

May 2026

ABA Costs and Oversight Trends

What's happening

States are experiencing sustained growth in Applied Behavior Analysis (ABA) services, with some Medicaid programs reporting per-member-per-month cost increases exceeding 50% in the past year.

This growth reflects expanded access to services, increased diagnosis rates, and the widespread use of intensive treatment models — all of which are contributing to rising program costs.

What's driving the trend

ABA services are inherently resource-intensive, and several factors are contributing to cost growth:

- **High service intensity:** Treatment often requires 20–40 hours per week, particularly in early intervention
- **Workforce structure:** The need for qualified Board-Certified Behavior Analysts (BCBAs) and supervised staff to deliver high quality service increases overall cost
- **Supervision requirements:** Ongoing oversight and program management add to service costs
- **Geographic variation:** Provider availability and regional labor costs influence pricing and access

Why this is getting attention now

Recent federal and state reviews have identified **elevated risk** areas within ABA programs, including improper payment rates in the range of 15%–25% in some cases.

Common findings include:

- Incomplete or missing clinical documentation
- Lack of individualized treatment planning
- Questions related to medical necessity and service intensity
- Services delivered without appropriate supervision or qualifications

At the same time, continued cost growth is prompting states to re-evaluate how ABA services are structured, monitored, and reimbursed.

What states are doing

States are taking a range of actions to address both **cost growth and program integrity**:

- Strengthening prior authorization and utilization management processes
- Refining fee schedules and reimbursement approaches
- Expanding workforce capacity through training and telehealth
- Enhancing quality monitoring and clinical oversight
- Standardizing documentation and billing requirements
- Exploring alternative service delivery and payment models

What this means for state programs

ABA utilization trends are increasingly viewed as an indicator of broader system performance — including access to care, coordination across providers, and alignment of incentives.

As programs grow, states are balancing:

- Maintaining access to medically necessary services
- Ensuring appropriate utilization and documentation
- Managing long-term cost sustainability

Key considerations

As ABA programs continue to evolve, states may consider:

- Are services consistently aligned with clinical needs and expected outcomes?
- Do current models support both access and sustainability?
- Are oversight and monitoring approaches keeping pace with program growth?
- How are payment and delivery models influencing utilization patterns?

Where this is headed

ABA will remain a critical service for individuals with autism, but states are increasingly focused on strengthening program integrity, improving clinical oversight, and aligning reimbursement with outcomes.

Understanding cost drivers, utilization patterns, and emerging risks will be essential to supporting sustainable program design.

For More Information

To discuss the potential impact on your state Medicaid program, please contact Kathy Nichols (kathy.nichols@mercer.com) or your Mercer consultant.

You may also email us at: mercer.government@mercer.com.

Caveats and Limitations

Mercer is not engaged in the practice of law, or in providing advice on taxation matters. This report, which may include commentary on legal or taxation issues or regulations, does not constitute and is not a substitute for legal or taxation advice. Mercer recommends that readers secure the advice of competent legal and taxation counsel with respect to any legal or taxation matters related to this document or otherwise.

For more information on our insights and services, visit our website: <https://www.mercer.com/gov>