



Mike Braun, Governor
State of Indiana

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FSSA Announces ABA Working Group Recommendations to Protect Access, Improve Quality and Ensure Sustainability of Autism Therapy

INDIANAPOLIS – Indiana Family and Social Services Administration (FSSA) Secretary Mitch Roob today announced the recommendations of the Applied Behavior Analysis (ABA) Working Group, convened earlier this year to address the rapid growth and sustainability challenges of Medicaid-funded ABA therapy.

ABA therapy is a widely used, evidence-based treatment for children with autism spectrum disorder (ASD). For many Hoosier families, it has been life-changing—helping children develop essential skills, reduce barriers and increase independence. But while the therapy’s value is clear, the way Indiana’s Medicaid program has managed it since coverage began in 2015 has created serious challenges.

“When Medicaid coverage for ABA therapy began in Indiana, the program was small and costs were manageable,” said Deputy Secretary Eric Miller. “But with little oversight, spending skyrocketed to unsustainable levels. These recommendations protect access, improve quality, and ensure the program is sustainable for the long term.”

Background: How We Got Here

- **2015–2017:** Indiana began covering ABA therapy under Medicaid. With costs around \$17 million annually, the lack of oversight was not seen as urgent. Providers were reimbursed based on a percentage of their reported costs.
- **2017–2023:** As autism diagnoses increased and ABA therapy expanded, costs ballooned to \$611 million by 2023—an almost 3,000% increase in six years.



Managed Care Entities raised alarms, but the program had already grown to an unmanageable size.

- **Prior Administration:** In response, standardized rates were introduced in January 2024, but costs continued to rise as utilization increased. A State Plan Amendment (SPA) was then proposed to cap ABA therapy at three years, which would have removed half of children from services by April 2025, because the 3-year therapy limitation on services was to be applied retroactively. Schools were expected to absorb these children but had not been consulted and were unprepared.
- **Governor Braun's Approach:** Upon taking office, Governor Braun rejected this approach, stating Indiana would not retroactively apply ABA therapy limitations to allow for appropriate transitions for children and their families. Instead, through Executive Order, he directed FSSA, in collaboration with the Department of Education, to form the ABA Working Group to evaluate and develop cost containment strategies that minimize the negative impact felt by ABA enrollees and their families.

The Working Group's Process

The ABA Working Group, led by FSSA Deputy Secretary Eric Miller and Indiana 211 Director Tara Morse. The group included Shelbyville Representative Robb Greene and other state leaders, clinicians, educators, parents, providers, and advocacy organizations. From May through September 2025, the group:

- Held **four public listening sessions** across the state and one statewide virtual session, hearing from nearly 60 Hoosiers.
- Received **over 170 written submissions** from families, providers and advocates.
- Reviewed **statewide utilization and cost data**, national benchmarks and best practices from other states.
- Conducted a **comprehensive review** of quality, eligibility, utilization, reimbursement, provider oversight and transitions.

Key Findings

- **Unsustainable growth:** Without reform, Medicaid spending on ABA therapy was projected to reach \$825 million by 2029.
- **Quality concerns:** A federal audit found \$56.5 million in improper payments and systemic documentation failures.

- **Provider distribution:** Services are concentrated in urban areas, leaving rural counties underserved.
- **Lack of oversight:** No dedicated program office, weak supervision standards and no accreditation requirements.

Recommendations

The Working Group issued **five interdependent recommendations** to protect access, improve quality and ensure sustainability:

1. Align ABA utilization with clinical evidence

- Implement flexible service allocations (up to 4,000 hours of comprehensive ABA per child, followed by targeted ABA therapy).
- Require caregiver involvement to reinforce ABA strategies across daily routines.
- Tie the benefit explicitly to EPSDT (federal Medicaid standard for children).

2. Ensure high-quality care and optimal outcomes

- Establish BCBA-to-RBT supervision ratios.
- Require accreditation of ABA therapy centers.
- Implement a temporary moratorium on new sites, while incentivizing providers to expand in underserved areas.

3. Establish sustainable rates

- Adjust reimbursement rates for individual ABA therapy as deemed necessary to stay within the agency's appropriated budget.
- Create rate modifiers to encourage group therapy where clinically appropriate.
- Explore future quality incentive payments to reward measurable outcomes.

4. Strengthen program management and oversight

- Create a dedicated ABA program office within FSSA.
- Improve transition planning.

- Enforce accountability for providers by enhancing auditing, documentation and compliance monitoring.

5. Support a sustainable ecosystem for ABA

- Ensure commercial insurers reimburse ABA therapy above Medicaid rates.
- Strengthen collaboration with schools to support smoother transitions and coordinated care.
- Enhance state's third-party liability (TPL) tracking methods to bill additional costs of ABA therapy to commercial insurers

Next Steps

The recommendations will move into the implementation phase, with FSSA working closely with providers, families, schools and insurers to ensure a smooth transition.

“This is Indiana choosing thoughtful reform over arbitrary cuts,” said Secretary Mitch Roob.

“We are protecting children and preserving access to ABA therapy for the children and families who depend on it.”

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