

2026

Rehab
therapy
industry
report

The Practice
Growth Index

Introduction

Patient demand for rehab therapy isn't slowing down, but running a profitable practice is getting harder. Shrinking margins, payer pushback, and staffing shortages are testing even the strongest practices.

Prompt surveyed 550 outpatient rehab therapy practices nationwide to understand one thing: **how some practices are winning in this environment.**

The data shows a clear picture of how the industry is performing under pressure: Despite the headwinds, practices still have the ability to achieve incredible results.



Roughly 8 in 10 practices

reported year-over-year growth, proof that demand for rehab therapy remains strong



Half grew more than 10%



1 in 5 grew more than 20%,

showing that physical therapy practices have the potential to outpace growth rates found in just about any other service industry.

Many practices are moving forward, but the real challenge is sustaining growth in an environment where everything, from payers to staffing, feels harder than it used to.

This report unpacks what sets those high-performing practices apart.

Hear from real customers

"Everyone seems to have a staffing problem, and reimbursement is an issue. But you can look at it as the glass half empty or the glass half full. The glass is half full as we have a huge demand for our services. I think we just have to really be close to 100 percent operational efficiency."

Sam Morjaria

Owner, Park North Physical Therapy

Survey methodology

Findings in this report are drawn from the 2025 Prompt Practice Growth Survey, a nationwide survey conducted to understand how outpatient rehab therapy practices are adapting and growing in today’s environment.

The survey collected responses between May 2025 and October 2025 from 550 practice leaders, clinicians, and administrative staff across physical therapy, occupational therapy, and speech-language pathology settings. Respondents represented a range of practice sizes from single-location private practices to multi-site regional groups, covering the entire U.S.

Participants were asked about key areas of operational performance, financial health, technology adoption, and workforce well-being. Responses were analyzed by year-over-year revenue growth rate, defining:



Low-growth practices:
≤10% annual revenue growth, static, or shrinking



High-growth practices:
>10% annual revenue growth



Super-growth practices:
≥20% annual revenue growth

All data was self-reported and reviewed for completeness and consistency. Percentages have been rounded for clarity, and any interpretive commentary in this report is derived directly from trends observed in the survey data.

The state of the industry

Market context

Rehab therapy (including disciplines like physical therapy, pediatric physical therapy, occupational therapy, speech therapy, and chiropractic care) is operating in one of the toughest business climates in decades.

Reimbursement rates have stalled while costs continue to climb, leaving practices to balance rising expenses against flat or declining payments. The result is a constant squeeze on margins and capacity.

That pressure shows up most in the workforce. Looking at [Prompt’s 2024 clinician Transition Report](#), therapists spend up to 3 hours a day on documentation outside of patient care, and 68% report emotional burnout as a leading reason for leaving traditional settings. Among providers under 30, that figure jumps to 79%, highlighting a growing retention crisis in what should be the future of the rehab industry.

Only about 1 in 3 practices have adopted automation tools like digital intake, smart scheduling, or automated billing. Even fewer, just 1 in 5, are using AI beyond documentation. As a result, burnout remains high. Nearly half of practice leaders say it is a moderate or major concern.

Beyond burnout, 9 in 10 clinicians cite limited growth opportunities, and about 7 in 10 report insufficient pay or benefits as reasons they are considering leaving the field. Among providers in their thirties, nearly 9 in 10 point to compensation as the primary driver of churn. In practice, this means as much as 80% of the workforce could be considering an exit.

The squeeze on staffing isn't just about hiring. It's about losing the workforce already in place.

American Physical Therapy Association (APTA) data highlights a shortfall of about [12,070 full-time equivalent physical therapists](#) ($\approx 5.2\%$) in 2022, a gap projected to widen. At the same time, some reports estimate that over [15,000 physical therapists left the profession](#) between 2021 and 2022 (roughly 11% of the workforce during that period). Educational pipelines aren't scaling fast enough to offset these exits. While there are graduating cohorts, [APTA notes that](#) "these incoming annual cohorts... do not address current labor pressures."

Demand for rehab therapy continues to grow, but the pressures facing clinics have not eased. Burnout, cash flow strain, and operational inefficiency are no longer isolated issues. They are the defining challenges shaping performance across the industry. The practices that modernize operations, adopt connected technology, and create better conditions for their teams are proving that meaningful growth is still possible in this environment.



Burnout

Protecting the people who power growth

Burnout is not just a clinician issue. It is one of the biggest threats to practice growth. Nearly half of practice leaders in our survey said burnout is a moderate or major concern, and the pattern is clear: burnout rises when administrative friction rises.

Clinicians consistently pointed to the same sources of strain: too much documentation, too many manual administrative tasks, limited career growth, stagnant compensation, no clear path to paying off student loans, and pressure from productivity demands. When these pressures pile up, especially in short-staffed environments, they create a cycle that pushes clinicians toward exhaustion or out of the field entirely.

Documentation remains at the center of the problem. When we looked at internal data of thousands of therapists nationwide across all EMRs, late-night note completion, slow time-to-sign-off, and inconsistent CPT habits all correlate with higher administrative strain and lower job satisfaction. For many clinicians, documentation isn't just a task. It's the barrier to work-life balance and the reason evenings, weekends, and family time disappear.

Key findings:

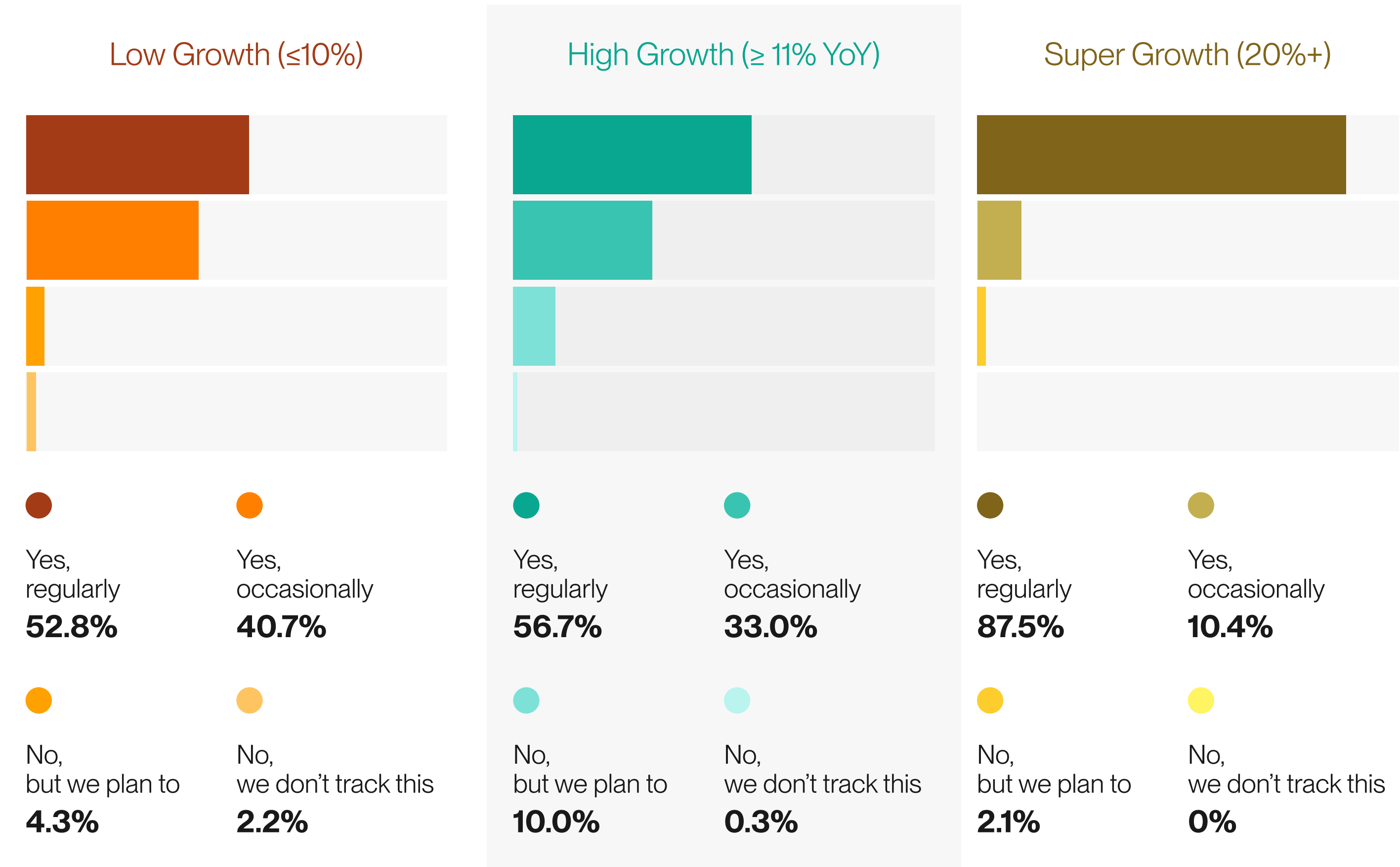
What high-growth practices do differently

When clinicians don't see a career path, can't keep up with documentation, and feel constantly behind on productivity expectations, burnout accelerates and recruiting replacements becomes even harder.

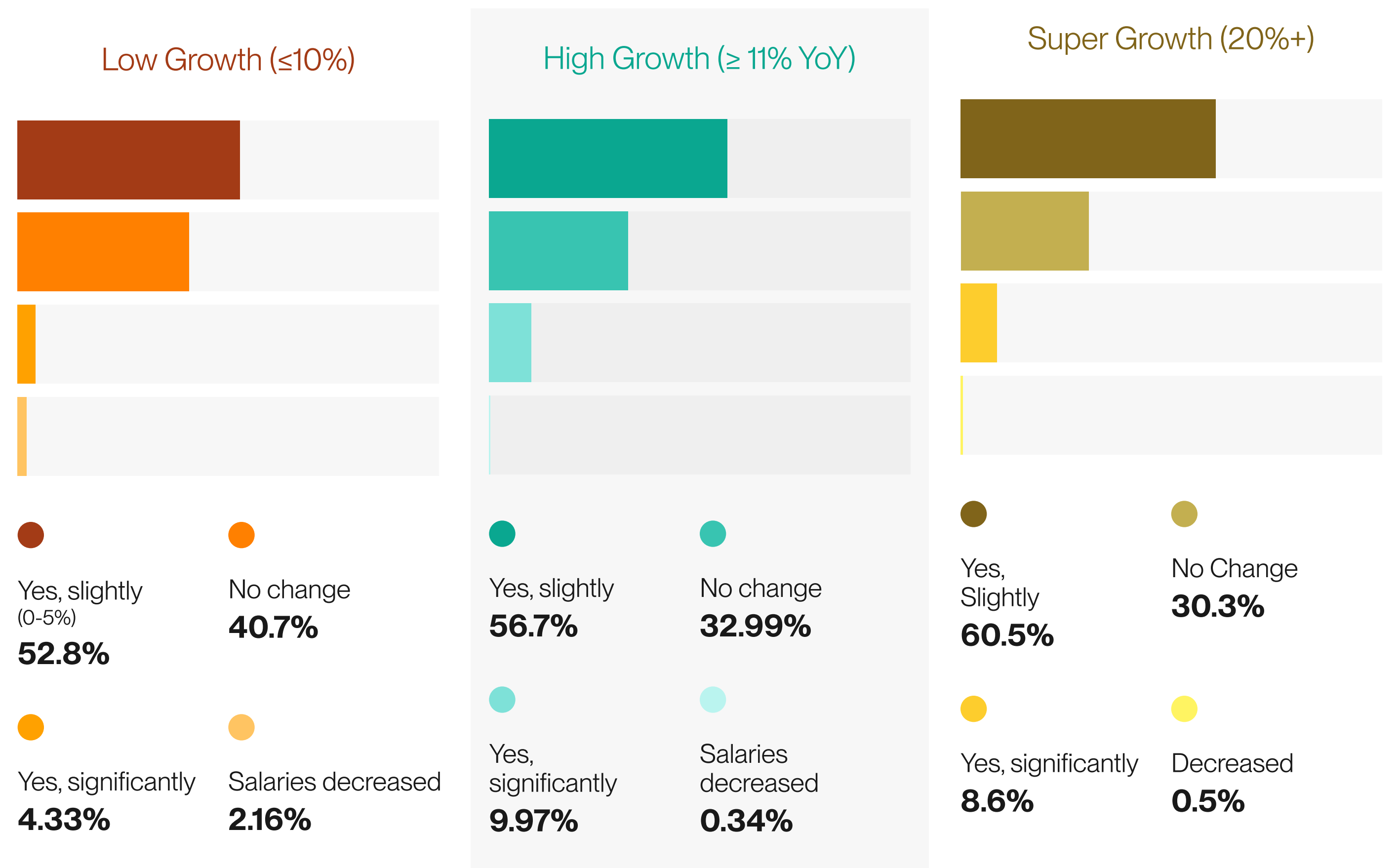
In contrast, high-growth practices report lower burnout, stronger retention, and better morale because they use AI, automation, and connected technology to eliminate the friction that wears people down and to restore the work-life balance clinicians overwhelmingly say they need.

<p>Nearly 50% of practices report burnout as a moderate or major concern, but the burnout rate is 12 points higher in practices relying on disconnected or manual systems.</p> <p>They regularly measure provider capacity and productivity so leaders can balance caseloads and prevent overload.</p>	<p>High-growth practices are twice as likely to automate administrative work beyond documentation, including intake, scheduling, reminders, and billing checks.</p> <p>Nearly two-thirds of high-growth practices raised provider salaries last year, creating a clearer path for retention and career growth.</p>	<p>They rely on connected systems that reduce back-and-forth communication and eliminate duplicate work, which lowers friction for both clinicians and front-desk teams.</p> <p>Super-growth practices report the lowest burnout rates and the strongest retention across the entire dataset.</p>
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Provider Capacity & Productivity Measurement

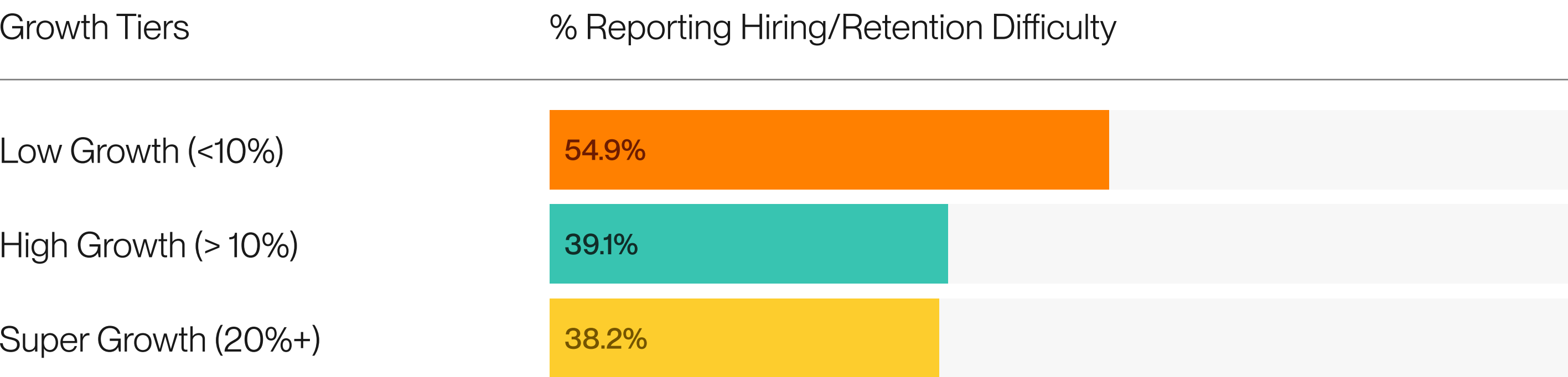


Have you increased your PT's salaries in the past year?



Percentage of practices reporting difficulty hiring and retaining PTs

Low vs High vs Super Growth Tiers



What this means for practice owners

Burnout is not inevitable. The practices reducing it the most are the ones removing daily friction with better tools and clearer visibility. The data shows that burnout drops when job resources finally match job demands.

Here are the most effective actions leaders can take, based on what we see in the highest-performing practices:

Automate the work that drains people the most: Use modern tools that streamline documentation, intake, scheduling, plan-of-care tracking, and billing accuracy. Practices using advanced automation cut hours of after-hours documentation each week, which clinicians consistently describe as a top driver of burnout.

Run your clinic in one place: When your systems actually talk to each other, staff stop re-entering data, chasing answers, and fixing avoidable mistakes. Everything from intake to billing moves faster with fewer headaches for you and your team.

Use visibility to protect workloads: Real-time data on provider capacity, productivity, cancellations, and documentation status helps leaders spot overload early. High-growth practices are about 10 points more likely to track these metrics regularly, which allows them to redistribute caseloads before stress accumulates.

Reinvest efficiency gains into people: When automation shortens documentation time, reduces errors, and keeps schedules running smoothly, practices can redirect those gains into better compensation, clearer growth paths, and more sustainable workloads.

Support clinicians with efficient documentation workflows: Reusable templates, AI-assisted scribing, and streamlined note flows help therapists finish documentation within business hours. When documentation stays inside the workday, clinicians avoid late nights and can take on more visits without increasing stress.

The pattern is consistent. Burnout declines when clinicians have fewer manual tasks, more operational clarity, and technology that supports the day-to-day demands of care delivery.

Hear from real customers

“It really is easy to get stuck in the weeds and the challenges that we all face in practices, especially with the challenges in payment. And so understanding why so many folks are leaving, what it comes down to is the opportunities for growth and development. You need to stand back and have a really holistic, strategic approach to understanding what your culture is.”

Michelle Collie

PT, MS, DPT, OCS, CEO of Highbar

Actionable takeaway:

Start by automating the daily tasks that create the most friction for your clinicians. If you are not sure what those tasks are, ask them. Every hour you give back reduces burnout, strengthens retention, and protects your practice's ability to grow.



Strengthening cash flow

The real growth differentiator

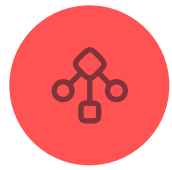
Strong demand does not guarantee strong financial performance. Many practices report being busier than ever, yet still struggle with unpredictable revenue. The difference lies in how consistently a practice turns care delivered into cash collected.

High-growth practices have tighter, more automated workflows that keep schedules full, reduce delays, and move claims through the system quickly. Small daily improvements—one more backfilled slot, one less billing error, one claim submitted a few hours sooner—compound into materially higher monthly collections and healthier margins.

Key findings:

What high-growth practices do differently

Internal analysis shows that documentation patterns play an outsized role in cash flow. Clinicians who complete notes faster (and during business hours) enable practices to submit claims sooner, accelerate payments, and avoid the backlog that delays revenue.



High-growth practices are 1.4x more likely to automate workflows across **intake, scheduling, reminders, and billing**.



Clinics using automation **submit claims within 24 hours** and get paid in under 17 days on average, trimming the time it takes to get paid by 3–4 days.



Nearly half of high-growth practices use automated reminders and POC tracking to reduce drop-offs.



Super-growth practices operate on more connected systems and complete documentation faster, allowing claims to go out sooner and payments to land earlier.



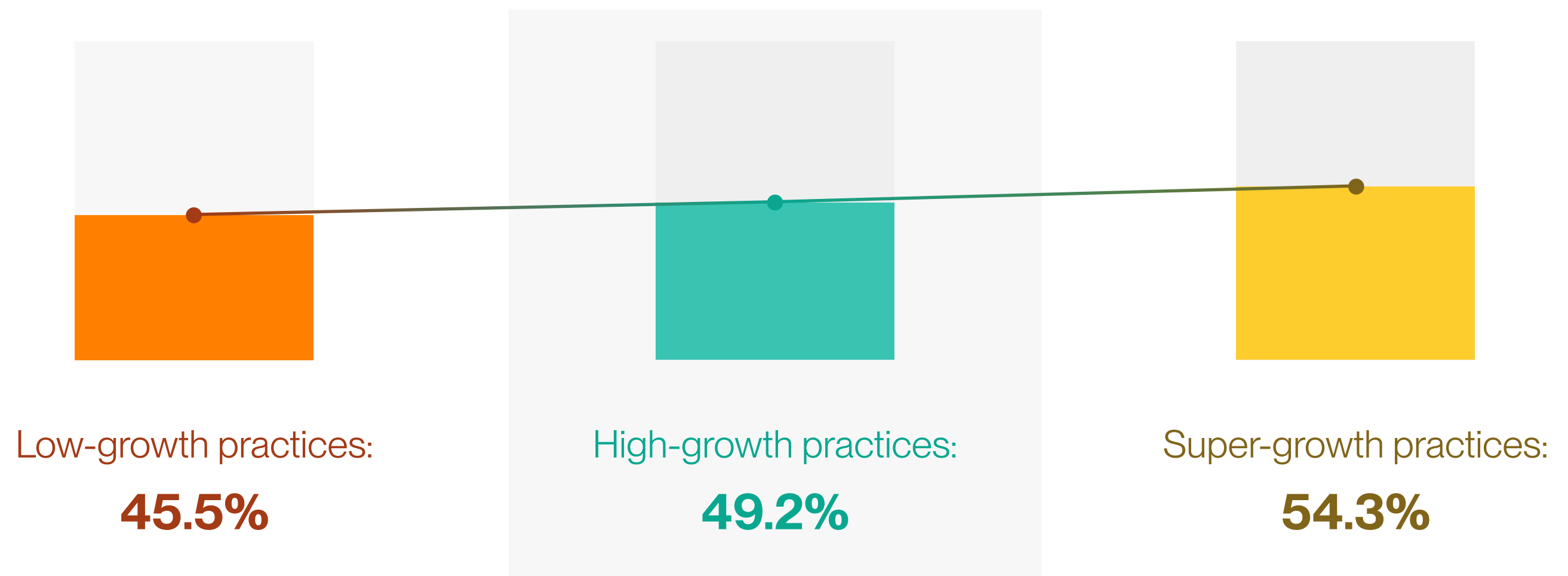
Therapists supported by AI scribing **complete documentation more than a full day sooner** on average, reducing late-night sign-offs and allowing claims to enter the billing cycle earlier.

RTM as a new revenue stream

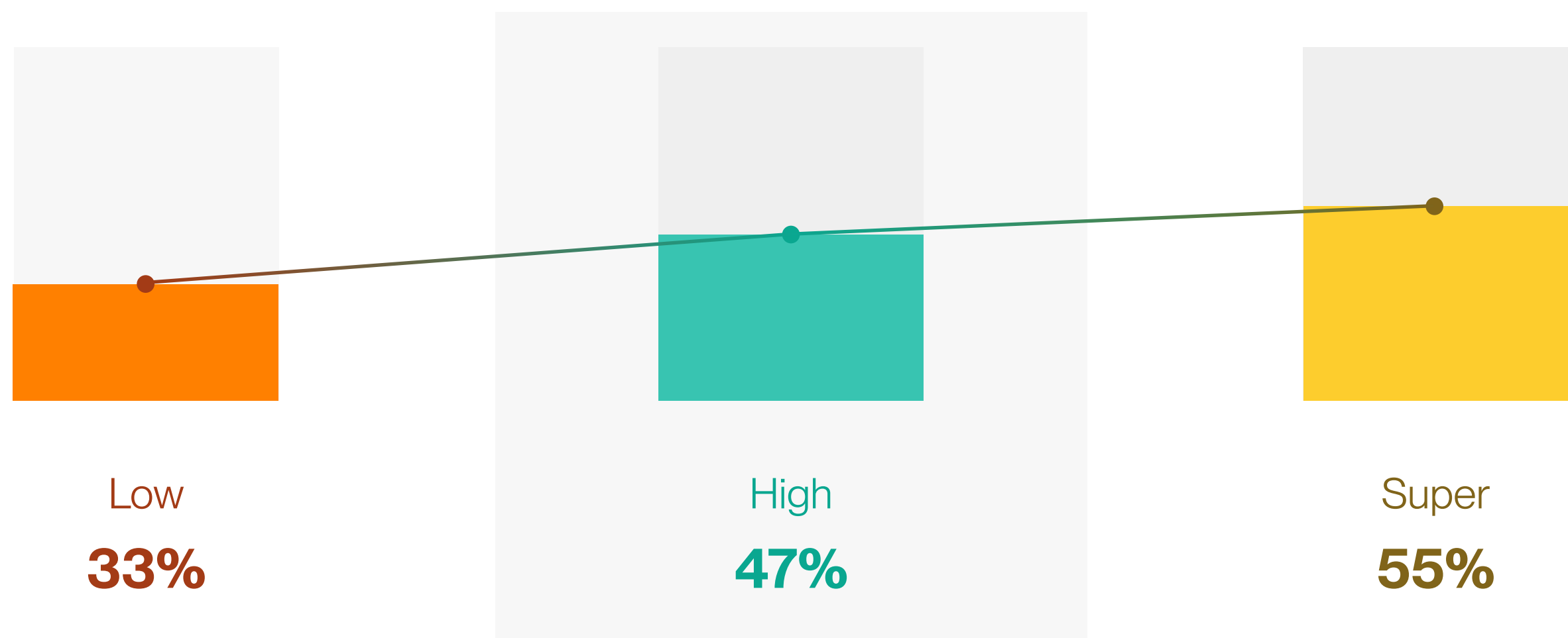
Remote Therapeutic Monitoring (RTM) lets practices bill for patient support that happens between visits, creating recurring revenue without adding provider hours. Upcoming 2026 CPT code updates will make RTM even easier to bill, lowering thresholds and expanding eligibility.

Modern workflows automate eligibility checks, surface alerts when RTM codes are ready to bill, and prevent denials with built-in payer rules. The result is simple: RTM turns between-visit engagement into consistent, low-lift revenue that strengthens monthly cash flow.

Who has automated plan of care tracking?



Who has adopted automation across their practice?



What this means for practice owners

Improving cash flow starts by tightening every step between the moment a patient books and the moment the payment hits your bank account. The highest-performing practices do the following:



Automate the path from visit to claim:

Modern systems help practices submit clean claims within a day, significantly accelerating reimbursement. Our data shows that clinicians who previously struggled with late-night or delayed documentation cut their sign-off times dramatically with AI support.



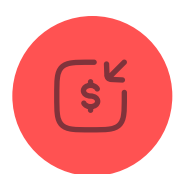
Use real-time waitlists and schedule optimization:

Automated backfilling instantly sends openings to patients so cancellations do not become lost revenue. This helps maintain consistency in daily visit volume and protects margins.



Adopt online, self-service workflows:

Digital intake, check-in, and scheduling reduce front-desk burden and secure revenue capture, especially when patients book outside normal business hours.



Capture every eligible dollar:

Tools that apply appropriate surcharging, manage package or inventory revenue, and accurately allocate cash ensure no revenue gets lost in the process.



Strengthen financial visibility:

Detailed reports help practices reconcile collections, track deferred revenue, and understand exactly where dollars are applied. This clarity supports smarter decision-making and prevents leakage.

In short, consistent operations create predictable cash flow and free teams to focus on what actually drives growth.

Actionable insight

“If you want predictability in your business, you can’t just hope people call to book. You’ve got to build the process so it’s happening automatically, before the disruption even happens. That’s the difference between being reactive and being ready.”

Dr. Robbie Woelkers
RehabCEOs

Actionable takeaway:

Start by tightening the flow from appointment → visit → documentation → claim. Every hour you remove from that chain shows up directly in stronger, more predictable cash flow.



Automating the patient journey

Most practices use digital tools, but very few automate the full patient journey from the moment a patient books to long after they are discharged. The practices achieving the highest growth have embraced that full-journey automation. They remove manual handoffs, reduce administrative overload, and create a smoother, more consistent experience for both patients and staff.

Automation isn't just about saving time. It increases conversions, keeps schedules full, reduces cancellations, strengthens retention, and opens opportunities for recurring revenue that don't depend on in-practice appointments.

Key findings:

What high-growth practices do differently



96% of all practices use automated reminders, but high-growth practices extend automation across intake, scheduling, and billing accuracy.



They are **nearly 1.5x** more likely to use digital waitlists that backfill cancellations in real time.



Nearly half use automated plan-of-care tracking to reduce drop-offs and improve completion rates.



About **two-thirds of practices** use AI for documentation, but high-growth practices are more likely to use AI for administrative workflows like compliance checks and scheduling support.

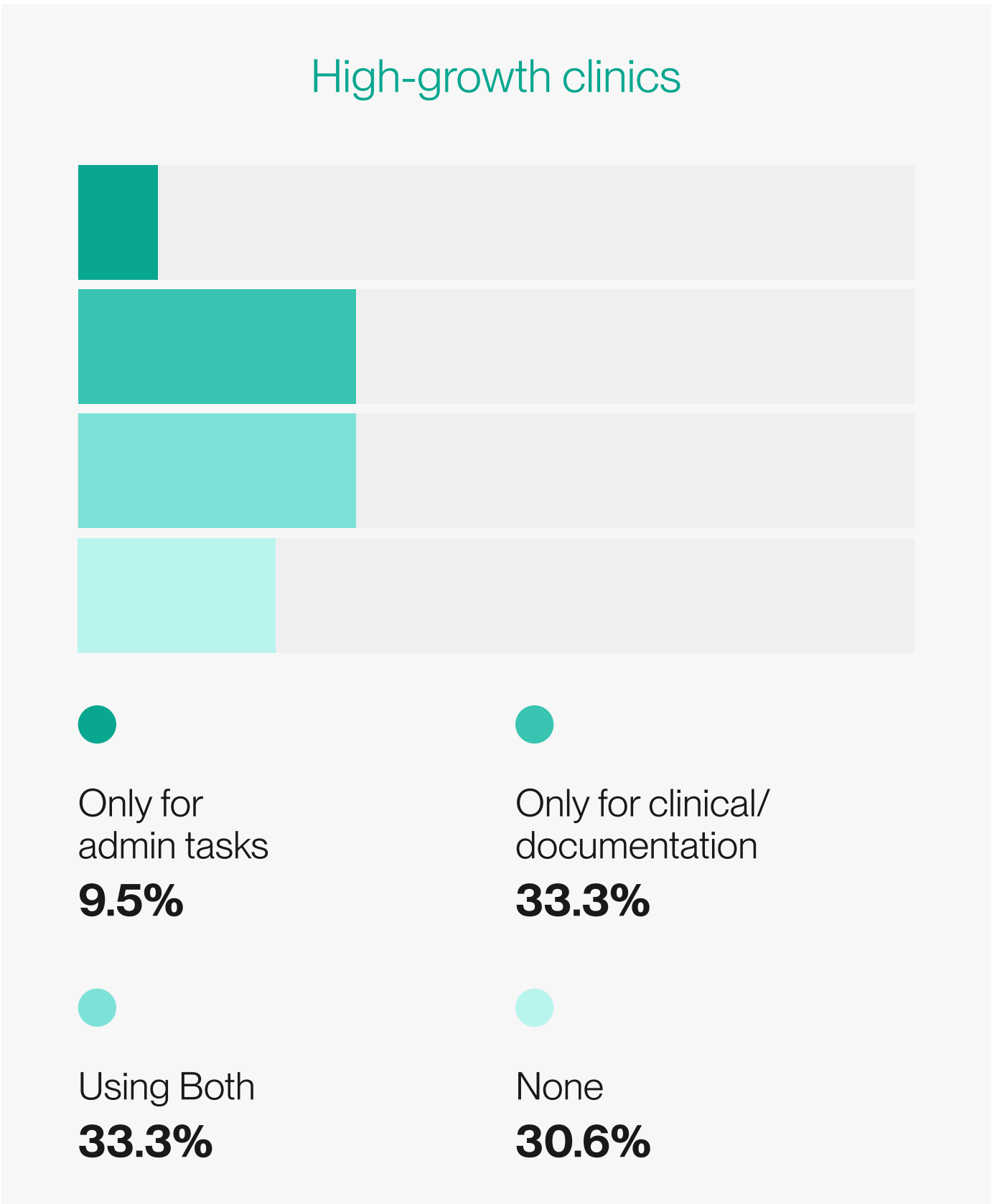
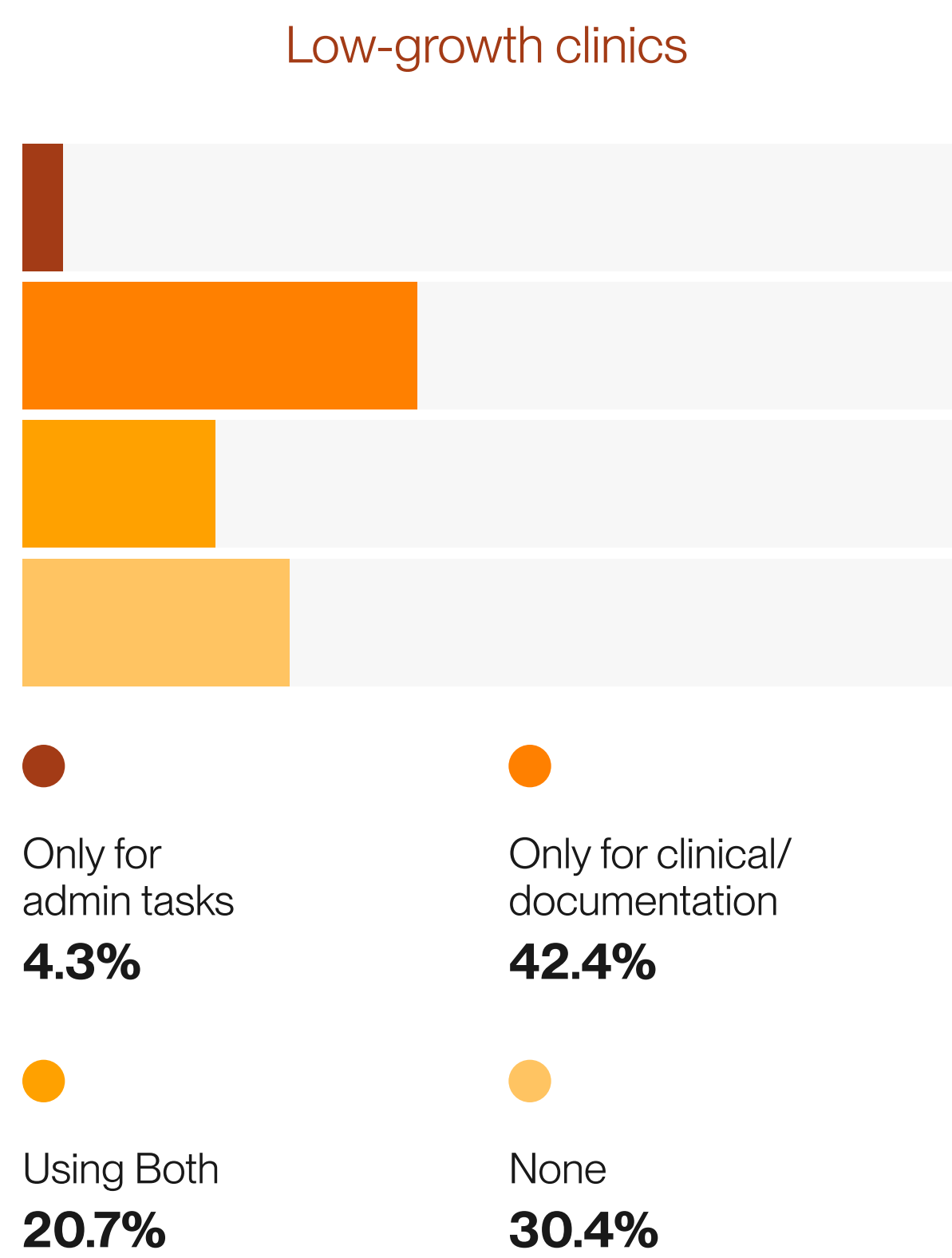


Our internal analysis shows that **clinicians using AI scribing complete documentation significantly faster**. This reduces end-of-day backlogs and allows scheduling, reminders, and POC alerts to trigger sooner and more consistently.

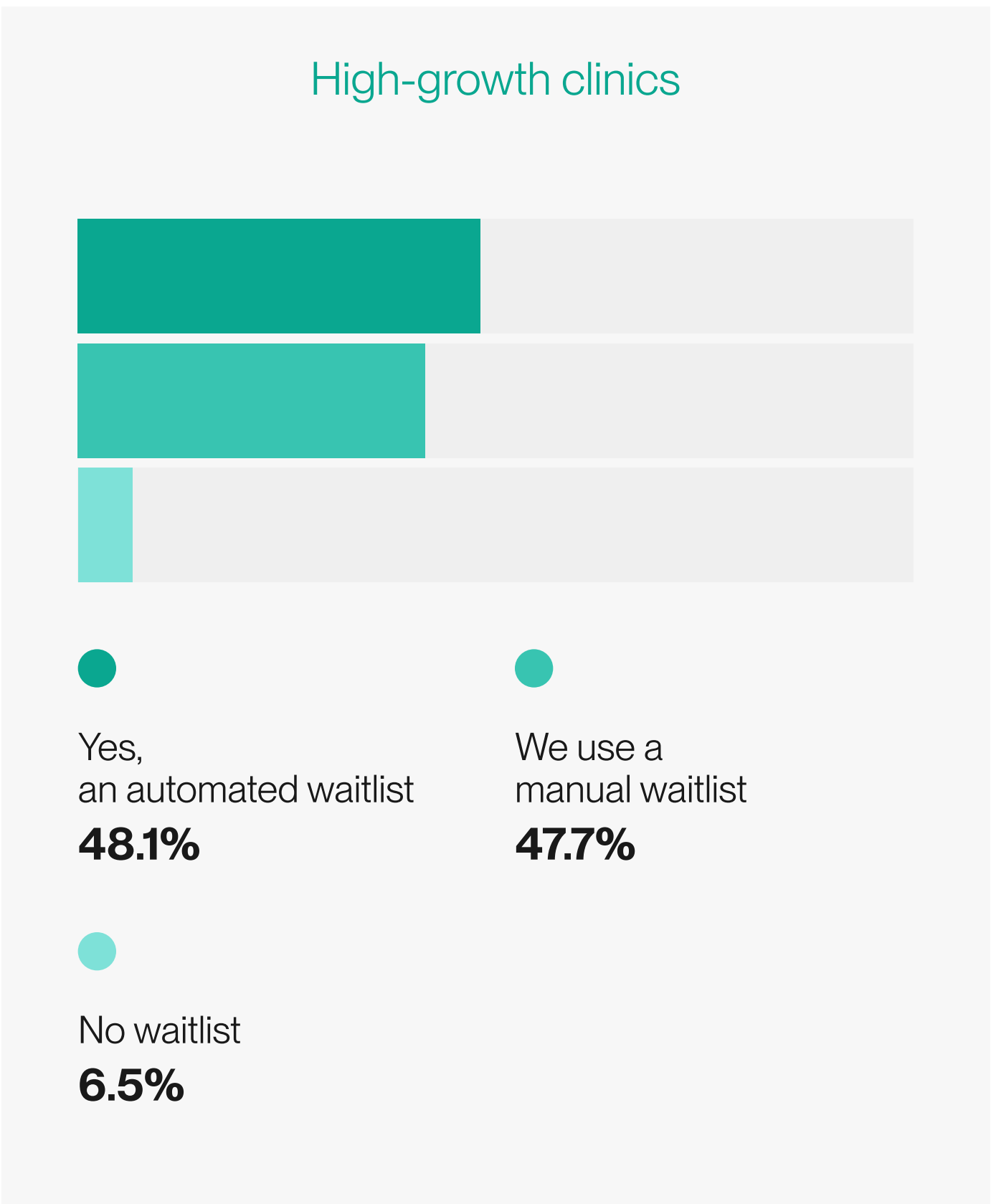
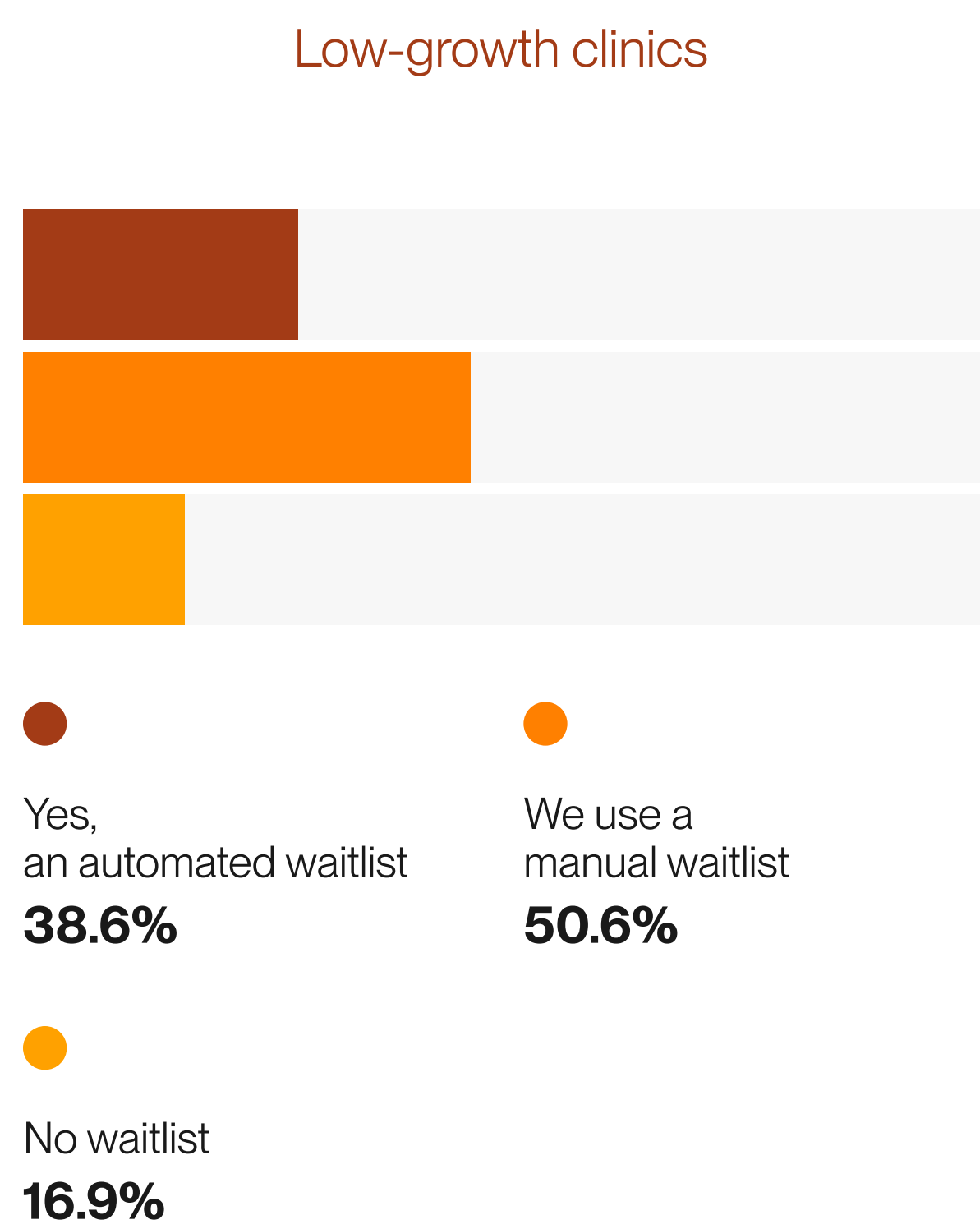


Super-growth practices are **significantly** more likely to run on a connected platform, which eliminates manual handoffs and reduces errors across the patient journey.

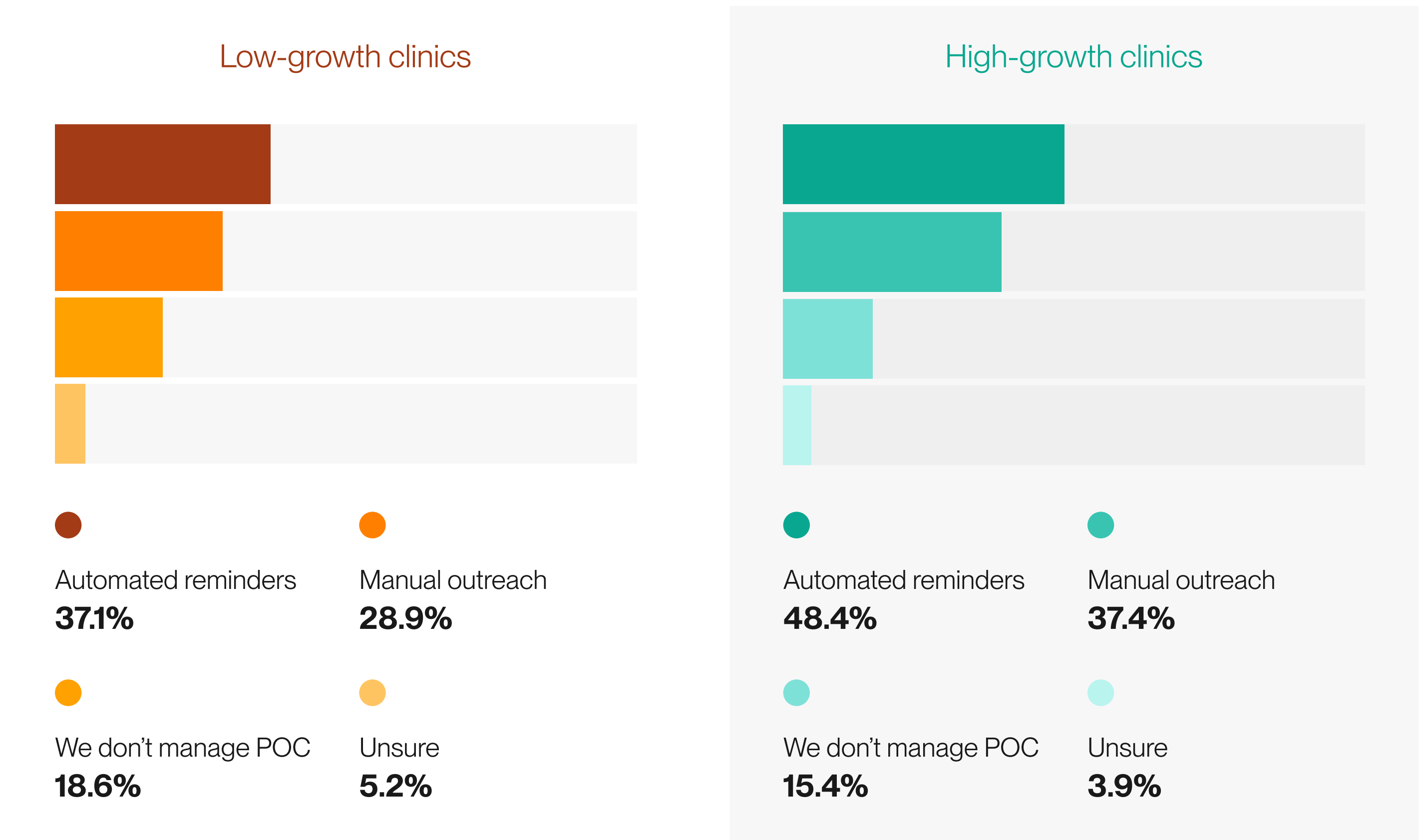
Are you currently leveraging AI in any aspect of your practice?



Do you use an automated waitlist system to fill last-minute cancellations?






How does your practice implement plan of care compliance?



What this means for practice owners

Automation is one of the clearest levers for turning demand into completed visits and revenue. The data points to several high-impact actions:

-  **Automate intake and scheduling:**
Online scheduling and AI intake allow patients to book when it's convenient, reduce phone volume, eliminate paper forms, and automatically populate evaluations. Patients begin their care with fewer barriers, and staff spend less time on data entry.
-  **Strengthen plan-of-care compliance:**
Automated alerts notify patients when they're under-scheduled and encourage them to stay on track. This directly increases visit completion and improves outcomes.
-  **Follow through on leads:**
Lead tracking can ensure every inquiry from online scheduling, faxes, referrals, or manual entry is captured and followed through key conversion steps such as intake, eligibility verification, and visit booking. This prevents lost leads and provides clear insight into where conversions can be improved.

**Use automated communication to keep patients engaged:**

Scheduled educational messages, check-ins, encouragement emails, and discharge follow-ups ensure patients stay connected throughout their plan of care. These touchpoints help reduce drop-offs and provide targeted education without adding work for clinicians.

**Fill more openings automatically:**

Automated waitlist tools instantly identify openings that match patient preferences and send invitations 1-14 days in advance. This keeps schedules full with almost no manual intervention.

**Re-engage past patients without additional staff time:**

Automated reactivation campaigns—sent 60-90 days after discharge—provide seamless scheduling links and bring patients back who may otherwise drift away.

**Reduce administrative workload at every touchpoint:**

Automated reminders, confirmations, statement delivery, and missed-call follow-ups lighten the load on front-desk and billing teams and reduce operational errors.

Taken together, these systems turn what used to be manual, inconsistent steps into predictable processes that strengthen both patient experience and practice performance.

Hear from real customers

“If you’re not an early adopter, you’re not keeping up with where we are with technology and how we can be more efficient from an operational standpoint and mindset. It really takes strategy and intention to make sure you’re bringing your whole team alongside you so they understand the why.”

Larissa Shaps

PT, DPT, FAFS, CLT-UE

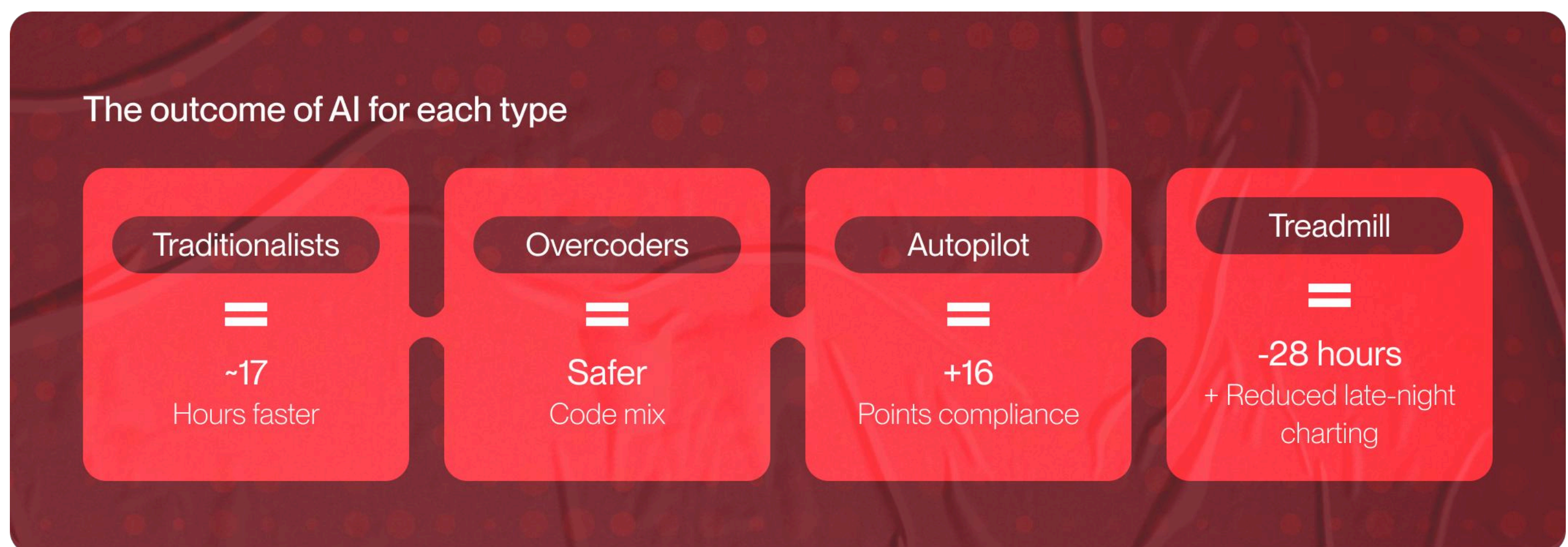
VP of Company Operations, Spooner Physical Therapy

💡 Actionable Takeaway:

Focus on automating the handoffs that currently rely on staff time: intake, scheduling, reminders, plan-of-care tracking, and reactivation. Every automated touchpoint reduces administrative effort and keeps more patients moving through their plan of care.

Behavior patterns that predict burnout, productivity, and compliance

Automation can only go so far if clinicians remain overwhelmed. To understand how internal workflows affect burnout and performance, we analyzed documentation behavior across thousands of therapists. Using internal data, we identified 4 consistent therapist “types.” These are not personality traits. Rather, they’re workflow patterns that predict where clinics experience bottlenecks, audit risk, delayed claims, and burnout.



The Traditionalist

Conscientious, detail-driven, and highly compliant, but often slow to sign notes and resistant to workflow changes. Their long, highly detailed notes reflect perfectionism rather than actual compliance needs.

Risk: falling behind on documentation and slowing the revenue cycle

Opportunity: reduce friction without disrupting quality

The Habitual Over-coder

Uses a wide range of high-value functional codes and generates strong revenue on paper—but coding rarely matches the documented interventions. Often follows outdated advice about “maximizing units.”

Risk: audit exposure and inconsistent coding accuracy

Opportunity: guided CPT alignment at the point of care

The Autopilot

Fast sign-offs, low word count, low functional units, and lower compliance. Often relies on shortcuts to keep up with workload and has gradually sacrificed quality for speed.

Risk: under-documentation and decreased reimbursement

Opportunity: structured guidance without adding workload

The Treadmill Therapist

High patient volume, frequent late-night sign-offs, and constantly behind. Keeps the schedule full but pays for it with exhaustion and escalating burnout risk.

Risk: burnout, turnover, and higher patient drop-off

Opportunity: lift note burden to stabilize both compliance and well-being

Across all 4 types, a pattern emerges:

AI scribing improves performance in different ways for different clinicians. From reducing sign-off time by double-digit hours, to strengthening code alignment, to improving compliance by more than 15 points. Importantly, these gains happen without adding administrative work and create a more stable, sustainable workflow for every clinician type.

A path forward for every practice, and every clinician

There are several themes in this report that are hard to ignore.

For the future of rehab therapy, owners and decision-makers across the industry need to address them directly. The data makes it clear that growth comes from running more efficiently, supporting teams more intentionally, and automating the work that slows practices down. Our analysis of thousands of clinicians shows that workflow patterns, not individual traits, are what determine efficiency, compliance, and burnout risk. And those patterns improve measurably when teams have the right tools.

Consider the following:



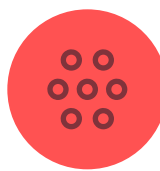
Burnout drops when practices remove the daily friction that adds hours to clinicians' workloads.



Cash flow strengthens when the flow from appointment to claim is smooth, consistent, and supported by automation.



Patient outcomes and retention improve when the journey is easy, digital, and supported with timely communication.



Unified, modern systems help practices eliminate redundant work, reduce errors, and maintain the clarity needed to scale sustainably.

Prompt is committed to supporting the rehab therapy industry and helping every practice reach its full potential. Our goal is to equip practices with technology that makes it easier to deliver exceptional care, operate efficiently, and grow with the same predictability we see in the highest-performing organizations.

Hear from real customers

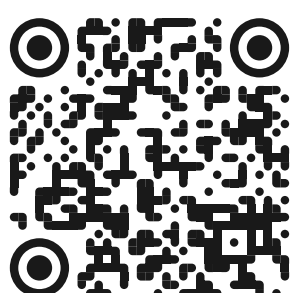
"We focus really intentionally on efficiency tools because we believe our providers are best served when they're face to face with their clients and not spending the time taking extra thought or thinking about billing units or interventions. Anything we can do from a templating perspective or efficiency perspective allows us to push the best patient care forward."

Kallie Slette

PT, Director of Clinical Operations, Movement for Life

See what this looks like in practice

The tools that power high-growth practices are available today.



Book a demo

to see how a fully connected, automated platform can help your practice grow.

PromptHealth.com/demo