Behavioral Health Business

Rethinking PTSD Care Models as Demand for Services Grows

By Ashleigh Hollowell | June 27, 2025

The days of Post-Traumatic Stress Disorder (PTSD) being affiliated primarily with veterans are long gone. More Americans – particularly college-age individuals – are receiving the diagnosis, driving up demand for services.

Though providers have seen an increase in PTSD diagnoses across all patient populations.

“Even though we have traditionally seen and conceptualized PTSD as something related to veterans and combat trauma, what we are noticing is that civilian trauma now dominates this landscape,” Dr. Ujjwal Ramtekkar, chief medical officer at LifeStance, told Behavioral Health Business. “That is reflected across all of our service lines across pretty much all of our age groups, and then across all of our geographies.”

Scottsdale, Arizona-based LifeStance Health Group (Nasdaq: LFST) is one of the largest outpatient behavioral health providers in the nation, operating across 550 centers in nearly three dozen states.

That trend is also something Ryan Culkin, chief counseling officer of Atlanta-based Thriveworks, a digital and in-person mental health provider, has noticed.

“In the last couple of years, we’ve seen an increase of about 10% more of our clients coming in with PTSD,” Culkin told BHB. “I think at the same time, there is great work being done around destigmatization … More people want to ensure that they’re taking care of their bodies and also taking care of their minds.”

Shifts in stigma and the rising awareness about the condition are happening in parallel. That, in combination with novel therapy approaches and the development of new treatment modalities for PTSD, is promising as demand grows.

Still some, like Dr. Sofia Noori, co-founder and CEO of Nema Health, a New York City-based digital therapy provider that specializes in trauma and PTSD care, worry that across the board, the condition is not always diagnosed properly. She said that sometimes, more awareness about the condition can be coupled with more misconceptions – even among providers.

“We truly believe that the next pandemic is going to be PTSD because, unfortunately, trauma is just so common, and we’re seeing more and more of it,” Noori told BHB. “I also think that PTSD tends to be both underdiagnosed and overdiagnosed due to social lexicon.”

“We as clinicians need to be better about understanding that PTSD is something you can recover from,” she added. “People believe that if you have PTSD it’s a lifelong condition that needs lifelong therapy, which is not true at all. None of the trauma therapies that work for PTSD are lifelong. They generally take about 10 to 15 sessions to complete. I think people conflate the fact that you have the trauma forever. ”

Providers also resoundingly agree that current reimbursement models are not aligned with recovery needs, setting progress back.

“I think it’s time to match the payment with science. The current reimbursement models are very poorly aligned with the needs of trauma recovery because care is delivered over months, yet it is funded by the hour,” Ramtekkar told BHB. “It’s long-term care, yet it’s paid as if it were episodic. Because trauma recovery isn’t episodic, our reimbursement model shouldn’t be episodic either.”

All of this, Ramtekkar said, calls for the industry to rethink care models and move toward more scalable ones, implement bundled payments and advocate for reimbursement to extend beyond psychiatry and therapy to other interventions, too. Doing this across the behavioral health industry would make PTSD care considerably more sustainable and lead to better outcomes, he said.

Reshaping the business of PTSD care

In the current fee-for-service environment, providers “have to make their own business case” for providing PTSD care, Noori said, because the return on investment (ROI) for these services can be difficult to quantify.

“You have to fundamentally change the unit economics by demonstrating value to a payer and tapping into some of the desires that patients have, like speed of recovery,” Noori told BHB. “I think speed is also something that can enable a business case. Those are the types of things that people will pay for.”

Others say proving ROI for PTSD care is not the issue — that the generally short-term and time-limited treatments like eye movement desensitization and reprocessing (EMDR) make a more compelling case around ROI for insurance companies.

The persistent issue, however, is a slow transition to value-based care and adjusting reimbursements away from service volume to quality.

“I think that the value in providing PTSD care is probably underestimated,” David Guggenheim, national director of psychotherapy for Talkiatry, told BHB. “I think value-based payment is the direction we’re going in, and I’d love to see that expand, especially for PTSD. I also think that integrated care for this condition is sometimes left out of the conversation.”

New York City-based Talkiatry is a digital behavioral health provider. The company provides medication management and virtual, in-network psychiatric care for a range of mental health conditions.

Integrated care models that incorporate proactive screening for PTSD and get patients into treatment are often overlooked, but would provide significant cost savings downstream, Guggenheim explained

“We see a huge amount of money being spent on people going in and out of emergency rooms due to PTSD. There are patients with severe trauma who have never been screened,” Guggenheim said. “We have the ability to identify these patients ahead of time in primary care, hospital settings and in emergency rooms. But that connection is missing. People aren’t being screened for this, and then they’re not being sent to these great therapists or connected with trauma care. So the insurance companies don’t see those cost savings and are not looking to put more funding in.”

Even among veterans, the more traditional PTSD diagnostic population, screening still falls short.

A report recently published by the Government Accountability Office found that in the current methods of veteran screening, the "VA and DOD cannot be sure about the effectiveness or reliability of the screening they are conducting for alcohol use, PTSD and violence risk." Still, among the screenings, PTSD is by far the most dominant diagnosis among veterans.

While better screening tools and integrated care that proactively performs the screenings are necessary pieces to drive better patient outcomes, more could also be done around prevention and psychoeducation, Dr. Heather Jones and Jennifer Parra Nelsen, the vice president of clinical services and the clinical director at Rogers Behavioral Health, agreed.

"Something that we've talked a lot about with our partners in the community is how to come in and provide proactive communication about our treatment model and the way that our thoughts, behaviors and emotions work in reaction to highly stressful and potentially traumatizing circumstances and situations in order to prevent the need for that more intensive care," Jones said.

Exposing the community to this information potentially before they experience a PTSD-inducing situation like a natural disaster, assault or mass shooting can do a lot for resilience building and lead to the need for less intensive services after the fact, Parra Nelsen added.

"We can come in, we can provide that education, we can provide that resilience training," Parra Nelsen said. "Then on the back end, we can be there for them when impairment happens and they are seeking help and support."

Doing it this way is also a path to providing value-based care since "prevention-related activities can improve things like days on the job or continued service and reduce time in treatment," Jones added. "Prevention models can more fiscally demonstrate the importance of these services."

Rogers Behavioral Health is based in Oconomowoc, Wisconsin. It is one of the largest behavioral health systems in the U.S. and provides inpatient, residential, and specialized outpatient services in nine states.

Noori reiterated the strength of addressing PTSD more proactively, but said the measures could only be sustainable if the industry shifts models.

"There's actually a lot of value in fixing this upfront and then helping people stay better," Noori said. "We really need to move to a recovery-based model that helps people independently manage their symptoms over time, and doesn't assume that they need to be in therapy lifelong. But it must be flexible enough that we're not assuming people will stay trauma-free so they can pop back into treatment and rebuild if they witness something traumatic."

Where PTSD business is headed beyond 2025

Alongside the rise in PTSD has been a technology boom that has opened up opportunities to explore new treatments. The biggest areas ripe for growth in PTSD therapeutics right now, providers agreed, are in virtual reality (VR) therapy for trauma survivors and using artificial intelligence-powered solutions.

Roger's Behavioral Health has already begun piloting VR therapy for PTSD patients in two of its treatment programs. The tools enhance a longstanding modality of treatment for the condition: prolonged exposure therapy.

"I think that there's a lot of promise in bringing in technology like that to support our existing care models," Jones said. "We do have plans to scale our VR therapy, and like a lot of technology solutions, scaling means funding. Where we are at right now is checking outcomes related to the use in order to demonstrate its effectiveness."

VR exposure therapy is an area that Culkin agreed could take off and may be an area of interest for Thriveworks in the future. He also expects interest in and demand for virtual intensive outpatient programs (IOP) to grow.

"I think you're going to see a huge expansion in that just because it's so accessible and easy," Culkin said. "It really lightens the load that IOP brings."

Ramtekkar said VR exposure therapy is likely a modality that will prove to be lucrative. He underscored the promise that new technology across the board brings to "really put all of these pieces together in a way that makes sense, that could be measurable, that is science-based and that could be reimbursed for all of its components in totality," moving the field closer to value-based care in time.

Another area of innovative PTSD care that providers at LifeStance, Nema Health, Roger's and Thriveworks confirmed they are also watching closely is psychedelic-assisted therapy.

Multiple studies on psychedelics like ketamine, psilocybin and MDMA-assisted PTSD therapy have been proven to reduce symptoms and improve outcomes. However, the body of research on psychedelics for PTSD treatment is still limited at this time.
The psychedelics movement faced a major blow last summer when the FDA rejected an MDMA-based PTSD treatment.

But it's still an area for providers to track, even if they're not offering it yet, Jones said. While they wait for more of its efficacy to play out, she underscored that it's crucial for providers to stay "aligned to the protocols that are known to be the most effective and have really demonstrated significant and meaningful results," before expanding into new territories.