

Private equity's autism therapy boom is straining Medicaid

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Private equity autism therapy buyouts squeeze state budgets as federal Medicaid cuts loom

As screenings increase in the U.S., more children are being diagnosed with autism, leading to increasing state spending on autism services.¹ Private equity firms have positioned themselves to take advantage of growing Medicaid spending on autism services, specifically applied behavior analysis (ABA), the most widely recognized treatment for autism.²

ABA is a treatment therapy focused on positive reinforcement of specific, desired behaviors.³ The intensive ABA therapy commonly used today can be traced back to UCLA psychologist Ivar Lovaas's research in the 1970s, which indicated that children who received up to 40 hours per week of therapy for at least two years significantly improved their intellectual and language skills and were then able to participate in school with few or no specialized services.⁴ ABA therapy is based on individualized treatment plans for each child, breaking specific behaviors into small steps.⁵ Studies in the last 30 years have shown that intensive ABA treatment — 30 or more hours per week — can be effective in treating young children.⁶ These high numbers of treatment hours per week also create large billing opportunities for ABA providers.⁷

Private equity-backed ABA providers have been making inroads into the industry. A recent Brown University study found that “private equity firms acquired more than 500 autism therapy

centers across the U.S. over the past decade, with nearly 80% of acquisitions occurring over a four-year span” between 2018 and 2022.⁸ Private equity firms may be particularly interested in ABA providers because they are scalable through increasing the number of clients or client hours at each site, and through acquiring individual practices or sets of practices.⁹

Private equity's incursion into the ABA industry represents some risk to patients, families, and providers through a focus on profit. Private equity-backed ABA providers may seek to reduce costs by simplifying treatment plans or reducing staff training and supervision. To increase income, ABA providers may pressure parents to agree to 30 or more hours a week of treatment, whether or not that is best for the child. There is also evidence that some ABA providers have improperly billed Medicaid for care.

This report seeks to offer an update on the state of private equity involvement in ABA services, including a brief summary of recent research on private equity investments in the industry, recent efforts to assess possible billing and staffing issues on a state-by-state level as they relate to Medicaid payments, case studies of issues surrounding private equity-backed ABA providers, a list of the largest private equity-owned ABA providers, and policy recommendations.



Key points

- Private equity firms have applied a debt-driven and profit-focused playbook to ABA providers. Under private equity ownership, ABA companies have sought to minimize staffing and utilize “copy and paste” treatment plans, while pressuring parents for increased hours of treatment and in some cases, engaging in billing fraud. The private equity-driven incentives to quickly reduce costs and increase profits, paired with little oversight, have led to allegations of abuse, neglect, and use of unwarranted force on children.¹⁰
- Audits of Medicaid ABA bills have unearthed widespread billing and compliance issues, ranging from incomplete recordkeeping to billing for as many as 65 hours of therapy in one day and millions of dollars of overpayments to providers.
- Case studies of private equity-backed ABA providers demonstrate examples of treating patients inappropriately, issues with staff pay, and shutting down operations and leaving staff without work and patients without care. Families, patients, workers, and Medicaid and state budgets suffer while the private equity owners are protected from risk.
- Our list of the largest private equity-backed ABA providers shows considerable consolidation through aggressive acquisitions.
- We have several recommendations to help address the risks associated with private equity ownership of ABA providers, including continued audits and transparency regarding ABA providers, state regulation at the facility level, and a rule requiring that states ensure that a large percent of payments be spent on compensation for direct care workers.

Previous research on private equity and ABA

This report draws on and seeks to expand on important research on private equity and ABA by a number of other authors.

In August 2022, Tara Bannow wrote an early report on the role of private equity in ABA in *STAT*. Bannow outlined the impacts of private equity's involvement in the ABA industry, a decade in. The bottom line: "Families and clinicians who once believed fully in the promise of ABA say the financial investors' fixation on profit has degraded the quality of services kids receive, turning it into the equivalent of fast food therapy."¹¹

Through interviews with families, clinicians, and experts about private equity-backed ABA providers, she found a clear pattern of cookie-cutter treatment templates instead of individualized plans, pressure for more treatment hours without evidence of medical necessity, and a high rate of

turnover in clinicians due to shortages and burnout, which can be especially challenging for children with autism who benefit from consistency.¹² The industry as a whole, Bannow reported, has significant issues. "Providers across the country have been billing insurers for more therapy than they could possibly deliver, or even double billing, according to lawsuits and audits in multiple states. One single person in Nevada, for example, asked to be paid for providing 65 hours of therapy in one day — an obviously impossible feat."¹³

In June 2023, Rosemary Batt, Eileen Appelbaum, and Quynh Trang Nguyen published a comprehensive account of private equity in autism services in a report titled [Pocketing Money Meant for Kids: Private Equity in Autism Services](#). Since 2023, the patterns initially outlined have continued, and in some cases, accelerated.

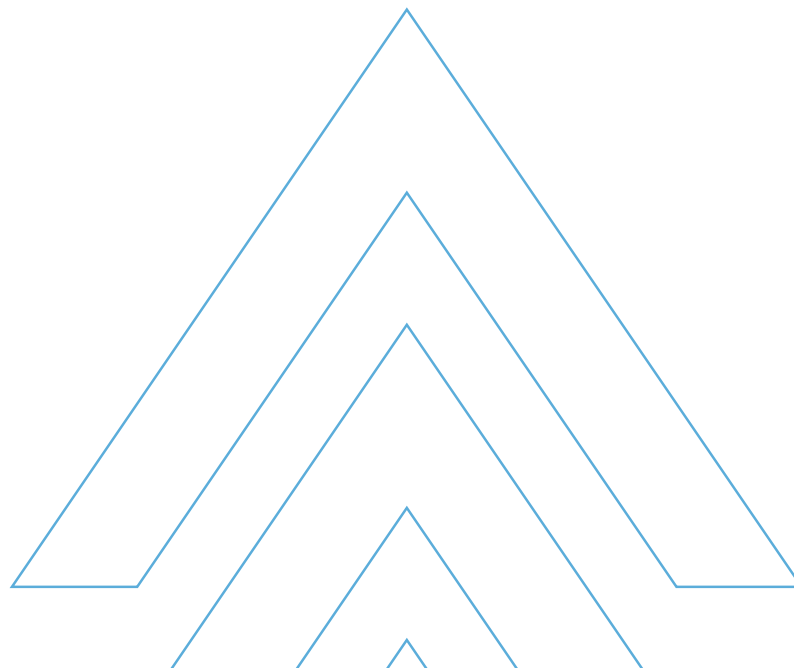


In their report, Batt, Appelbaum, and Nguyen described the history of private equity involvement in the autism services industry, specifically ABA. As a result of a successful effort by parents and advocates to gain healthcare coverage for autism treatment, in 2014, the Centers for Medicare and Medicaid Services clarified that all state Medicaid plans must cover regular screening, diagnosis, and treatment of autism, and by 2019, all states had laws requiring commercial coverage for autism services.¹⁴ The new insurance coverage offered an opportunity for consistent payment to ABA providers.¹⁵ Private equity companies saw this opportunity and have subsequently dominated the market, giving them leverage that some have used to gain higher state reimbursement rates.¹⁶

The 2023 report finds private equity firms applied the same playbook they have used in other industries to ABA providers. Increased debt loads and a more urgent focus on profit have led to efforts to reduce costs through minimizing staffing and increasing the use of “copy and paste” treatment plans, while the companies work to

increase income by pressuring parents for increased hours of treatment and in some cases, engaging in billing fraud. The private equity-driven incentives to quickly reduce costs and increase profits, paired with little oversight, have led in one case to allegations of abuse, neglect, and use of unwarranted force on children.¹⁷

An article published in *JAMA Pediatrics* in January 2026 by researchers at Brown University, RAND, Brigham & Women’s Hospital, Harvard Medical School, and Harvard Pilgrim Health Care Institute investigated private equity’s growing role in autism services. The study focused on all acquisitions involving autism services or ABA from 2015 to mid-2025, overlaying the acquisitions with autism prevalence and state autism insurance generosity scores.¹⁸ The researchers found that the majority — over 79% — of private equity acquisitions of autism services companies occurred between 2018 and 2022.¹⁹ The study also concluded that, “Visually it appears that PE is more likely to enter states with a higher prevalence of ASD [autism spectrum disorder] and more generous state autism insurance mandates.”²⁰



State audits of ABA providers find overpayments and inadequate staffing

States across the country have been looking into ABA spending for some time. A 2020 Nevada audit of four years found nearly 1,000 days on which clinicians had billed for 24 or more hours of therapy in a single day.²¹ A 2019 report on Florida's efforts to control Medicaid fraud and abuse for fiscal year 2018-2019 highlighted issues with providers billing for more than 40 hours of therapy in a week.²² Tricare, the agency responsible for veterans' healthcare, found billing issues as well, including billing for a supervisor provider when the care was done by a lower-level therapist, billing for nap times, and unreliable documentation.²³ As Bannow noted in *STAT*, "Everyone pays for fraud, whether they use ABA services or not. Taxpayers cover the bills for Medicaid, Tricare, and other government programs, and people with private insurance help cover other members' costs through their monthly premiums."²⁴

There have been at least four audits of Medicaid payments for ABA in the last two years. The Office of Audit Services for the Office of Inspector General of the Department for Health and Human Services released reports on "improper fee-for-service" Medicaid payments in Indiana, Wisconsin, and Colorado. The Office of the Inspector General of Massachusetts issued a report about MassHealth-managed care entities providing ABA treatment to eligible children. All four reports had similar findings involving improper or "impossible" billing, overpayment and inadequate supervision or staffing.

The companies that are part of each audit are anonymized, so it is not possible to tie specific practices identified by the audits to particular companies, but there are major private equity-backed ABA companies practicing in each state that was audited.





Massachusetts

The Office of the Inspector General for Massachusetts published a report in March 2024 regarding MassHealth’s Applied Behavior Analysis Program service provided from January 1, 2022, to October 30, 2023 and found that:

- “1,831 MassHealth members received inadequately supervised ABA services.”
- “108 providers provided inadequately supervised ABA services and MassHealth overpaid for these ABA services in an amount exceeding \$16.7 million. The top 10 providers in this category account for \$7,301,341 in overpayments.”²⁵

Regarding overpayments specifically, the report found that, in the 22 months audited, MassHealth:

- “Overpaid...ABA providers for service claims over the 10:1 supervision ratio in the amount of \$16,761,445;
- “Paid 627 ABA claims submitted by MassHealth providers that “impossibly billed” more than 24 hours of service for a member on a given date, resulting in overpayments of \$439,632; and
- “Paid 561 ABA service claims purportedly provided to 311 members on holidays, amounting to \$162,535.”²⁶

The Office of the Inspector General did note that some of these problems may be in part due to a shortage of qualified professionals to offer ABA services to patients who need them. Nevertheless, the report concluded, that inadequate supervision is not acceptable.²⁷

Private equity-owned ABA providers that operate in Massachusetts include LEARN Behavioral (19 facilities),²⁸ The Stepping Stones Group (16 facilities),²⁹ Autism Care Partners (11 facilities),³⁰ Autism Learning Partners (6 facilities plus in-home care),³¹ Cortica (6 facilities),³² Behavior Frontiers (2 facilities),³³ Sevita (2 facilities),³⁴ Key Autism Services (1 facility plus in-home care),³⁵ and InBloom Autism Services (1 facility).³⁶





Indiana

The U.S. Department of Health and Human Services' Office of Inspector General published a report in December 2024 which found that Indiana made at least \$56 million in improper Medicaid payments for ABA services in 2019 and 2020.³⁷ The report found that Indiana's Medicaid payments for ABA increased by over 600% in just a few years: "Indiana's fee-for-service (FFS) Medicaid payments for ABA in 2017 were \$14.4 million, and by 2020 these payments had increased to \$101.8 million—the second highest in the Nation."³⁸

The audit report outlines widespread issues. For 52 sampled enrollee-months from 24 ABA facilities, the state paid for more units of ABA than were supported by the provider's session notes, whether due to the units not matching the times listed in the notes, the facility billing for ABA when other services were being provided to the child such as speech therapy, nap time, two technicians billing for the same time, or notes signed off on before the session ended, or in some cases, before a session even started.³⁹ Some other session notes appeared to be cloned (i.e. copied from other ABA session notes.)⁴⁰ Sometimes, the notes even showed the wrong child's name in multiple locations, which could be an indication of copy-and-pasting notes from another child's treatment notes.⁴¹

There were several issues with the signatures required for sessions, including if they existed or not and if they were signed by the person providing the services as required. As the report states, "If there was not a valid provider signature at the time services were furnished, it raises questions about who authored the session notes and whether the services were provided as documented."⁴² In the cases when the signatures were made before the session ended, or in some cases, before the session started, "it raises questions about whether the complete session occurred."⁴³

Indiana does not require background checks of ABA facility staff; however, some facilities do complete them, and the audit reviewed those background checks.⁴⁴ The audit found two notable offenses that the audit said "could have put children in danger:

"For example, one RBT [registered behavior technician] had a conviction for driving under the influence of alcohol within 3 years of the sampled enrollee-month, but the RBT was allowed to transport a child to an outside therapy appointment. A second RBT had a misdemeanor battery charge within 17 months of our sampled enrollee-month. (At the time of the background check, the case was pending.)"⁴⁵

Private equity-owned ABA providers that operate in Indiana include Lighthouse Autism Center (24 facilities),⁴⁶ Hopebridge (23 facilities plus in-home care),⁴⁷ LEARN Behavioral (10 facilities),⁴⁸ Centria Healthcare (5 facilities),⁴⁹ ChanceLight (2 facilities),⁵⁰ and Already Autism Health (1 facility).⁵¹



Wisconsin

The U.S. Department of Health and Human Services' Office of Inspector General published a report in July 2025 which found that Wisconsin made at least \$18.5 million in improper Medicaid payments for ABA services, and may have made up to \$94.3 million in potentially improper payments in 2021 and 2022.⁵² The report stated that "the issues that led to potentially improper payments could have had a significant effect on the quality of care provided to children with autism."⁵³

The report outlined many of the same problems found in Indiana, including session notes that appeared to be cloned or were otherwise unreliable, and notes signed before the end of the session.⁵⁴ Some sessions were billed for more time than the notes supported.⁵⁵ For example, "one session note showed that on 1 day the child received ABA from 12:30 to 2:30 (8 units); however, the facility billed and was paid for 10 units. A session note for a different child stated that the session was canceled, yet the session was still billed and paid."⁵⁶

Private equity-owned ABA providers that operate in Wisconsin include Cultivate Behavioral Health & Education (3 facilities)⁵⁷ and InBloom Autism Services (3 facilities).⁵⁸





Colorado

The Department of Health and Human Services' Office of Inspector General published a report in February 2026 which found that Colorado made at least \$77.8 million in improper Medicaid payments for ABA services in 2022 and 2023.⁵⁹ As in many other states, Colorado's spending on Medicaid for ABA has increased in the last few years. In 2019, Colorado Medicaid payments for ABA were \$60.1 million, and by 2023, the payments had increased to \$163.5 million, representing a 172% increase.⁶⁰

The audit found that all 100 sampled enrollee-months — 100% — included improper payments or potentially improper payments, and overall, the audit report followed a similar pattern to those in other states.⁶¹ Session notes did not meet documentation requirements, there appeared to be cloning of session notes, overbilling for sessions beyond those described in notes, and concerns about staff criminal backgrounds, including convictions for a felony weapon offense, misdemeanor assault, and driving under the influence.⁶²

The Colorado audit report highlighted that ABA was provided by staff who did not have proper credentials.⁶³ The report noted, "allowing staff who did not have appropriate credentials to provide ABA...may have affected the quality of care that children received."⁶⁴ Quality of care may have also been affected when, in one case, an 'ABA facility stated that it provided no parent training because it would not be reimbursed,' despite the fact that parent training is an important aspect of ABA.⁶⁵

The Colorado report also noted that in some cases, "ABA was provided to children without documentation of a comprehensive diagnostic evaluation or treatment referral for ABA."⁶⁶

The private equity-owned ABA providers that operate in Colorado include Action Behavior Centers (41 facilities),⁶⁷ The TreeTop ABA (21 facilities),⁶⁸ BlueSprig Pediatrics (9 facilities),⁶⁹ Behavioral Innovations (8 facilities),⁷⁰ Center for Autism & Related Disorders (7 facilities),⁷¹ ACES ABA (3 facilities),⁷² ChanceLight (3 facilities),⁷³ Cultivate Behavioral Health & Education (3 facilities),⁷⁴ InBloom Autism Services (2 facilities),⁷⁵ Kyo (1 facility),⁷⁶ Autism Learning Partners (1 facility plus in-home care),⁷⁷ Key Autism Services (1 facility plus in-home),⁷⁸ and Alora Behavioral Health (in home care).⁷⁹





Consistent patterns across state audits

There were consistent findings across all four audits about improper and impossible billing and inadequate supervision or staffing.

The Indiana, Wisconsin, and Colorado audits found issues with billing in every single sampled enrollee-month.⁸⁰ Those issues included inadequate session notes, sessions that included potential nontherapy time.⁸¹ In addition, the Indiana and Colorado audits found that ABA had been provided to children who did not have required diagnostic evaluations or referrals and those reports also found session notes that referred to group activities, but were billed for individual therapy.⁸²

The Massachusetts audit also found issues with billing. The report stated that “MassHealth paid for 627 ABA claims

representing more than 24 hours of service billed for a person with ASD on a given service date” and that it “paid 561 ABA claims for 311 members for services purportedly delivered on holidays.”⁸³ The audit noted that more research was needed to determine if the services were actually rendered on holidays.

The Indiana and Colorado audits also found that ABA services had been provided by staff who did not have appropriate credentials or were not properly supervised.⁸⁴ The Massachusetts audit identified gross payments of \$16,761,445 for sessions that were improperly supervised.⁸⁵ The Indiana audit reported that “Allowing noncredentialed staff without documented supervision to provide ABA may have affected the quality of care that children received.”⁸⁶

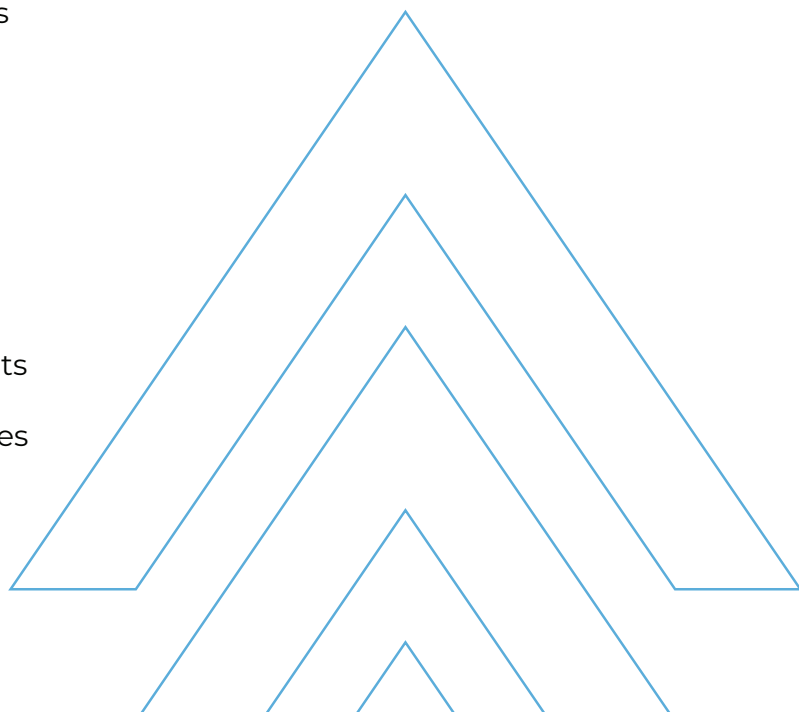
ABA spending strains state Medicaid budgets as they face looming federal cuts

As screenings increase, more children are being diagnosed with autism, leading to increasing state spending on autism services.⁸⁷ For example, in North Carolina, the vast majority of Medicaid spending on research-based health therapy is for ABA, and between the 2022 and 2024 fiscal years, the number of children receiving ABA in the state doubled, to more than 8,700.⁸⁸ Spending on ABA therapy is increasing faster than diagnoses, which indicates that children are getting more hours of service, which raises concerns for state health officials.⁸⁹ This rapid increase in spending has proven difficult for state Medicaid budgets, particularly as they are facing federal funding cuts. A reporter for *Stateline* noted, “State Medicaid agencies are struggling to pay for an intensive therapy for children with autism — and looming federal Medicaid cuts are likely to make the problem worse.”⁹⁰ The One Big Beautiful Bill Act, signed by President Trump in July 2025, includes more than \$900 billion in cuts to federal spending on Medicaid over the next decade.⁹¹

Private equity consolidation of ABA providers may be part of the problem for strained state Medicaid budgets. Batt, Appelbaum, and Nguyen found that some private equity firms used their leverage as a major provider in a state to “extract higher reimbursements under threat of closing down sites in states in which they do not get the rates they prefer.”⁹² These threats may be mostly just that. A news article about

North Carolina providers stated, “In legal filings, state health department leaders described ABA providers’ warnings of imminent staff and service hour cuts as ‘self-serving’ and unlikely.”⁹³

The private equity-owned ABA providers that operate in North Carolina include Action Behavior Centers (35 facilities),⁹⁴ Kind Behavioral Health (18 facilities),⁹⁵ Hopebridge (13 facilities),⁹⁶ ABS Kids (11 facilities),⁹⁷ Autism Learning Partners (8 facilities plus in-home care),⁹⁸ Centria Healthcare (7 facilities),⁹⁹ Lighthouse Autism Center (7 facilities),¹⁰⁰ Already Autism Health (6 facilities plus in-home care),¹⁰¹ Behavioral Innovations (5 facilities),¹⁰² Key Autism Services (5 facilities plus in-home),¹⁰³ LEARN Behavioral (3 facilities),¹⁰⁴ Proud Moments ABA (3 facilities),¹⁰⁵ ACES ABA (2 facilities),¹⁰⁶ Cortica (2 facilities),¹⁰⁷ and ChanceLight (1 facility).¹⁰⁸



How private equity profits from ABA providers

Private equity firms may use reimbursement rates to help determine expansion or acquisition plans. A recently published analysis of private equity-backed autism service companies, including those practicing ABA, overlaid with state insurance generosity scores showed that private equity is more likely to enter states with both a higher level of autism spectrum disorder diagnoses and states with more generous reimbursement rates for autism services.¹⁰⁹

There may be significant money at stake in transactions involving ABA providers. The ABA industry is estimated to be worth at least \$4 billion.¹¹⁰ A 2024 article for the Association for Behavior Analysis International noted that *Forbes* estimated the value of one ABA company sold to Blackstone at \$600 million.¹¹¹ That transaction may be an outlier but is a notable example.

Private equity firms invest to gain returns on investments. Private equity-backed ABA providers may respond to pressure to increase profit by attempting to reduce costs and increase income. One way to reduce costs is to simplify treatment plans.¹¹² ABA is designed to use individualized plans for each patient based on assessments. A 2022 report in *STAT* interviewed several people working in the ABA industry who said that private equity-backed providers used “cookie cutter” plans that were simply “copy-pasted” from one client to another.¹¹³ The *STAT* article described how private equity firms can reduce staffing costs by “providing less training, cutting down on technician

supervision, hiring less experienced people, and not performing rigorous background checks.”¹¹⁴

Private equity-backed ABA providers may also work to increase income by pressuring parents to bring children in for more hours, and by improperly billing. For example, *STAT* noted in 2022: “Many parents described being hounded to bring their kids to more and more therapy,” and parents “described feeling pressured to accept more hours of ABA per week than their kids or their families’ schedules could handle.”¹¹⁵ *STAT* reported, “On a video call in 2021, an aggressively sales-focused clinician with the Center for Autism and Related Disorders outlined an ambitious, 40-hour-per-week treatment plan for her son — before speaking with him. Her son’s psychologist had recommended just 15 hours per week of ABA.”¹¹⁶ Employees have reported being pressured to bill for more hours, feeling like a “billing machine, trying to make as much money for private equity as possible.”¹¹⁷ There have also been reports of employees getting rewards for meeting billing goals and being questioned about any holes in their schedules.¹¹⁸

Several states were already looking into issues with ABA billing by 2022,¹¹⁹ and state audits have only served to further demonstrate the extent of the issues surrounding billing. Some of the billing issues identified in 2022 included double billing and billing for more therapy than could delivered, including one example of 65 hours in one day.¹²⁰

Another set of risks associated with private equity ownership stem from frequent ownership changes, whether the initial sale to a private equity firm or a sale between firms. Changing private equity ownership of ABA service providers could mean changes in caseload expectations, supervision structure, and other things that impact effectiveness and job satisfaction.¹²¹ Given that many behavior analysts are required to sign nondisclosure agreements, it is possible that issues regarding the role of private equity in ABA may be under-reported.¹²²

In an effort to reduce costs, states sometimes reduce reimbursement rates, limit services, or require prior authorization.¹²³ This has led to lawsuits

against the U.S. Department of Health and Human Services and state agencies administering Medicaid to halt cuts to autism services.¹²⁴ Ultimately, in the face of looming cuts to Medicaid and increasing costs, families, patients, and staff are left facing the consequences of companies' focus on profit over patient care. As noted in the Association for Behavior Analysis International article, "Considering the prevalence of concern about the impact of PE on quality across disciplines, the risks associated with PE should not be taken lightly, even if a company has a historically good track record" because private equity firms sell portfolio companies to other firms, which may result in changes in care.¹²⁵



CASE STUDIES OF PRIVATE EQUITY IN ABA



Hopebridge

Hopebridge operates 112 centers across 10 states — Alabama, Arizona, Indiana, Florida, Georgia, Kentucky, North Carolina, Ohio, Oklahoma, and Tennessee — providing ABA and occupational and speech therapy for children with autism.¹²⁶ The company was acquired by private equity firm Arsenal Capital Partners in May 2019 in an all-cash deal.¹²⁷

Fortune reported in 2022 that, “In all, 10 people—a mix of parents, employees, and former employees—in four different states shared accounts with *Fortune* of what they believed to be unethical and sometimes abusive behavior at Hopebridge centers. In all cases, they felt incidents were not properly addressed or investigated and were instead ignored or hidden by the company.”¹²⁸ In 2024, a *Fox* affiliate in Nashville reported two allegations of Hopebridge staff using physical violence against children in their care.¹²⁹

Hopebridge has also been accused of billing issues. The 2022 *Fortune* article explained:

“ABA therapists who worked for Hopebridge in multiple states spoke of pressure to reduce or altogether stop allowing their young clients to have naps, breaks, or any interruption that would result in missing out one of the day’s billing periods, since companies are reimbursed by insurers in 15-minute increments. Zoe’s [a patient’s] schedule allowed for a 15-minute lunch, while one former employee in Kentucky was told to restrict naps to 10 minutes or less. (Some ABA companies, independent and investor-backed, have settled charges with the government for billing during such periods, since such billing is considered fraudulent.)”¹³⁰

In fact, in October 2025, Hopebridge agreed to pay \$25,336.48 to the Office of Inspector General for allegedly violating the Civil Monetary Penalties Law by submitting claims for plans that were not individualized to patients.¹³¹

Hopebridge has left states if the governments decreased reimbursement levels or increased regulation. According to a July 2023 article in *Behavioral Health Business*, Hopebridge planned to end its ABA services in Colorado, citing “the low Medicaid rate and rising operating costs.”¹³² Hopebridge ultimately closed all six of its locations in the state that offered ABA.¹³³

Hopebridge also closed its facilities in Arkansas due to a state law that required providers serving five or more unrelated children for five or more hours per day be licensed as a child care facility.¹³⁴





Center for Autism and Related Disorders

The Center for Autism and Related Disorders (CARD) operates 105 facilities across 11 states and is planning to expand to nine more states soon.¹³⁵ The company offers therapy in centers and in families' homes.¹³⁶ CARD focuses on ABA for children but also offers a teen and adult program for those 13 years old and older.¹³⁷

Private equity firm Blackstone acquired CARD in a leveraged buyout for \$700 million in 2018, the largest leveraged buyout in the history of autism services.¹³⁸ Around that time, the company was experiencing employee turnover at a rate of 24%, though the founder said that rate was standard for the industry.¹³⁹ CARD struggled financially during the pandemic, citing insurance rates that did not keep up with rising costs.¹⁴⁰ Blackstone loaded \$127.5 million in debt onto CARD in 2018, and CARD borrowed \$55 million in 2021.¹⁴¹ Ultimately, the financial problems at the company led to site closures.¹⁴²

Between the Blackstone acquisition in mid-2018 and mid-2023, CARD closed well over 100 clinics.¹⁴³ Under Blackstone, CARD sought higher reimbursement rates from state Medicaid.¹⁴⁴ It targeted expansion in states with higher reimbursement rates and justified its closures by arguing reimbursement rates were too low.¹⁴⁵ CARD filed for bankruptcy in May 2023 with about \$245 million in debt and only \$2 million in cash on hand.¹⁴⁶ Blackstone promised to “expand access to treatment and services for those affected by autism” when it acquired CARD, yet these closures left families who had been relying on the clinics without care.¹⁴⁷ In their 2023 report, Batt and Appelbaum concluded, “Blackstone’s mismanagement of CARD means that not only will healthcare workers and patients and their families suffer, but Blackstone’s own investors will lose, and creditors will get pennies on the dollar. Blackstone’s general partners will walk away unscathed.”¹⁴⁸ In 2023, Pantogran LLC, a group led by the CARD founder, along with Audax Private Equity,¹⁴⁹ won the bid to buy CARD back for \$48.5 million.¹⁵⁰



The Stepping Stones Group

The Stepping Stones Group operates 32 facilities for ABA therapy across California, New Hampshire, Georgia, Massachusetts, and Michigan. The company also offers in-home and in-school ABA, as well as speech, occupational, and physical therapy and telehealth for children across 42 states.¹⁵¹ The Stepping Stones Group has been an active acquirer and has acquired one to six companies each year since 2016.¹⁵²

The Stepping Stones Group was acquired by Leonard Green and Partners in December 2021.¹⁵³ The Stepping Stones Group offers center- and home-based ABA therapy, along with other autism-related services, in five states.¹⁵⁴ Under private equity ownership, in 2024 a class action lawsuit alleged that the company had widespread wage and hour violations, including failure to pay all minimum wages, failure to provide meal periods or pay for missed meals, failure to provide rest periods, and untimely payment of wages.¹⁵⁵ While The Stepping Stones Group denied all wrongdoing, the company agreed to settle for \$4.25 million.¹⁵⁶





**ACTION
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ABA THERAPY FOR AUTISM

Action Behavior Centers

Action Behavior Centers is one of the largest providers of ABA services in the US, with over 400 facilities across six states: Arizona, Colorado, Illinois, Minnesota, North Carolina, and Texas.¹⁵⁷ It provides autism evaluations and center- and in-home-based ABA therapy for children 18 months to 13 years old.¹⁵⁸

The *Wall Street Journal* reported that Action Behavior Centers “billed Colorado’s Medicaid program for some of the most hours per patient of any autism provider, according to the Medicaid data, about 33 hours a week per child.”¹⁵⁹ The investigation found that workers could “get bonuses of up to \$15,000 a year for clocking more hours of ‘treatment delivery,’” and that former employees said that they “felt pressure to consistently recommend treatment plans with high numbers of therapy hours.”¹⁶⁰

Private equity firm NexPhase Capital invested in Action Behavior Centers in 2018. It was later acquired by another private equity firm, Charlesbank Capital Partners, in 2022.¹⁶¹ Action Behavior Centers was valued at \$840 million when it was acquired by Charlesbank Capital Partners, and it had \$60 million in projected annual adjusted earnings. According to PitchBook, Charlesbank Capital Partners saddled Action Behavior Centers with over \$2.5 billion in debt in dividend recapitalization loans.¹⁶² Dividend recapitalizations are transactions by which private equity firms add debt to their portfolio companies’ balance sheets in order to collect dividends for themselves.¹⁶³ Aggressive dividend recapitalization strategies may leave portfolio companies susceptible to market conditions that could force a restructuring or drive them into bankruptcy.¹⁶⁴





Invo HealthCare

Invo HealthCare provides school-based ABA as well as staffing and mental health services for schools.¹⁶⁵ The company has had several private equity owners, starting with Post Capital Partners in 2013, followed by The Wicks Group of Companies in 2016.¹⁶⁶ In 2017 the company received development capital from The Jordan Company, and in 2019 Invo healthcare was acquired by Golden Gate Capital and Ares Capital in a leveraged buyout.¹⁶⁷ Notably, in late January 2026, the company was acquired by Leonard Green & Partners-owned Stepping Stones Group (above).¹⁶⁸

While owned by Golden Gate Capital and Ares Capital, Invo HealthCare announced that it would close its in-home and in-office ABA care affiliates and would focus instead on school-based services.¹⁶⁹ The closures affected over 23 sites and at least 983 employees.¹⁷⁰



Conclusion

When private equity firms apply a standard debt-driven and profit-focused playbook to ABA providers, patient care can suffer. Understaffing or inadequately staffing facilities and frequent staff turnover can be difficult for patients. Copied treatment plans undermine the original goal of highly individualized therapy plans in ABA. Pressuring parents to bring children in for more hours may not ultimately serve the patients.

Audits of Medicaid ABA bills have uncovered widespread billing and compliance issues, ranging from

incomplete recordkeeping to billing for 65 hours of therapy in one day and millions of dollars of overpayments to providers.

Case studies of private equity-backed ABA providers demonstrate allegations of treating patients inappropriately, issues with staff pay, and shutting down operations and leaving staff without work and patients without care. Families, patients, workers, and Medicaid and state budgets suffer while the private equity owners are protected from risk.

Recommendations

In the context of real growing demand for autism treatment while the federal government cuts Medicaid budgets, policymakers may be interested in finding ways to ensure that money spent on ABA is benefiting patients and families, not enriching private equity owners or their investors.

ABA services are currently regulated through professional licensure for individual providers, Medicaid billing rules, and facility oversight. As of the end of 2025, 40 states require professional licensure for individual providers.¹⁷¹ We see an important gap in regulation at the facility level. A few states have presented — or are developing — models of how to approach this, including Minnesota, Massachusetts, and Indiana. Minnesota is a particularly notable example. The state has moved toward direct facility licensure, requiring that providers that contract with the state healthcare program for people under age 21 with autism spectrum disorder must have a provisional license, which grants inspection authority,

ownership disclosure, and ties Medicaid participation to licensure status.¹⁷²

In April 2024 Centers for Medicare & Medicaid Services implemented a final rule that, among other things, “Requires that, in six years, states generally ensure a minimum of 80% of Medicaid payments for homemaker, home health aide, and personal care services be spent on compensation for direct care workers furnishing these services, as opposed to administrative overhead or profit, subject to certain flexibilities and exceptions.”¹⁷³ Adopting a similar rule for ABA providers may help address company owners excessively profiting, and may also support adequate compensation for the skilled workers who provide direct care.

The audits from both states and the federal government have been illuminating in providing data about billing issues and inadequate care provided. We suggest that more states conduct audits of ABA providers to establish a baseline of spending on ABA services and to assess billing practices.

Appendix: Private equity-backed ABA providers

The following is a table of the largest private equity-backed ABA providers based on the number of facilities each operates from January 2018 to January 2026. This data comes from PitchBook and LevinPro and mainly includes information about center-based ABA services. Location information came from each company's website and includes locations that are listed as open or opening soon. Staff numbers come from PitchBook. This dataset is likely an undercount of providers, locations, and staff.

ABA company	Number of facilities	Number of employees	States the company practices in	Other brands, if relevant	Current investors/ owners
360 Behavioral Health	30	1267	CA	Passport to Adaptive Living	DW Healthcare Partners
ABS Kids	87	1922	CA, NC, SC, TN, UT		Altos Health, Morgan Stanley Expansion Capital, Petra Capital Partners
ACES ABA	59	2407	AZ, CA, CO, HI, NC, OK, TX, WA		General Atlantic
Acorn Health	70	1500	IL, FL, MD, MI, PA, TN, VA	Concord Foundations Network	Ontario Teachers' Pension Plan
Action Behavior Centers	403	3005	AZ, CO, IL, MN, NC, TX		Charlesbank Capital Partners, Antares Capital
Alora Behavioral Health	In home	96	AZ, CA, CO	Formerly known as Howard Chudler & Associates	Enhanced Healthcare Partners, Riverside Credit Solutions
Already Autism Health	33	450	GA, IL, IN, KY, NC, SC, VA		ACE & Company, Triton Pacific Capital Partners
Autism Care Partners	23	183	VT, NH, RI, NY, MA	Puddingstone Place, Autism Bridges	Coppermine Capital
Autism Learning Partners	64	1909	CA, CO, CT, FL, GA, MD, MA, NJ, NM, NY, NC, OH, OR, RI, VA		FFL Partners
Behavior Frontiers	28	2100	CA, GA, MA, MI, MN, MO, PA, TX, VA, WA		NexPhase Capital, Churchill Asset Management
Behavioral Innovations	127	601	TX, CO, MD, OK, VA, NC		Tenex Capital Management, Yukon Partners

ABA company	Number of facilities	Number of employees	States the company practices in	Other brands, if relevant	Current investors/ owners
BlueSprig Pediatrics	155	1596	AZ, AR, CA, CO, FLGA, KS, KY, MI, MO, OH, OK, OR, SC, TN, TX	Florida Autism Center, Trumpet Behavioral Health, Therapeutic Pathways, The Behavior Center, Lone Star ABA, Social Skills Playhouse, The Shape of Behavior, Thrive, Verbal Behavior Consulting, Tangible Differences Learning Center, West Texas Autism Center	KKR
Center for Autism & Related Disorders	105	1874	AZ, CA, CO, IL, KY, LA, ME, NY, TX, VA, WA (planning to expand to OR, IO, MA, MO, ND, NE, OH, SD, TN)		Pantogran (not private equity), Audax Private Equity
Center for Social Dynamics	22	1500	CA, GA, HI, OR, WA	Behavior Change Institute, JF Behavioral Services, Ed Support Services, Rocky Mountain Applied Behavior Analysts, South Sound Behavior Therapy, Behavior & Development Center	CD Private Equity, Goldman Sachs Asset Management, NMS Capital
Centria Healthcare	64	2721	AZ, IN, MI, OR, MD, NM, TX, GA, NC, VA	Applied Behavioral Associates	Michigan Economic Development, Thomas H. Lee Partners
ChanceLight	97	1124	AL, AZ, AR, CA, CO, FL, GA, IL, IN, LA, MS, MO, NE, NH, NJ, NC, OH, TN, TX, VT, WA	Ombudsman Educational Services, Spectrum Center, Atlantis Academy, Inspire	The Halifax Group
Cortica	25	2000	CA, IL, MA, NJ, CT, TX, AZ, NC	Springtide Child Development, Melmed Center	Morgan Health, Nexus NeuroTech Ventures, RARE Management, CVS Health Ventures, Deerfield Management, Echo Health Ventures, LRVHealth, RA Capital Management, AIF, 406 Ventures, Longitude Capital, Ajax Health, Aperture Venture Partners, Questa Capital

ABA company	Number of facilities	Number of employees	States the company practices in	Other brands, if relevant	Current investors/ owners
Cultivate Behavioral Health & Education	65	4600	CT, CO, FL, GA, IL, KS, MO, OK, TN, TX, WI		Imperial Capital Group
FullBloom	In school	2080		Catapult Learning	Vistria Group
Helping Hands Family	52	604	PA, NJ, MD, VA, CT, NY	Mission Autism Clinics	Zenyth Partners
Hopebridge	112	2880	AL, AZ, IN, FL, GA, KY, NC, OH, OK, TN	Autism in Motion	Arsenal Capital Partners
InBloom Autism Services	27	900	AZ, CO, CT, FL, MA, TX, WI		Elysium Management
Ivy Rehab Network	36	3262	MI, VA, OH, IL	Coastal Behavior Consulting, Ivy Rehab for Kids, ABC Pediatric Therapy Network, Coastline Therapy Group, Little Steps Pediatric Therapy	ACE & Company, Waud Capital Partners
Key Autism Services	22	432	AL, CO, GA, IL, MA, MO, NE, NC, TN, TX		Cane Investment Partners, SierraStone Capital
Kind Behavioral Health	20	284	GA, NC		Highland Creek Partners, Pacific Lake, Trilogy Search partners, WSC & Partners
Kyo	26	995	AZ, CA, CO, FL, GA, OR, SC, TN, TX, UT, WA	Gateway Learning Group, Songbird	Norwest
LEARN Behavioral	133	458	IL, IN, NM, MA, MI, LA, AZ, NV, CA, NC, VA, MD, OR, NH, WI	Autism Spectrum Therapies, BACA, BCI, Priorities ABA, SPARKS, Tandem, Total Spectrum, Trellis Services, WEAP, Creative Learning Center	Gryphon Investors, PineBridge Investments
Lighthouse Autism Center	50	166	IL, IA, IN, MI, NE, NC	A Step Ahead Pediatric Therapy, Access Behavior Analysis	Barings, Cerberus Capital Management
New Story	59	319	NY, OH, PA, CT, VA, NJ	River Rock Academy, Applied Behavioral Services	Audax Private Equity
Proud Moments ABA	98	1558	FL, GA, MD, MI, MS, NV, NJ, NM, NY, NC, TN, VA		Nautic Partners

ABA company	Number of facilities	Number of employees	States the company practices in	Other brands, if relevant	Current investors/ owners
Sevita	34	40000	AR, FL, MA, MD, MI, MN, MO, CA, IL, UT, FL	BrightSpring Health Services, Futures Behavioral Therapy Center, Pediatric Therapy Partners	Aeterna Capital Partners, Centerbridge Partners, Equity Investment Group, Duchossois Capital Management, Finback Investment Partners
The Stepping Stones Group	32	11000	CA, NH, GA, MA, MI	Invo HealthCare, Cobb Pediatric Therapy Services, New England ABA, STAR of CA, EBS HealthCare, Southcoast Autism Center, Best Life Therapy, Little Johnny, Kinetic Pediatric Therapy, Bluebird ABA, Southern Kentucky Speech Therapy, Pediatric Therapy Services of Little Rock, Busy Bee Therapy Services, Integrative Therapy, By Word of Mouth, Karis Rehab, Constellations Behavioral Services, TheraKids Comprehensive Therapy Services, MMC Educational Consulting & Staffing, Integrated Speech Therapy, Best Life Therapy, CSLP Catalyst Speech, Malama Speech Therapy, HM Therapy, C.B.E.S.T., Ed Sped Solutions, Building Blocks, Futures Health, Behavioral Learning Center, Ardor School Solutions, Speech Rehab Services, Staff Rehab, Staffing Options and Solutions, AlphaVista, MyTherapyCompany, Cumberland Therapy Services	Leonard Green & Partners, Crescent Capital Group, Five Arrows Managers
The TreeTop ABA	114	148	AZ, CO, GA, MD, NV, NM, NC, OK, TX, UT, VA	Discovery ABA	Betterment Capital
VersiCare Group	58		FL, MI, KY, TN		Seven Hills Capital, Tenth Street Capital

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