



4 Ways RCM Will Define Behavioral Healthcare in 2025

A background image showing a man and a woman in business attire smiling and laughing. The man is on the left, and the woman is in the center. They are both looking towards the right. The image has a blue and purple color overlay.

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Introduction

Behavioral health leaders have had a rough start to 2025.

Facing unprecedented financial strain and funding volatility, behavioral health organizations are grasping for stability in a new era of unpredictability.

To ensure the financial health of their practice, agencies must go back to basics and focus on the foundational elements of revenue generation and revenue cycle management (RCM) strategies.

Even in periods of relative calm, documentation, billing, reimbursement, denied claims, and appeals demand time and expertise to process correctly.

Similarly, navigating the nuances of insurance companies, Medicare, Medicaid, and various payment models strains the already limited resources that overwhelm practices and staff struggling to stay afloat and deliver care.

Effective use of RCM technology is vital to the sustainability and growth of behavioral health practices. Protecting their organization's financial well-being necessitates that leaders strategically invest and leverage robust RCM technologies.

“It’s natural for leaders to be cautious about spending when facing potential funding cuts. But optimizing your revenue cycle management—using smart tech or partnerships— isn’t just another cost. It’s actually a way to reduce operational expenses and build the financial resilience your agency needs.”

-Tammy Selleck, Senior Product Specialist, Qualifacts

In this white paper, we will discuss the following ways RCM will define success for behavioral health leaders:

1

**Payment Model
Flexibility**

2

**Regulatory
Change Agility**

3

**Staffing
Optimization**

4

**Amplifying
Interoperability
Insights**

1

Payment Model Flexibility

The landscape of behavioral healthcare reimbursement is undergoing a significant shift.

The growing adoption of alternative payment models (APMs), such as value-based care, presents both challenges and opportunities. This is where a robust RCM strategy becomes a game-changer.

These strategies are designed to bridge the gap between the complexities of APMs and successful financial performance.

Effective RCM technology allows organizations to adapt to APMs while supporting efficient billing that minimizes human error and increases reimbursement rates.

A well-defined RCM strategy should promote accurate billing, coding, and comprehensive documentation that aligns with the requirements of each APM. In addition to accuracy, an effective RCM solution needs to address the burden of documentation under APMs.

Features like automated coding templates and seamless electronic health record (EHR) integrations simplify the entire revenue cycle process.



2

Regulatory Change Agility

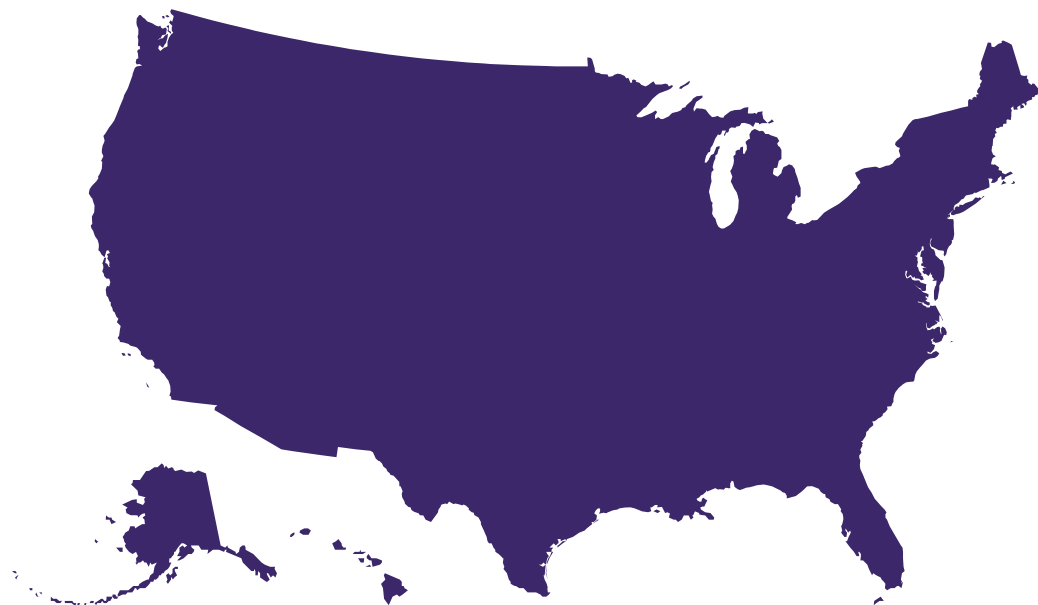
Keeping up with county, state, and federal regulations is a challenge, even for the most sophisticated practices.

The constant changes in regulations can make it difficult to keep your billing practices up to date, leading to errors and potential financial losses, especially when working across state lines.

A comprehensive RCM strategy equips your organization with the necessary technology, expertise, and flexibility to navigate the complexities of alternative payments.

With features such as real-time updates on evolving regulations, substance use disorder (SUD) treatments, and provider credentialing, RCM tools are needed to ensure organizations stay compliant with current requirements.

By proactively focusing on an RCM strategy built with an agile technological framework, behavioral health organizations can unlock seamless compliance and significantly reduce administrative burden.



3

Staffing Optimization

The staffing shortage impacting the healthcare industry has put financial pressure on practices that are already dealing with slim margins.

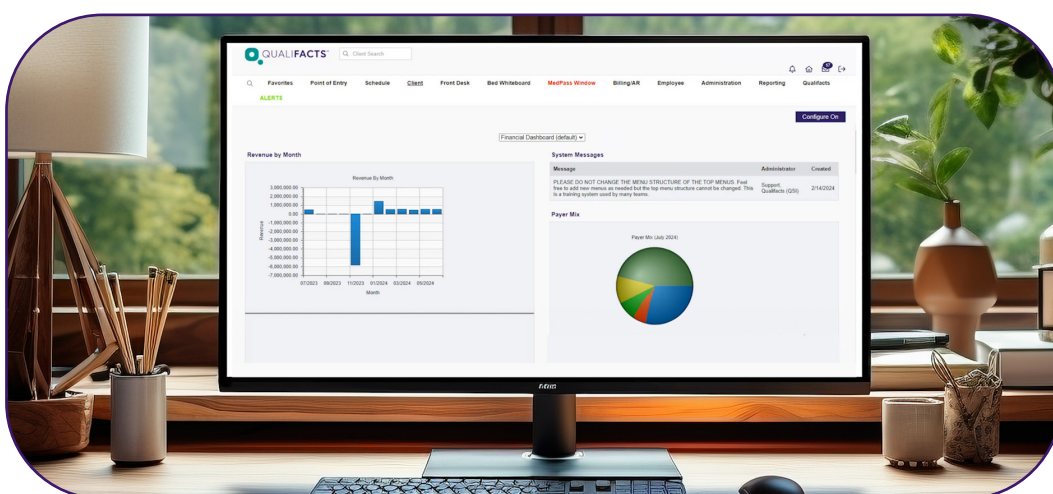
With limited operational and clinical staff, practices struggle to treat clients, and businesses are unable to grow. This is where RCM tools can really shine.

By simplifying billing, automating tasks, and deploying configurable workflows, RCM tools can reduce revenue leakage and ensure efficient reimbursement. At the same time, they empower clinicians to spend less time on administrative tasks and more time delivering critical client care.

When organizations are short staffed, RCM partnerships offer an effective way to outsource administrative and billing teams without hiring new personnel.

It's essential that your RCM strategy involves automation, interoperability, and data collection at every level, so all these activities can deliver value and data insights.

This combination of advanced RCM tools and integrated EHR technologies can significantly alleviate the pressure on clinical resources while providing the financial support organizations need to stay competitive.



4

Amplifying Interoperability Insights

Behavioral healthcare thrives when data is exchanged seamlessly and securely between various systems.

A robust RCM strategy can facilitate this interoperability and leverage the free flow of information to unlock substantial business insights.

When fully integrated, your RCM technology should generate comprehensive financial reports and real-time dashboards.

This actionable information enhances operational efficiency, maximizes revenue collection, and improves visibility into your organization's financial health.

What Essential RCM Metrics Should Agencies Track?

Understanding and tracking elements of predictable revenue is vital, especially during policy upheavals and financial uncertainty.

Here are the RCM metrics that serve as critical indicators of your agency's RCM effectiveness.

- Net Collection Rate (NCR)
- Denial Rate
- Bad Debt Percentage
- Full-Time Equivalent (FTE)
- Days in AR
- Aging Over 90 Days

Conclusion: The RCM Shift

In 2025, the behavioral health industry requires a paradigm shift in RCM strategies.

While in-house billing departments and administrative teams might have sufficed in the past, they may no longer be capable of keeping up with the sophistication and technical demands required to thrive and—in some cases—survive.

When a practice commits to bolstering their RCM strategy with a trusted technology partner, they fundamentally shift the conversation from survival to growth.

That's a conversation worth having, especially in the face of policy volatility and financial strain.

**Learn more about RCM
at Qualifacts today.**



www.qualifacts.com