

# The State of RCM in 2026 for Independent Physician Groups

Key challenges, market forces, and strategic opportunities in the new year

## Inside The Report:

**This report provides practical insights and strategies to navigate 2026 with confidence.**

### Inside you will learn how to:

1. Master new CMS rules that prioritize value-based payments.
2. Cut time spent on documentation, coding, and prior authorizations.
3. Enhance workflows to tackle staffing shortages.
4. Ask the right AI and automation questions when seeking RCM support.

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With 2025's constant twists and turns, many independent physician groups are steeling themselves for what comes next. Between rising costs, staffing shortages, and the continued rise of AI, 2026 is looking to bring many of the same challenges to providers' doorsteps.

The road ahead may look bumpy, but a proven revenue cycle management (RCM) strategy can provide a solid foundation for your practice's financial success in the new year.

To understand what it will take to stay financially strong in 2026, it's important to look at the core pressures reshaping the revenue cycle - from reimbursement shifts to staffing constraints, technology, and more.

## Twenty years in the making: the reality of value-based care reimbursement

Value-based care has been a frequent topic of discussion at the Centers for Medicare and Medicaid Services (CMS) over the past two decades. 2026 will be the year where it finally becomes a major factor in how providers are reimbursed.

With the release of the 2026 Medicare Physician Fee Schedule (MPFS) Final Rule, CMS added separate conversion factors: one for Qualifying Providers/Participants (QPs) in Advanced Alternative Payment Models (APMs), and another for those who are not QPs, aligning payment rates with value-based performance. The rule also included the adoption of an efficiency adjustment that reduces the work Relative Value Units (RVUs) for thousands of services by 2.5%. These new rules signify CMS' focus on value and efficiency.

Long story short: if you've historically relied on volume-based reimbursement, there's a new world waiting for you in 2026 – and your bottom line is at stake. Quality-based reimbursement is the new lay of the land, and the practices that adapt will be the ones that see full, timely reimbursement in the new year.

One avenue to protect your cash flow under CMS' new system is the Merit-based Incentive Payment System (MIPS). With support from an experienced RCM partner, you can clearly understand your MIPS participation status, learn how it will affect your reimbursement in 2026, and proactively manage your MIPS eligibility.

Mastering MIPS and quality reporting, coupled with reporting on CMS' new requirements around documentation, quality metrics, coding, and compliance, can prove the value of your care and help you secure full reimbursement under the new system.

**Discover key changes in the 2026 MPFS.**

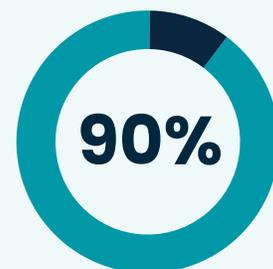
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## The cost of chaos: rising administrative and compliance demands

Whether managed in-house or through a trusted partner, revenue cycle management is essential for keeping your physician group compliant and fully reimbursed. With the release of the 2026 MPFS, however, managing the revenue cycle is set to become even more complex.

As CMS is increasingly tying value and efficiency to reimbursement, physician groups will need to focus on thorough documentation and precise coding to capture visit complexity, medical decision-making, risk adjustment, and more. While this added administrative and regulatory work will be time-consuming, it is critical for ensuring full reimbursement and maintaining financial stability.

### Admin and compliance burdens: what providers think

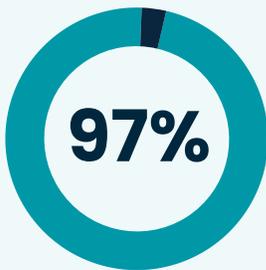


90% of providers state overall regulatory burdens have increased in the past 12 months.

Source: MGMA Annual Regulatory Burden Report.

Keeping track of all the changes within a single specialty is tricky enough, but it becomes even more complex for groups that offer multiple specialties. For example, coding modifiers have their own nuances for different specialties, and without a firm understanding of them, along with a vigilant eye for changes throughout the year, you're putting your reimbursement and compliance status on the line. Given these complexities, it is essential that your in-house billing team or RCM partner fully understands the intricacies of managing multiple specialties.

### Admin and compliance burdens: what providers think



97% of providers state a reduction in regulatory burdens would allow more time for patient care.

Source: MGMA Annual Regulatory Burden Report.

These new reimbursement rules add to the administrative burden that many physician groups are already struggling with today. [A recent survey by the AMA](#) found that practices complete an average of 39 prior authorizations per physician per week, which amounts to roughly 13 hours of staff time diverted from patient care to administrative work. Approximately 30% of physicians report that those prior authorizations are eventually denied, representing a costly challenge in both time and dollars.

Independent physician groups cannot afford to wrestle with additional complexity that threatens their compliance status and their bottom line. Partnering with an RCM provider allows your practice to navigate the regulatory and coding changes coming in 2026, while minimizing additional administrative burden on your team.

“Health Prime has given me back time that I would have otherwise spent on billing. I’m now able to spend that time doing other things like patient care, meeting with my employees, and taking care of other aspects of my business.”

**–Rona Bernadette, MD**  
**Modern Integrative Psychiatry**

### Staffing shortages: master workflows and retain top talent

No surprises here: the healthcare labor shortages that have defined the pandemic and post-pandemic period are anticipated to continue well into 2026, with some estimates predicting a nationwide shortage of [700,000 critical healthcare workers](#) by 2037. While most healthcare staffing conversations center around clinical staff, shortages also extend to in-house revenue cycle teams, with [63% of providers reporting](#) shortages of RCM professionals.

With no relief in sight, physician groups must continue to play the employee retention game, but the prognosis there isn't much rosier. Burnout has reached an all-time high, with one report showing that [55% of healthcare employees](#) plan to exit their current job by mid-2026.

But fear not; there's hope! A comprehensive RCM strategy can relieve strain from your overtaxed team, and help keep your revenue cycle on track even in the face of ongoing staffing shortages.

In 2026, physician groups that successfully navigate persistent RCM staffing shortages will be those that invest in both retention and smart resource strategies, including outsourcing. High-performing, experienced RCM vendors can help fill critical gaps through staff augmentation and technology solutions that offset workload pressures and strengthen operational expertise.

Health Prime's RCM solutions are designed to reduce administrative burden and enhance productivity at every stage of your revenue cycle from front to back. Our proprietary technology streamlines workflows from billing and coding to collections and analytics, so your staff spends less time on repetitive, unrewarding tasks that contribute to burnout.

"With Health Prime, it truly feels like we've added an extension of our own team. They go above and beyond to support our success. With them, we've gained a reliable RCM partner who is as invested in our financial health as we are."

**-Cardiovascular Clinical Associates**

### **Technology & automation: ask the right questions, get the right support**

Over the past several years, RCM technology and automation have become widely accepted in the industry. In fact, they are seen as tools that improve efficiency, reduce errors, and enhance the patient experience across the entire revenue cycle.

In 2026, the question isn't whether physician groups should rely on these technologies and automations. The question is whether to do it on your own or outsource it to a trusted partner.

Keeping RCM in-house may seem like a more cost-effective measure on the surface, but it comes with significant challenges. First, it is costly to invest in modern RCM technologies that offer the best support for your team. Maintaining them – and keeping up with the fast pace of changing technology – is another costly challenge altogether. The more prudent choice is to work with an RCM partner that can keep pace with evolving technology and allow your practice to scale efficiently as patient volumes, specialties, or regulatory requirements grow and change.

#### **Health Prime AI automation in action**

Health Prime's proven strategy for mid-cycle RCM includes AI-assisted coding intelligence. By leveraging an AI-powered platform backed by a world-class coding team, Health Prime ensures that every claim is coded accurately and compliantly at the earliest opportunity.

The result: cleaner claims, fewer denials, faster cash, and an average 11.5% increase in reimbursement year over year.

**11%**

percent increase  
in reimbursement  
year over year

As you consider RCM partners, it's important to be wary of unrealistic claims about leaning on artificial intelligence. It's true that smart technology will continue to be a powerful RCM tool in the new year, but it isn't a cure-all. To ensure you choose a partner who provides real value, be sure to ask the right questions to understand how their technology, services, and human expertise work together:

- **What services do you offer?**

AI plays an important role in RCM, but a trusted RCM partner will have a breadth of services that cover a wide range of technologies, not just AI-powered solutions.

- **Do your services completely replace my team, or simply supplement them?**

You deserve the freedom to scale up throughout 2026 and beyond. If an RCM partner's services are "all or nothing," there's a better fit out there.

- **How experienced is your team with RCM?**

Human experts understand nuances that tech alone does not. Without a tenured team of RCM experts available, you won't have the support you deserve.

- **Who's leading the show: people or AI?**

AI should always supplement real human expertise - not replace it entirely. Make sure human intelligence is in the driver's seat.

- **What success stories can you share about your AI solutions?**

True RCM success doesn't come from AI alone. A trustworthy partner will share successes of their multifaceted approach to RCM where AI is a supporting character, not the hero of the story.



## Face the year ahead with support from a trusted RCM partner

Independent physician groups are set to face their fair share of revenue cycle management challenges in 2026. With proper support, you can prepare for the speedbumps ahead and safeguard your bottom line.

- ✔ **Master rising administrative and compliance complexity**  
Outsourcing RCM can keep your practice fully compliant and ensure full reimbursement without adding additional work to your team's plate.
- ✔ **Prioritize value-based care**  
Master the intricacies of the new reimbursement rules being introduced by the Centers for Medicare and Medicaid Services to keep your revenue on track.
- ✔ **Overcome staffing shortages**  
Leave repetitive tasks and administrative burden in 2025 and optimize your workflows to make the most of your staff's capabilities in the new year.
- ✔ **Lean on a trusted partner for RCM automation**  
With the right support, you can see past the AI hype and bolster your RCM strategy with proven technology and automation to increase efficiencies across the revenue cycle.

"Health Prime's solutions are tailored to the specific needs of our practice. Their deep understanding of healthcare billing and revenue cycle management has had a direct impact on our bottom line. We've seen faster payments, reduced denials, and clearer visibility into our financial performance."

**-Coastal Internal Medicine**

### Results you can expect in 2026

Whatever the new year holds, Health Prime's clients enjoy RCM success that enhances their financial health, operational efficiency, and patient experience.

-  Accelerated cash flow and collections
-  Reduced administrative burden
-  Actionable insights
-  Better compliance and risk mitigation
-  Enhanced patient satisfaction

Learn more about how Health Prime supports your specialty with tailored RCM [hpiinc.com/specialties](https://hpiinc.com/specialties).

Health Prime is a leading provider of revenue cycle management solutions for independent physician groups of all specialties. With a team of 5,000+ employees across the U.S., Latin America, and Asia, we accelerate reimbursements for thousands of physicians nationwide. To learn how we can help your practice improve operational efficiency and financial performance, please visit [hpiinc.com](https://hpiinc.com).