



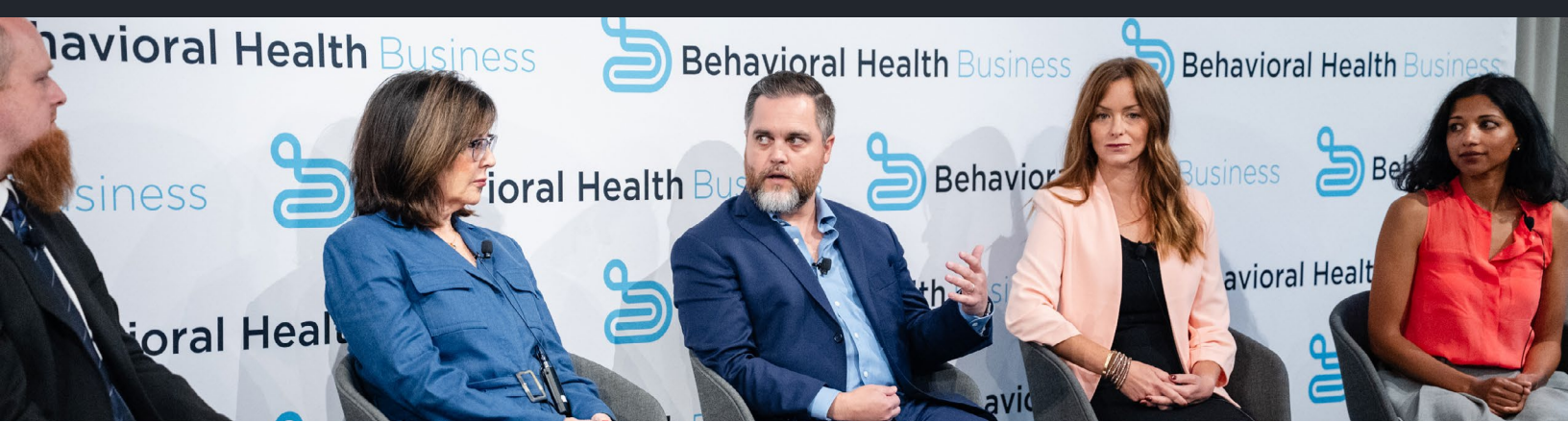
‘A Much More Mature Industry’ The *Future* of Addiction Care

A Behavioral Health Business Report

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A Letter from the Author

To the reader:

This report revolves around insights from the **2025 Addiction Treatment Forum** in Chicago, hosted by Behavioral Health Business.

In my view, BHB events are an incredible opportunity. By assembling leaders in addiction treatment, we are able to help people get connected and glean additional learnings from their peers from all over the nation, playing some small (hopefully meaningful) role in the development of the industry.

Of course, not everyone can make it to the in-person discussions. That is why this report exists: to bring the conversations off the stage and out of the networking halls and into your hands. **Inside, you will find:**

- Takeaways on the essential role of scale
- A breakdown on the push for true continuum-of-care models
- Analysis of the growing demand for accountability through data
- Executive commentary on the industry's future

Our hope is that these pages provide both clarity and inspiration as you chart your own course in addiction care. Whether you are leading a treatment organization, investing in the space, shaping policy, or building technology, the ideas collected here represent a shared vision on a more effective, sustainable and patient-centered industry.

Thank you for reading and for being part of this vital work.



Chris Larson

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About the



Addiction Treatment Forum

By the Numbers

340 minutes of conversation with active, leading industry experts

198 attendees

143 companies represented

23 panelists

Who came to the Addiction Treatment Forum

46 CEOs

30 Vice presidents

29 C-suite-level leaders

16 Founders/Owners

8 Presidents

Behavioral Health Business hosted the Addiction Treatment Forum in Chicago on July 17, 2025. The one-day in-person event brought together hundreds of professionals from all over the country, representing several different addiction treatment provider types and many, many more professionals — including investors, attorneys, consultants and tech executives.

Through expert-led, structured and informal conversations, leaders deepened their understanding of how to operate successfully in the addiction treatment space, enhanced their professional networks and made the connections needed to advance their businesses and careers.



EXECUTIVE — In Their Own Words — OUTLOOK



“Without positive outcomes, you’re not going to get payment.”

Dr. Adam Scioli
Chief Medical Officer
Caron Treatment Centers

TRANSLATION...

The key to accelerating payment innovation begins with strong documentation and outcome tracking by addiction treatment providers. Then, the provider must prove to the world their worth in their partnerships with health plans and other payers.



“The reality of it is that scale does matter: It matters if you want to operate efficiently. It matters in conversations with payers to create new payment models that can drive the long-term sustainability of a business model.”

Steve Priest
CEO
Spero Health

TRANSLATION...

Scale is increasingly critical in addiction treatment. Larger organizations can operate more efficiently, spread costs and leverage data, giving them an edge in negotiating with payers on new, sustainable payment models. For many providers, growth is becoming a necessity to remain competitive and viable long-term.

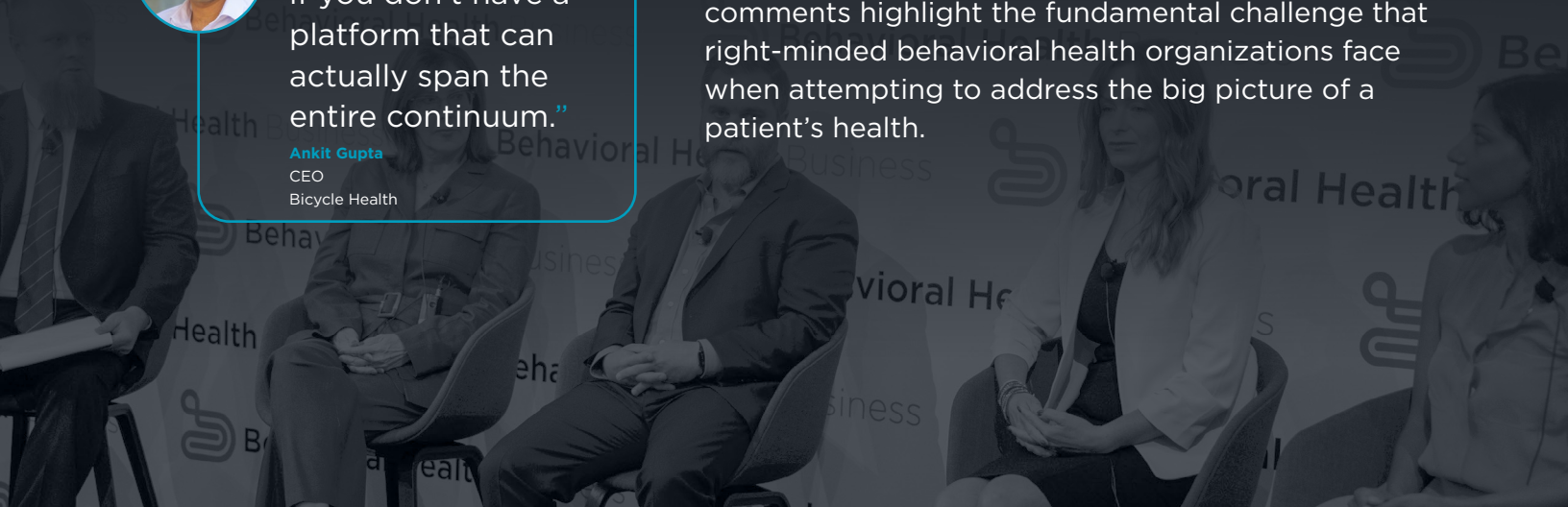


“It’s hard to do whole-person care if you don’t have a platform that can actually span the entire continuum.”

Ankit Gupta
CEO
Bicycle Health

TRANSLATION...

Holistic care has long been called for. But Gupta’s comments highlight the fundamental challenge that right-minded behavioral health organizations face when attempting to address the big picture of a patient’s health.





“If you can’t prove the outcomes of innovation, it doesn’t matter how cool your tech is.”

Deb Nussbaum
Senior Director of Behavioral Health
Optum

TRANSLATION...

The behavioral health industry and its payer partners are losing patience with proposed solutions and innovations that don’t live up to the hype. This is especially true for payers as they face rising behavioral health costs in 2025 and beyond.



“The individuals who come to your treatment centers, who receive your services, are your biggest spokespeople.”

Robert D’Annibale
Senior Director of Corporate Development
Crossroads Treatment Centers

TRANSLATION...

Word-of-mouth referrals and marketing are the most potent forms of representation of an addiction treatment provider. Glowing reviews from patients are still one of the best indicators of effective operations.

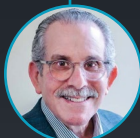


“The last thing that we want to do is to bring someone into our care that isn’t physically capable of doing the work.”

Jaime Vinck
President
Meadows Behavioral Health

TRANSLATION...

Correctly assessing the health of potential patients is an essential first step to ensure the quality of care and increase the odds of favorable outcomes when care is complete. Ensuring that the care provided is the right care from the outset is a key element of health outcomes accountability.

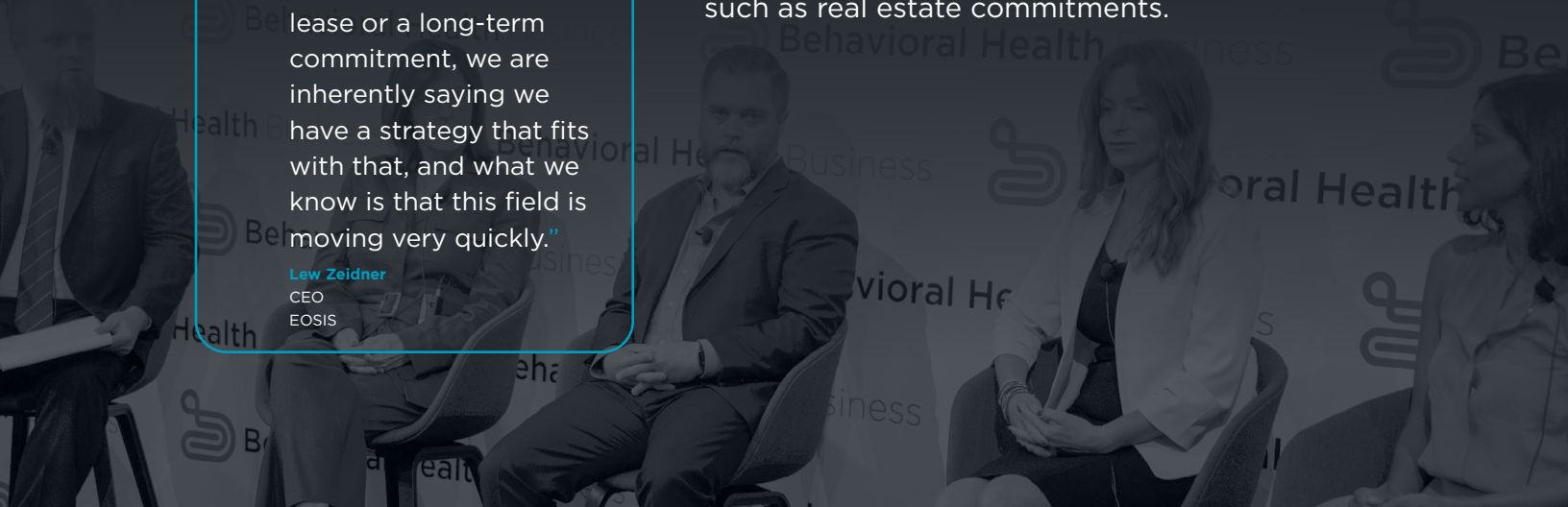


“Most of us can’t think past much beyond 10 months. ... So when we’re asked to do a lease or a long-term commitment, we are inherently saying we have a strategy that fits with that, and what we know is that this field is moving very quickly.”

Lew Zeidner
CEO
EOSIS

TRANSLATION...

The fast-paced and tumultuous nature of addiction treatment often challenges long-term commitments, such as real estate commitments.





Insight 1: Why Scale Matters

The addiction treatment industry still lacks a vital element: substantive scale, both collectively and within individual companies.

Without greater scale, the industry can only innovate and grow within narrow limits. Smaller size, limited reach and constrained capacity prevent even strong solutions – like new technologies, integrated care models and value-based payment approaches – from gaining traction. These constraints also make it harder for providers to withstand the pressures of today’s fee-for-service system.

“I think there’s some unique opportunity for everybody in the sector to begin to do that – create some scale that really does create a much more mature industry,” Steve Priest, CEO and co-founder of Spero Health, a multi-state office-based opioid treatment (OBOT) operator, said at the Forum.

Priest and other executives at the conference noted that the sub-scale nature of the industry and specific organizations robs it of much-needed efficiency and capacity. This is a potentially devastating problem. Currently, the industry is facing a slowdown in investment and dealmaking after being the core of behavioral health investment and M&A for years.

But without additional capital and consolidation, the industry will continue to be battered by its several challenges.

“The financial challenge is actually how you get to a scale that actually lets you have really strong operations – as quickly as possible and with as [little] investment as possible,” Ankit Gupta, the CEO of the digital addiction treatment provider Bicycle Health, said. “Then you can actually show those outcomes and continue to improve your economics with the support of payers and states and partners. Getting to good unit economics is a huge challenge.”

Without scale helping drive efficiencies, Gupta notes that it’s nearly impossible to put capital behind transformative tech beyond “I need a new EHR.” Scale and resources can instead reframe that to: “How can technology truly change clinical care or patient access?”

“How do you invest in technology if you have subscale, tiny gross margins?” he added.

In short, the fragmented, small-scale nature of the addiction treatment industry creates a ripple effect that slows progress. It often traps providers in narrow models instead of fostering broader, more innovative approaches to care. At the same time, it holds the industry back from fully adopting the kinds of technology and efficiencies that have already transformed much of the rest of health care.

Insight 2: Continuum of Care Models Limited by Tech, Culture, Real Estate and Payer Practices

Technology remains a major barrier to integrating care. But culture and infrastructure are also obstacles.

In addiction treatment, there is no clear agreement on who leads care – physicians, peers, or case managers. This division often creates silos and limits coordination. Even within organizations, poor tech systems make integration difficult.

Real estate is another challenge. Many facilities were built for one type of care and don't easily adapt to changing needs. Updating or building new facilities is costly and slow.

“Looking at locations that fit certain aspects of care may not fit tomorrow's care,” Lew Zeidner, CEO of EOSIS, said at the conference.

He noted that an organization's ability to move a patient to the appropriate level of care as they recover is more important today than ever, despite the challenges. For example, locations that were built without patient transportation needs in mind will be poor candidates for intensive outpatient programs (IOPs) even though they make for good residential treatment locations.

Meanwhile, the integration of physical health remains elusive.

Physical health care services, such as primary care, are fundamentally too different to establish within the context of most for-profit behavioral health organizations. Nonprofit organizations have seen better success integrating the two types of care.

For example, Jeffersonville, Indiana-based LifeSpring Health Systems has been designated by the federal government as a Community Mental Health Center (CMHC), a Federally Qualified Health Center (FQHC), and also meets the standards of a Certified Community Behavioral Health Clinic (CCBHC).



Insight 2: Continuum of Care Models Limited by Tech, Culture, Real Estate and Payer Practices *(Continued)*

“It took us a long time to figure out how to do that well,” LifeSpring CEO Beth Keeney said. “The hardest part was figuring out how to get everybody on the same page.”

In commercial insurance, these models are even harder to build, since plans rarely merge behavioral and physical health benefits.

“What we’re starting to see a little bit more [of] is an erosion of those artificial separations between substance use disorder and mental health and, quite frankly, health. If the system is incapable of finding a way to manage each of those things simultaneously, then we’re not going to succeed, and the outcomes are going to be poor,” Dr. Adam Scioli, chief medical officer of Caron Treatment Centers, said.

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Insight 3: Data is everything — but start small

Strong documentation is now the baseline in addiction treatment. Data drives evidence-based care, outcomes tracking, quality improvement and payment innovation.

But progress is uneven. Some providers have worked on value-based care for years, while many still debate how to define value in practice.

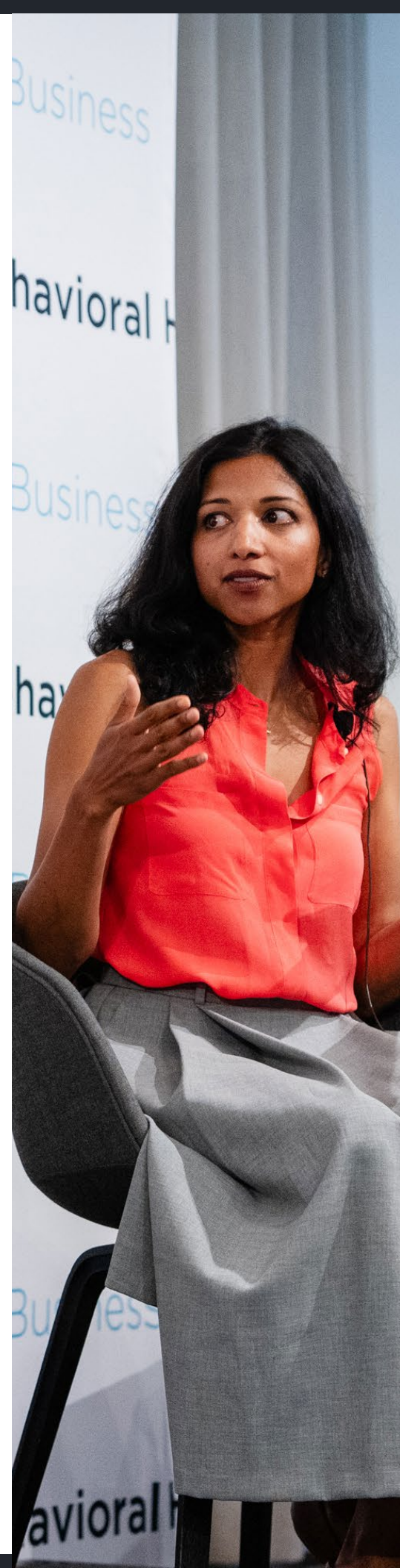
“If we’re saying that we have a 70% success rate, does that really mean that 70% of the people who come to us when they’re in trouble are now moving on in life and they’re doing great?” Derek Bylsma, executive director of Millennium Counseling Center, said. “I think that we really have to look at how we’re having that conversation and how we’re presenting that, because I think that’s part of what has created some skepticism within the industry.”

To rebuild trust, providers must set clear, meaningful metrics. Starting small – with targeted projects that deliver results quickly – is often the best path.

Starting small is both a practical and tactical approach. Smaller projects are more manageable in the early days of any effort. They also provide a gettable win and a chance for behavioral health providers to prove their worth, establishing data-centered trust and relationships. Increasingly significant projects allow a ramp for iteration and adjustments based on data.

Yet, moving forward, iterative projects with clear results will have shorter timeframes than ever, making it essential to choose the right data to track at the start. The Trump administration has made Medicaid eligibility harder and cut down ACA exchange plan subsidies, for instance. This will drive up health plan member churn, forcing behavioral health providers to frame their data-focused initiatives in timespans of a few months, as opposed to a few years.

“If we’re thinking about a universe where members have to apply for eligibility every six months, that means for us as the provider, we have to design our [data] so that outcomes can be delivered in a six-month time frame, which is different from how we’ve been thinking about it,” Rachel Sokol, senior vice president of payer partnerships at Groups Recover Together, said.



Outlook & Conclusion



About the author

Chris Larson is an associate editor for Behavioral Health Business. He has been covering the health care sector since December 2016 and is based in the Louisville metro area.

Addiction treatment is becoming more sophisticated, with greater emphasis on scale, integration and accountability. But challenges remain.

Provider frustration with payers is rising. Dealmaking has slowed. Some for-profit ventures have collapsed. Investors are cautious, waiting for clearer signals such as lower interest rates or shifts in payer policy.

Still, the mission of addiction treatment – helping people live well – remains one of the most meaningful opportunities in health care. Despite the turbulence, the industry will keep moving forward.

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