MARKET UPDATE · Q4 2026 EDITION

The TSIA HT 20 Index

Twenty healthcare technology companies — medical systems makers and healthcare software providers — measured on GAAP, not on the numbers in the press release.

Here's what the most recent reported quarter says about who is growing, who is earning, how much of each headline survives once the one-offs come out, and what that means for your services P&L.

9.0%
MEDIAN REVENUE GROWTH

15.4%
MEDIAN OPERATING MARGIN

16 of 20
GAAP OPERATING PROFIT

A GAAP scorecard for the companies that run healthcare's systems and software.

The TSIA HT 20 Index tracks twenty publicly traded healthcare technology companies using the figures each one files with regulators, not the numbers in its press release. Each refresh compares the most recent reported quarter against the same quarter a year earlier, and every margin is recomputed from reported dollars. No adjusted or company-preferred metric is used as a headline.

TSIA uses the index to test how medical systems makers and healthcare software providers perform on growth and margin as services and recurring revenue become a larger share of what their customers pay for. It sits alongside the larger T&S 50 and the newest AI-20 indices.

A FEW THINGS WORTH KNOWING ABOUT THE DATA

- **Quarters don't line up on the calendar.** Fiscal years end in different months, so "this quarter" means each company's own most recent quarter. For 18 of the 20 constituents, their most recently reported quarter was Q2 2026.
- **Four companies report no gross profit line.** HealthStream, Waystar, Phreesia and OptimizeRx present cost of revenue excluding depreciation and amortization. Their gross margin is shown as n/d, so the gross margin median runs on the other sixteen.
- **The roster was rebuilt for this edition.** Constituents that were acquired, taken private or deregistered were removed and replaced. TruBridge was acquired during the research window and replaced by Stryker. This edition is not directly comparable to the last one.

Every figure in this book is a median, not an average.

One or two extreme companies can skew an average badly. For example, Health Catalyst's −51.8% operating margin pulls the simple average of the twenty down from 16.0% to 12.6%. In contrast, the median gives you the typical company in the index.

WHAT WE COULD NOT VERIFY

Publishing gaps is part of the method. Certara's trailing revenue and quarterly cash flow on a continuing-operations basis, and Accuray's fiscal Q4 cash flow, could not be built. Waystar and Phreesia do not disclose the acquired share of this quarter's growth. Four market capitalizations come from older dated sources and are used for scale only. None of this drastically changes our findings.

Twenty companies, tracked by ticker.

The HT 20 covers surgical robotics, diagnostics and life-science instruments, imaging, sleep and diabetes devices, medication management, and the software that runs revenue cycle, clinical workflow and life-science commercialization. This report splits them into two groups: Medical systems and devices (12) and Healthcare software (8).

ALGN	Align Technology	**ISRG**	Intuitive Surgical
ARAY	Accuray	**OMCL**	Omnicell
CERT	Certara	**OPRX**	OptimizeRx
DOCS	Doximity	**PHR**	Phreesia
DXCM	Dexcom	**PODD**	Insulet
GEHC	GE HealthCare	**RMD**	ResMed
HCAT	Health Catalyst	**STE**	STERIS
HSTM	HealthStream	**SYK**	Stryker
ILMN	Illumina	**VEEV**	Veeva Systems
IRTC	iRhythm Holdings	**WAY**	Waystar

Four report no gross profit

HealthStream, Waystar, Phreesia and OptimizeRx present cost of revenue excluding depreciation and amortization, so they carry no comparable gross margin.

Accuray is a listing risk

It trades below the $1 Nasdaq minimum and has a change-of-control-scale financing pending. It was retained this edition for continuity.

Four names on the watch list

Accuray, Health Catalyst, OptimizeRx and Waystar are the likeliest exits before the next quarter. Waystar is exploring a sale.

Small-cap healthcare software is consolidating. TruBridge was acquired this quarter and Waystar is exploring a sale. The roster had to be rebuilt this edition because constituents were acquired, taken private or deregistered — which is itself the finding: if your peer set is three years old, it is probably wrong.

Both segments grew at the same pace. The systems makers kept far more of it.

MEDIAN GAAP OPERATING MARGIN

15.4%

The median hides a wide spread: Intuitive Surgical earns **33.6%** and ResMed **30.7%**, while Health Catalyst posts **−51.8%** on a goodwill impairment.

Median revenue growth, YoY	**+9.0%**
Median GAAP gross margin	**64.9%**
Median free cash flow margin	**+15.5%**
Post a GAAP operating profit	**16 of 20**

THE TWO GROUPS, SIDE BY SIDE

Medical systems and devices — 12 companies

+9.0% Revenue growth	**64.9%** Gross margin
+17.7% Operating margin	**+16.1%** Free cash flow margin

Healthcare software — 8 companies

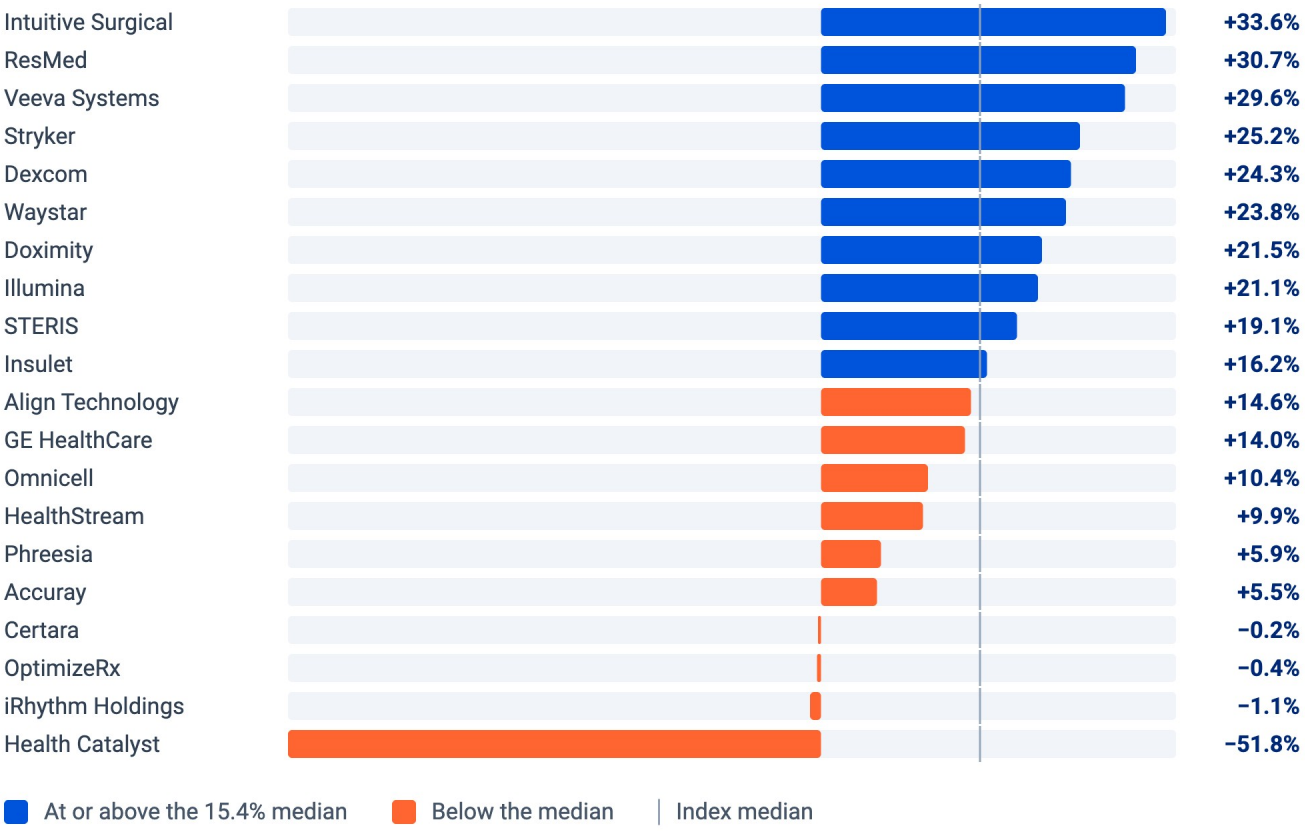
+8.9% Revenue growth	**68.7%** Gross margin
+7.9% Operating margin	**+13.5%** Free cash flow margin

The two segments grew within a tenth of a point of each other. Systems makers kept more than twice the operating margin on that growth — but part of the gap is a one-time IEEPA tariff refund credited to cost of revenue, not an operating advantage. Page 7 separates the two.

For scale, the median revenue multiple across the twenty is 3.4x. Software's higher gross margin (68.7% against 64.9%) does not reach the operating line: R&D plus sales and marketing runs a median 32.3% of revenue across the index, and it is the software constituents that break out the sales line at all.

GAAP operating margin, ranked.

Sixteen of the twenty constituents made a GAAP operating profit. The four losses do not tell one story: two sit on falling revenue, one is a litigation settlement against revenue that grew 20.1%, and one is a near-breakeven after a divestiture.



Health Catalyst's figure includes a goodwill impairment on revenue that is also falling, and OptimizeRx lost 29.8% of its revenue on a customer-driven drop — those two are the businesses genuinely contracting. iRhythm's loss is a securities-litigation settlement on revenue that grew 20.1%. Certara is near breakeven after a divestiture. Read the flag before the margin.

Growth is real... but some of it was bought.

Median revenue growth was **+9.0%**, ranging from Insulet's +23.5% to OptimizeRx's −29.8%. Three of the eight software constituents reported growth that an acquisition paid for, and two of the three do not disclose the organic rate.

FASTEST GROWERS		SLOWEST GROWERS	
Insulet	**+23.5%**	OptimizeRx	**−29.8%**
iRhythm Holdings	**+20.1%**	Accuray	**−20.9%**
Intuitive Surgical	**+18.5%**	Health Catalyst	**−12.7%**
Waystar *	**+18.1%**	Certara	**+1.0%**
Veeva Systems	**+17.6%**	Align Technology	**+4.3%**
Dexcom	**+13.1%**	GE HealthCare	**+5.8%**

Insulet, iRhythm, Intuitive and Dexcom grew on device and procedure volume. Waystar's number carries an acquisition that was not in the prior-year base.

OptimizeRx and Health Catalyst are losing revenue, not merely growing slowly. Both sit on the watch list, with Accuray.

HEADLINE GROWTH THAT INCLUDES ACQUISITIONS

COMPANY	HEADLINE	WHAT'S UNDERNEATH
Waystar	**+18.1%**	Iodine Software (closed October 2025, roughly $31M a quarter) is absent from the prior-year base. Organic is not disclosed; Q4 organic was 12%.
Phreesia	**+10.4%**	AccessOne (November 2025) is absent from the prior-year base. On the company's own AccessOne guide, organic is roughly 3%.
HealthStream	**+12.5%**	$3.1M of acquired revenue plus a one-time $2.0M cumulative catch-up. Ex both, growth is about 5.6% — less than half the reported number.

Take the acquisitions out and healthcare software grew in mid-single digits.

The double-digit growth that no acquisition paid for belongs to the device makers — insulin pumps, cardiac monitors, surgical robots and continuous glucose monitoring — plus Veeva, the one software constituent growing at that rate on its own.

* Growth materially distorted by acquired or one-time revenue.

A tariff refund is inside four companies' cost of revenue.

IEEPA refunds landed in cost of revenue for the medical systems makers this quarter. They are legal and disclosed, and they will not repeat. In one case the refund is essentially the whole margin improvement.

WHERE THE REFUNDS LANDED

GE HealthCare

+14.0%

GAAP operating margin. About **$129M** of IEEPA refunds, $106M of it relating to 2025. Without them, GAAP operating income **fell about 7%** year over year.

Stryker

+25.2%

GAAP operating margin. A **$158M** reversal of 2025 tariffs in cost of sales, against a prior-year quarter already loaded with acquisition step-up and impairment charges. Without the reversal, operating income rose about 35%, not 49%.

Omnicell

+10.4%

GAAP operating margin, up from 2.8%. A **$15M** refund in cost of product revenues accounts for essentially all of the gross margin improvement. Without the refund, operating margin is about **5.6%** and gross margin about 44% — flat.

Intuitive Surgical

+33.6%

GAAP operating margin. A **$35.9M** refund, small against its scale. This is the control case in the set: the underlying business is genuinely strong without it.

The refund will not repeat.

Omnicell's reported operating margin nearly quadrupled, from 2.8% to 10.4%, on a refund that accounts for essentially all of it. Benchmark your gross margin against that number next year and you will be measuring yourself against a quarter that will not happen again.

This is also why the **17.7% versus 7.9%** segment gap on page 4 should not be read as a structural advantage for systems makers. All four refunds landed in that segment. How much of the gap survives their removal is not something the disclosures let us calculate company by company — TSIA has not attempted it, and neither should a peer benchmark that treats this quarter as the baseline.

Eight headlines that flatter.

Each of these is legal and disclosed, and each changes the number a reader is likely to quote. If you benchmark against a competitor's press release, keep this page handy.

COMPANY	THE HEADLINE	THE MECHANISM	THE HONEST NUMBER
Veeva Systems	Operating income up 40% year over year	Prior-year quarter included a $30.6M litigation settlement charge in G&A	**Without the prior-year charge, op income up ~21%**
Omnicell	GAAP operating margin rose to 10.4% from 2.8%	$15M one-time IEEPA tariff refund credited to cost of revenues	**Without the refund, op margin ~5.6%; gross margin ~44%, flat**
HealthStream	Record revenue, up 12.5%	Acquired revenue ($3.1M) plus a one-time $2.0M cumulative catch-up	**Without the acquisitions and catch-up, growth ~5.6%**
GE HealthCare	GAAP operating income up 13% and net income up 15%	~$129M of one-time IEEPA tariff refunds, $106M of which relate to the prior year	**Without the refunds, GAAP op income fell ~7%**
Insulet	Net income of $95.0M against $22.5M a year ago	Prior-year quarter carried an $84.4M loss on extinguishment of convertible debt	**Op income up 7%; op margin down 250 bps**
Stryker	Operating income up 49%, EPS up 44%	$158M reversal of 2025 tariffs plus a prior-year quarter loaded with acquisition step-up and impairment charges	**Without the tariff reversal, op income up ~35%**
Waystar	Revenue up 18% year over year	Iodine Software acquisition (closed Oct 2025, ~$31M a quarter) not in the prior-year base	**Organic not disclosed; Q4 organic was 12%**
Phreesia	Revenue up 10% year over year	AccessOne acquisition (Nov 2025) not in the prior-year base	**On the company's AccessOne guide, ~3% organic**

Tariff refunds are one-time. Don't build next year's gross-margin target on this quarter at Omnicell or GE HealthCare. And note which direction each distortion runs. Five are flattered by something added to this quarter — a tariff refund or acquired revenue. Two are flattered by a weak prior-year quarter. Stryker is both. Either way, you'll end up benchmarking against a number that will not be there next year.

Four things to do before your next planning cycle.

None of these require a reorg — just a sharper look at numbers you already have before your next board meeting.

1 **Restate peer margins excluding one-time items.**

GE HealthCare, Stryker, Omnicell and Intuitive Surgical all booked an IEEPA tariff refund this quarter. Veeva, iRhythm and Health Catalyst carry a settlement or an impairment on one side of the comparison, and Insulet's prior-year quarter carried a loss on debt extinguishment. Take them out before any peer number goes in a deck.

2 **Track organic growth separately.**

Waystar, Phreesia and HealthStream all reported growth that an acquisition paid for, and two of the three do not disclose the organic rate at all. Split acquired revenue out of the base for every peer and for yourself, and keep it out for its first four quarters.

3 **Instrument AI delivery cost by offer.**

Compute, hosting and model cost belong in cost of revenue, measured per offer rather than buried in R&D. TSIA's read is that Doximity shows how quickly compute and equity cost can reset an operating margin. Note the limitation: no constituent in this index discloses AI cost as a line, so it cannot be isolated from the outside — which is exactly why you should be able to isolate it in your own P&L before a peer forces the question.

4 **Rebuild your peer set every quarter.**

Accuray, Health Catalyst, OptimizeRx and Waystar are the likeliest exits before the next quarter. TruBridge was acquired this quarter and Waystar is exploring a sale. A peer set that is three years old is comparing you against companies that no longer trade.

A healthy quarter on paper. A flattered one underneath.

Median growth of 9.0% and a median operating margin of 15.4%, with refunds, acquisitions and one-time charges doing more of the work than the headlines admit. The margins at the top of the index — Intuitive Surgical, ResMed, Veeva — hold up on a second read. Most of the rest need one.

Want to learn more? Here's what to do next.

The HT 20 index shows you how healthcare technology companies are growing and earning. What it can't tell you is what your own numbers should look like against it. That part requires a conversation.

Take the research further with TSIA Advisor.

TSIA Advisor is a conversation with TSIA. Ask it anything and get answers backed by real research, tailored to your role and your company, with a TSIA Expert one message away.

Backed by TSIA research

Answers draw on the published TSIA research behind this index, and show you the source.

Tailored to you

Responses fit your role, your company and the problem you're working on.

An Expert nearby

When you need a person, a TSIA Expert is one message away.

PROMPTS TO START WITH

- → "What does TSIA research say about stripping one-time items out of peer margin comparisons before a board review?"
- → "How should I present organic growth separately from acquired growth to my board?"
- → "Given my role and my company, what does the HT 20 operating margin gap between medical systems and healthcare software mean for my FY27 plan?"
- → "Where should AI compute and hosting cost sit in my cost of revenue, and what does TSIA research say about measuring it per offer?"
- → "Recommend a TSIA Expert who can help me rebuild my peer set after this quarter's healthcare technology consolidation."

Ask TSIA Advisor