also recently released MedASR, a new open automated speech recognition (ASR) model fine-tuned for medical dictation.

1: "Introducing ChatGPT Health," OpenAI, January 7, 2026.

China biotech deals persist

Big Pharma is increasingly geography agnostic in its hunt for innovation, prioritizing differentiated assets regardless of their origin. This held true during JPM 2026; AbbVie signed a deal with China's RemeGen worth up to $5.6 billion for a programmed cell death protein 1/vascular endothelial growth factor bispecific, while Novartis announced a smaller partnership with Zonsen PepLib Biotech featuring $50 million up front for a peptide-based radioligand therapy in oncology. Together, these and other early-January deals reinforce a clear signal for 2026 that cross-border licensing remains durable even as geopolitical friction persists.

The BIOSECURE Act's passage in December 2025 put US-China biotech exposure top of mind heading into JPM 2026. In public settings, however, companies largely avoided addressing the legislation directly, though several recurring themes suggested early positioning. Management teams repeatedly highlighted onshore or diversified manufacturing strategies, which may reflect a desire to reduce reliance on Chinese contract research organizations and contract development and manufacturing organizations potentially impacted by the bill. At the same time, these moves are not necessarily reactive, as end-to-end manufacturing is also a credible marker of commercial readiness. Notably, the WuXi group—WuXi AppTec, WuXi Biologics, and WuXi XDC Cayman—reported strong 2025 performance and maintained a bullish outlook, emphasizing their global operating footprint through new research & development and manufacturing sites outside of China. This messaging can be interpreted as both operational diversification and reputational positioning ahead of the US Office of Management and Budget's process to identify "biotechnology companies of concern."

Federal health policy and innovation updates

FDA at JPM 2026

After a turbulent 2025, FDA regulatory policy was on everyone's mind heading into JPM 2026. Attendees got a firsthand report from FDA director Dr. Marty Makary, who emphasized a more access- and execution-oriented posture across both policy and operations. In line with prior messaging, Makary pointed to direct-to-consumer (DTC) availability as a lever to improve pricing transparency and reduce friction in how patients access therapies. From a drug approval perspective, he also signaled a willingness to modernize evidentiary expectations and accelerate timelines where appropriate. He described a shift toward accepting one pivotal trial in certain settings and an effort to make US Phase 1 trials more competitive. We view these initiatives as increasingly important as global clinical trials continue to improve and compress development timelines. Further upstream, Makary highlighted momentum behind new approach methodologies—including lab-on-chip systems and AI-enabled models—that could reduce reliance on animal studies and meaningfully shorten preclinical development studies.

We view these shifts as constructive signals for the sector, reflecting a regulatory posture that prioritizes speed, clarity, and patient access without abandoning rigor. However, questions remain regarding execution and consistency across review divisions. Former FDA Center for Drug Evaluation and Research Head Dr. Richard Pazdur described the tumult at the agency in a panel hosted by STAT News. He described haphazard change management and worrisome outlooks on political influence, primarily in the new pilot program on accelerated drug reviews. At face value, the stated FDA priorities are constructive but require process discipline, change management, and transparency to ensure they are implemented consistently and reduce uncertainty for sponsors and investors.

CMS healthcare outreach

At JPM 2026, CMS leadership used the conference as an outreach opportunity to engage directly with the healthcare community. Administrator Dr. Mehmet Oz and senior CMS officials spoke with industry executives about the agency's priorities, framing the current period as a meaningful opportunity for the industry to participate in policy and operational improvements. Dr. Oz reiterated a central theme that CMS's focus should be on improving quality and access, not just reducing costs. Other themes included a focus on interoperability and data access, price transparency, and efforts to streamline administrative friction such as prior authorization. Beyond the formal agenda, news coverage also noted closed-door discussions with executives during the week, underscoring CMS's intent to maintain an open channel with providers, payers, and healthcare innovators.

ARPA-H Investing What Comes Next

One of the most pleasantly surprising presentations we attended was "ARPA-H Investing What Comes Next," which we stumbled upon by chance. ARPA-H aims to accelerate better health outcomes for everyone by supporting the development of high-impact solutions to society's most challenging health problems. Configured after the Department of Defense's DARPA, ARPA-H provides research funding to create new opportunities and solve important problems through ambitious, well-defined, and measurable programs.

Each program is led by a program manager who champions a core idea, frames a challenge, and awards projects to multidisciplinary teams of performers, whose work is then measured and evaluated to ensure that only the best solutions advance. The annual billion-dollar project-based investing program has the power to fund high-impact, high-risk/high-reward endeavors and provide the clout to break down regulatory barriers.

Currently, there are three available program opportunities with available funding: the Agentic AI-Enabled Cardiovascular Care Transformation (ADVOCATE) program, the Autonomous Interventions and Robotics (AIR) program, and the BioStabilization

Systems (BoSS) program.[2, 3, 4] For the ADVOCATE program specifically, the aim is to transform advanced cardiovascular disease management with an agentic AI system that can provide 24-7 holistic clinical care. ADVOCATE's transformative goal is to create a first-of-its-kind, reliable, FDA-authorized clinical agentic AI system that serves around the clock as a new, digital member of the clinical care team. The program will partner with health systems to successfully deploy the technology across diverse care environments—from major health systems to rural clinics and community settings.

GLP-1s

In the hotly contested metabolic space, JPM 2026 made clear that this is the year of the pill. In the grand ballroom, market incumbents Novo Nordisk and Eli Lilly leaned less on clinical differentiation and more on commercial execution, emphasizing DTC channels and manufacturing scale. In a standing-room-only presentation, Lilly CEO David Ricks framed the company's cardiometabolic strategy as a shift from development to execution, highlighting a broad pipeline, expanded indication opportunities, and a major manufacturing build-out across 13 sites. He also positioned LillyDirect as a key DTC lever, now serving nearly 1 million patients. The company is expecting a Q2 2026 approval of orforglipron, which will serve needle-averse patients and markets with cold-chain refrigeration challenges. These market dynamics will play out against Novo Nordisk's recently approved Wegovy pill. Novo Nordisk CEO Maziar Mike Doustdar similarly emphasized a sharpened focus on core metabolic franchises and the DTC push with NovoCare Pharmacy and commercial partnerships.

While the incumbents battled over commercial execution, cardiometabolic challengers focused on pushing the efficacy ceiling and reducing dosing burden compared with established GLP-1s. Viking Therapeutics presented results from both subcutaneous and oral formulations of its dual GLP-1/GIP agonist VK2735, emphasizing a potentially differentiated pharmacokinetic profile relative to tirzepatide, including higher maximum concentrations and signs of durability, with weight loss persisting four weeks after dosing. Continued clinical momentum will likely keep Viking in the conversation as a prime M&A candidate, though the recent hire of Neil Aubuchon as chief commercial officer also signals a parallel build toward commercial readiness. In the private track, Kailera Therapeutics highlighted clinical progress across a portfolio of in-licensed cardiometabolic assets from Chinese partner Hengrui Pharma, led by Phase 3 ribupatide, which shows 23.6% weight loss at 36 weeks. Kailera also outlined three additional programs—an oral formulation of ribupatide (Phase-2 ready), an oral small molecule (KAI-7535, Phase-2 ready), and a Phase-1-ready injectable triagonist—all slated to enter trials in 2026. The obvious question for these late entrants is where they ultimately fit in an increasingly crowded market, with Kailera pointing to persistent unmet need in patients with body mass indexes of 35 or higher and positioning injectable GLP-1/GIP dual agonists as the backbone of obesity care based on their efficacy and tolerability profile.

2: "ADVOCATE," ARPA-H, n.d., accessed January 16, 2026.
3: "AIR," ARPA-H, n.d., accessed January 16, 2026.
4: "BoSS," ARPA-H, n.d., accessed January 16, 2026.

The weight loss market is converging, and without demonstrable tolerability or persistence gains, many late entrants risk competing on incremental claims.

For investors, JPM 2026 highlighted a growing mismatch between enthusiasm and differentiation in GLP-1 pipelines. The weight loss market is converging, and without demonstrable tolerability or persistence gains, many late entrants risk competing on incremental claims in a market where the duopoly's scale advantage may matter more than marginal clinical deltas.

Additional takeaways

Women's health

The attendance and excitement at the women's health investment panel at JPM 2026 showed that women's health is moving from a thematic priority to an investable category. A recent McKinsey report authored in partnership with the World Economic Forum outlined the health inequities experienced by women and their cumulative negative effect on the global economy, calling for improved data collection methodologies, deeper research into the drivers of sex-based differences, and clinical practice guidelines that better align with gender- and sex-based care.[5] The final pillar of the report called for increased investment in women's health, an initiative echoed by the panel. Such investment is justified from both a disparity perspective (addressing years of clinical neglect) and a market perspective given the size of the unaddressed opportunity. The subsequent panel on menopause made this tangible: An estimated 60 million women are currently undergoing menopause, with roughly another 20 million in perimenopause, representing a large, continuously regenerating market that remains heavily underserved. Panelists noted that investment challenges often stem from misconceptions that women's health is (1) a nascent industry and (2) lacking successful exits. The panelists argued instead that the space is already technically sophisticated, supported by both emerging private companies and growing attention from Big Pharma. They also suggested that the "no exits" narrative is partly a taxonomy problem, as "women's health" is often narrowly reserved for reproductive health, obscuring the breadth of relevant companies and outcomes. We expect continued investment momentum as definitions broaden and the category becomes easier to underwrite.

Health system cash balances are healthy again

The nonprofit hospital track's consistent themes were a return to pre-pandemic operating margins and a return to solid cash positions. Presenting hospital systems included AdventHealth, Ascension, Intermountain Health, Cleveland Clinic, Mass General Brigham, Providence Health & Services, Northwestern Medicine, Sutter Health, Baylor Scott & White Health, Mayo Clinic, Inova, Hartford HealthCare, ChristianaCare, Advocate Health, CommonSpirit Health, WellSpan Health, Hackensack Meridian Health, SSM Health, The Johns Hopkins Health System, Henry Ford Health, Tampa General Hospital, and Sentara Health. In addition to better labor cost management efforts across the industry, turnaround efforts at several systems have been successful. The industry also continues to transition its asset base toward a greater focus on lower-cost ASC settings.

5: "Blueprint to Close the Women's Health Gap: How to Improve Lives and Economies for All," McKinsey Health Institute, Anouk Petersen, et al., January 21, 2025.

Furthermore, ambient AI technology's favorable impact on physicians' workflows has been a sea change for the industry, opening its eyes to the transformative power of AI in care delivery and administration. We believe Hartford HealthCare's CEO Jeffrey Flaks said it best: "We think this is the best time that there's ever been in healthcare. We've never been able to get better faster than we can right now, and we've never been able to solve what have historically been intractable problems than now."

Beyond continued interest in ASC acquisitions, several health systems indicated renewed interest in physician practice management (PPM) acquisitions, and geographic expansion efforts continue. According to Krist Werling, global head of McDermott Will & Schulte's Health & Life Sciences practice, private equity's recent PPM acquisition lull has been driven by integration challenges from past acquisitions, citing geographic challenges and labor issues. However, he says these obstacles are being overcome and PPMs are returning to growth.

We note that PE-backed, for-profit Duly Health and Care also presented in the private track at the main conference location. We have this company on our potential public exit watch list. We were also impressed by the European robotic surgery company Distalmotion and its mobile DEXTER surgical robots designed specifically for the ASC setting.

Robotics focus in VC

A consistent theme in our interactions with VC ecosystem participants at the conference was the exploration of robotics in healthcare delivery within the senior population for home health purposes. However, the definition of robotics was being stretched to include voice-based large language model (LLM) agents designed to initiate interaction with seniors. Regardless of definition creep, we view the technology as highly practical in engaging in behavior modification with the senior population and quite scalable.

Investment focus areas for 2026

Differentiated oncology assets, particularly next-generation bispecific and multispecific antibodies and antibody drug conjugates, will continue to see investment interest in 2026 as the 2030 patent cliff approaches. Beyond oncology, several lesser-known areas also surfaced in JPM 2026 discussions as pockets of enthusiasm:

- **Radiopharma:** Continued momentum, with execution (manufacturing, supply, and site-of-care strategy) increasingly viewed as a key differentiator.
- **Psychedelics:** Selective interest, with a higher bar around trial design, durability of response, and scalable delivery models.
- **Phage and microbiome:** Niche but persistent interest, especially for programs in defined mechanisms and clearer regulatory pathways.

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