

Short Naps, Long Hours: How Autism Clinics Squeeze Medicaid Dollars Out of Preschoolers

The industry has grown rapidly, straining state budgets. A focus on finances has led to overbilling, fraud and even harm.

Listen · 21:01 min



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The reporters obtained unpublished Medicaid spending data, reviewed court filings, interviewed current and former workers, and observed autism therapy firsthand.

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On a sunny Wednesday morning last month, dozens of preschoolers filed into a Compleat Kidz autism clinic in Concord, N.C. One wore light-up sneakers. Another had a Spider-Man lunchbox. They settled into tiny green cubicles, each accompanied by a staff member, and started their work.

A decade ago, this Charlotte suburb had no clinics providing therapy to children with autism. Now it has 12. Inside this one, children buzzed with activity as they worked long sessions with therapists. One 6-year-old girl, exhausted after hours of therapy, fell fast asleep in her therapist's lap.

Soon, a supervisor, Stephen Schroeder, intervened.

“How long?” Mr. Schroeder asked Courtney Evans, the therapist.

“I set the timer for 7. We’re almost done,” Ms. Evans said. A couple of minutes later, she nudged the child awake. The girl cried.

At Compleat Kidz, a fast-growing chain of autism clinics based in North Carolina, the policy is firm: Naps cannot be longer than seven minutes before children are awakened to resume therapy. The company says this is necessary to prevent fraud since clinics can be paid only when children are awake and getting services. But it also allows the clinic to bill insurers or Medicaid for more hours.

Across the United States, where treatment for autistic children was once fairly rare, thousands of clinics have sprung up, turning a once obscure therapy into a multibillion-dollar industry. The growth has been fueled by rising autism diagnoses, state insurance mandates and a federal requirement that Medicaid cover the therapy. Private equity investors have rushed into the business, buying up chains and opening new clinics.



A Compleat Kidz clinic in Concord, N.C., last month. It is one of 12 nearby clinics providing therapy to children with autism, four of them within a five-minute drive of this one.

A New York Times investigation has found that this rapid expansion has played out with little regulatory oversight and brought allegations of children being harmed by profit-motivated practices. In interviews, dozens of current and former clinic workers described how clinics frequently overprescribe hours — even recommending that some families remove children from school so they can receive more therapy.

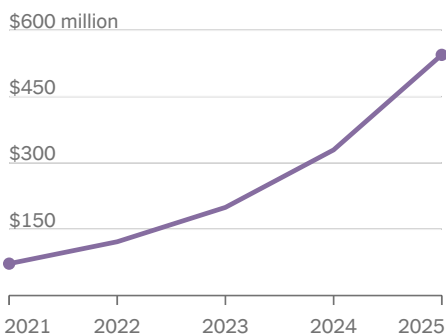
Marquisha Richards worked at two private-equity-backed chains in Texas. She said she became disillusioned about how financial considerations repeatedly drove care decisions. “The science is beautiful, but the industry is very ugly,” she said.

Nationwide, Medicaid spending on autism therapy nearly tripled between 2020 and 2024. In some states it grew much faster: Colorado Medicaid now spends more on autism therapy than on all emergency department visits. North Carolina, which spent \$121 million in 2022, projects it will spend over \$1 billion next year.

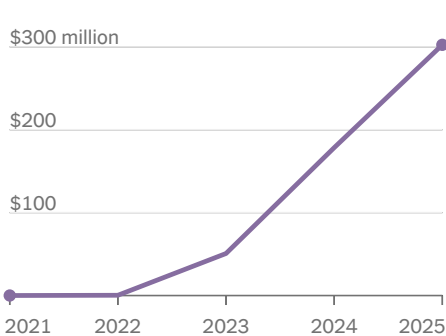
Autism therapy spending is surging in many states

Annual Medicaid spending on autism therapy has risen quickly, putting pressure on state budgets.

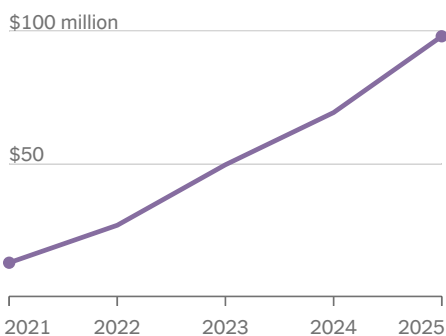
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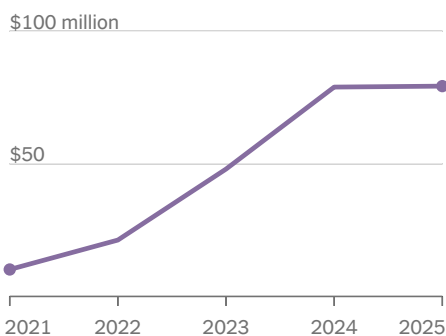
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Notes: Data includes both federal and state Medicaid spending on top autism therapy billing codes in each state. Sources: Medicaid spending data obtained by The New York Times. By The New York Times

Like many clinics, Compleat Kidz has adroitly ridden the funding wave. More than 80 percent of its patients are covered by Medicaid, and the chain has collected about \$130 million from the public insurance plan since 2019. The company runs 25 clinics now, with a focus on poor and rural areas of the state. Last summer, a private equity firm invested in the company.

Compleat Kidz says that it does not overprescribe care, and that its average patient attends 18 hours of therapy a week. Thirty percent graduate each year, which the company describes as a sign children have mastered new skills under its care.

But The Times spoke to 14 former Compleat Kidz employees, ranging from top executives to those working directly with patients, who said they left the company out of concern that its focus on profit was harming children. Their experiences echo concerns from 15 workers at other chains across the country whom The Times interviewed.

Compleat Kidz employs in-house psychologists to diagnose children, creating a pipeline of new patients. Some ethics experts view this as a conflict of interest, and North Carolina plans to outlaw the practice later this year. Bonuses for salespeople are partly based on the number of hours the children they recruit attend.

“The motivation to have these kids there was financial,” said Patrick Winham, a regional vice president whose contract was terminated in 2024. “They wanted to fit in as many kids in a day as they could.”

A girl napped briefly in the arms of Courtney Evans, a therapist; therapy in one of the cubicles.

Two other former executives, who requested anonymity because they have nondisclosure agreements, said they too were concerned about the overemphasis on revenue.

Meredith Menninger, a Compleat Kidz spokeswoman, said all of its policies were “patient-centric” and “grounded in peer-reviewed research.” She disputed the notion that the company acted in ways that put earnings ahead of children.

She said Mr. Winham’s characterization was not credible, saying that he sought to rejoin the company last year.

Autism clinics operate with little state oversight. Unlike day care facilities, they are not subject to regular inspections despite young children spending long hours there.

A dozen instances of child abuse at Compleat Kidz facilities have been reported to the police since 2023, according to records The Times reviewed. At least two resulted in criminal charges against employees, and a third is the subject of a lawsuit a parent filed against Compleat Kidz.

North Carolina Medicaid opened an investigation into the chain after The Times shared its findings.

The program is “ready to take swift and appropriate action,” said Melanie Bush, North Carolina Medicaid’s director. That could include “suspension of Medicaid payments or termination from the program, if warranted.”

The company has fully cooperated with the police when its employees have faced allegations of child abuse, Ms. Menninger said, adding that it will do the same with the new state inquiry.

“We have nothing to hide and will cooperate fully,” she said.

Little data exists on child abuse at autism clinics. Seven instances were reported to the police across Charlotte’s 80 clinics since 2023, three at Compleat Kidz, according to records provided by the Charlotte-Mecklenburg Police Department.



Two employees work with children at the Compleat Kidz clinic in Concord, N.C. The company has rapidly expanded since 2019.

Opportunities to Profit

Today's multibillion-dollar autism therapy industry grew out of a 1980s study involving 38 preschool children.

It found that children who spent two years in 40 weekly hours of one-on-one therapy, called applied behavior analysis, or A.B.A., had better behaviors than those treated for 10 hours. The focus of the therapy was providing small rewards when children acted correctly and negative consequences when they did not.

The study was small and children were not randomly assigned into therapy, meaning other factors might explain the difference. It used consequences that would not be considered acceptable today, such as slapping a child on the thigh for bad behavior.

Even so, it was heralded as a breakthrough: It suggested that, with intensive therapy, children with autism could behave differently.

Autism diagnoses have increased since that study, rising to about 3 percent of children under 8, or millions of children. Those children often struggle with communication and social skills, and some are unable to speak.

Modern A.B.A. treatment typically relies on rewarding good behavior rather than punishing unwanted actions. The rewards can include a high-five, a play break or a few minutes of screen time.

Recent studies of A.B.A. therapy have mixed findings. One major evidence review in 2018 found “weak evidence” that it reduces autism symptoms. Countries have split on whether the service is worth paying for. Some Canadian provinces cover the therapy. Britain does not.



Today’s applied behavior analysis therapy industry grew out of a 1980s study of 38 preschool children, which found that children who spent two years in 40 hours of weekly, one-on-one therapy had better behaviors than those treated for 10 hours each week.

On the April morning in Concord, Times reporters watched Compleat Kidz patients receive therapy. A 5-year-old girl with purple glasses practiced writing letters, getting high-fives and Cheetos as her rewards. Therapists successfully soothed a 3-year-old boy in a dinosaur shirt, who threw a tantrum because he did

not want to use the bathroom.

Some parents describe the therapy as transformative.

“Before, he used to growl or groan when he was frustrated,” Kayla Belton said of her 4-year-old son, who attends therapy with Compleat Kidz. “Now he can verbalize when he’s upset. We’ve seen improvement in his communication and behavior in just a few months.”

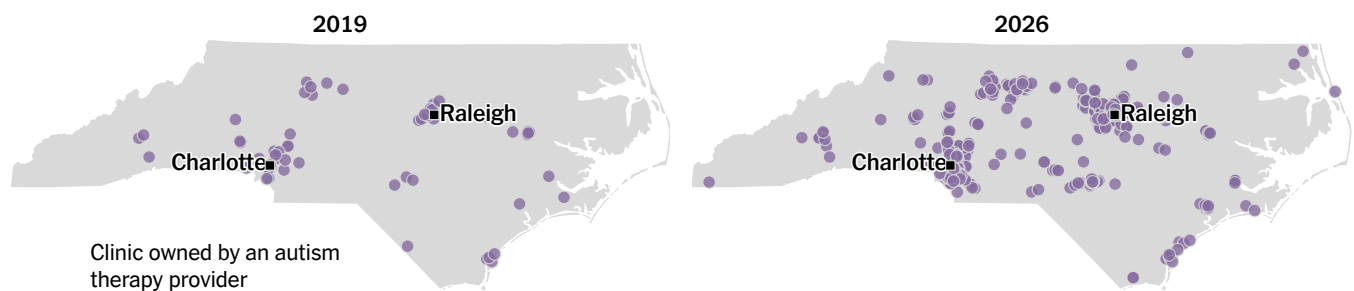
Tijuana Blackwell, the mother of the 6-year-old who was roused from a nap, said her daughter’s therapy was a “game changer.”

Autism treatment did not become big business until the mid-2010s, after state laws began requiring insurers to cover it. Medicaid soon followed, and the industry boomed.

In North Carolina, the number of clinics owned by autism therapy providers grew from 61 in 2019 to 409 in 2026, according to data compiled by Daniel Arnold, a health economist at Brown University.

Far more autism clinics in North Carolina since 2019

The number of clinics offering applied behavior analysis grew from 61 in 2019 to 409 in 2026.



Note: Maps show all outpatient clinics that billed Medicaid for A.B.A. therapy and may include locations that provide other services. Source: Analysis by Daniel Arnold at Brown University of data from the Centers for Medicare and Medicaid Services and North Carolina Department of Health and Human Services. By The New York Times

The clinics are enticing to health care investors: Demand is high and payment rates far exceed labor costs.

Medicaid often pays about \$70 per hour (\$83 in North Carolina) for therapy largely provided by workers with high school diplomas who earn around \$20.

Private equity firms have acquired at least 500 clinics over the past decade. “There’s just huge opportunities to grow these businesses and help increase access to care,” said Jon Krieger, a managing partner at Calex, a financial firm that assists with autism clinic mergers and acquisitions. He estimates the market could grow to \$90 billion.

The facilities have a double appeal for many parents: Along with promising better behavior, they can amount to free child care because Medicaid pays all the costs.

Adi Khindaria, the chief executive of Compleat Kidz, said scale is crucial to making the clinics successful and able to help more children.

“I personally believe in the fact that, you know, profit is like oxygen,” he said. “Without oxygen, you can’t live. But the purpose of living is not breathing oxygen, right? The purpose of living is to do something useful.”

40 Hours a Week



Kim Lambert with her son, Rhett, who attended multiple A.B.A. clinics. He is now in school, in fourth grade at age 11.



Kim Lambert enrolled her son, Rhett, in 30 hours of weekly therapy after a preschool kicked him out. She kept him out of school for five years at the advice of multiple clinics (none owned by Compleat Kidz) in rural North Carolina.

After several negative experiences, including one where, she said, a worker hit Rhett after he broke a toy, she decided to try public school last fall, enrolling him in fourth grade at age 11. She said he has adjusted easily. But he was placed two years below grade level because of his academic deficit.

“We were sold this story, if you bring him to us all the time it’s going to be fine,” Ms. Lambert said. She credits Rhett’s progress to an in-home therapist who she said made larger gains in fewer hours each week.

Advising families not to send their children to school is one common practice that current and former workers at clinics across the country described as increasing profits at children’s expense.

Another is telling families they will not enroll their children unless they agree to 25, 30 or sometimes 40 hours of therapy a week.

Emily Jiminez, who worked in executive positions at private-equity owned clinics in Texas and Arkansas, said prescription of therapy was often based on children’s availability rather than their needs.

“It was more like, this kid is 3 years old, they have the time to be here 40 hours,” said Ms. Jiminez, who now works at a small autism therapy business in North Carolina. “Let’s just prescribe them that.”

Nationally, clinic visits have grown longer since private equity entered the business, from a median of four hours in 2019 to 5.5 hours in 2024, according to an analysis of 34 million Medicaid claims by the health data firm Trilliant.

Visits eight hours or longer have become more common, rising from 9 percent of appointments in 2019 to 16 percent in 2024.

Nationally, clinic visits have grown longer since private equity entered the business, from a median of four hours in 2019 to 5.5 hours in 2024, according to an analysis of 34 million Medicaid claims.

Four former therapists from Action Behavior Centers, a national chain of more than 300 clinics, described having extra hours tacked onto their patient treatment plans without justification.

Charna Mintz, the company's chief clinical officer, said hours could be added only if "a clinical leader with more experience recommends a change" and the therapist agrees.

Turnover is high across the industry among the behavioral technicians who work one on one with the children. The work is challenging and the pay is similar to working in retail or fast food.

A few weeks after Shana Bridges started a job as a behavioral technician at Compleat Kidz last June, she said, a 7-year-old boy flew into a rage that nobody seemed to know how to handle. "He was knocking over bookshelves, throwing toys, attempting to hit," said Ms. Bridges, who left the job after three months. "The other kids are in the corner, hiding."

Ms. Bridges and three other technicians said they were given too few tasks to fill the hours. They repeated activities that children had already mastered. The job often felt like babysitting.

Ms. Menninger said these workers "may not have understood the clinical rationale behind the programming."





Shana Bridges, whose experience caused her to leave the job after three months; new hires training in a room in the back of a Compleat Kidz facility.

Less Oversight Than Day Care

Two years ago, Zach Wallace had his 3-year-old evaluated for autism at a Compleat Kidz clinic, after the boy's day care teachers said he was slow to talk and preferred playing alone.

Compleat Kidz diagnosed him with autism, and enrolled him in 25 hours of weekly therapy. A year into treatment, his mother noticed a red mark on his genitals while giving him a bath.

The boy began to cry and said his therapist had told him to "keep it a secret," both parents recalled.

"We don't keep secrets from Mommy and Daddy," they said they told him. The boy then said his therapist had been touching him in the bathroom.

The parents told the police, according to a police report. They said they did not pursue charges because their son was uncomfortable talking to the police, who closed the case as "unfounded."

Ms. Menninger said the clinic reviewed video footage from that day and "found no evidence to substantiate the allegations."

Six months later, the parents had their son re-evaluated for developmental delays through their school district. The new round of testing found that he did not have autism, they said. He now attends a regular preschool, and his parents describe him as a normally developing child.

North Carolina inspects day cares annually, posts the results and rates the facilities on a five-star scale. There is no such system for autism clinics.

Compleat Kidz has allowed behavior technicians to begin treating children before finishing background checks, according to three former managers and two former technicians. Several workers were fired after the background check discovered a problem, they said.

Ms. Menninger disputed this account, saying that background checks are always completed before therapists "work directly with children."

The Concord, N.C., Compleat Kidz clinic.

The Times uncovered 12 reports of child abuse at Compleat Kidz clinics since 2023 by filing records requests with police departments.

Ms. Menninger said only one of the employees involved still works there, after the police found their charges to be “unfounded.”

One 4-year-old girl came out of a clinic in Charlotte with what appeared to be a circular bite mark on her arm last June, according to court records. “Teacher bit me,” the girl told her mother. The worker initially blamed another child for the bite but, after police investigators reviewed video footage, pleaded guilty to assaulting a child.

In January, a Compleat Kidz worker in Winston-Salem was charged with child abuse after he allegedly broke the arm of a 6-year-old boy he was treating. He is awaiting trial.

“We do not tolerate misconduct toward children,” Ms. Menninger said, “and our response in each instance was immediate termination and full cooperation with authorities.”

Former employees described additional incidents they witnessed. Suhaely Arroyo-Esquivel, a former vice president, recalled seeing children restrained in inappropriate ways. In one instance, a child was pinned to the wall with a table. In another, a boy’s shirt was put on backward with the sleeves tied behind him to restrain his arms.

Those restraints, Ms. Menninger said, “do not reflect Compleat Kidz’s approved protocols or policies.” She noted that Ms. Arroyo-Esquivel applied for a new job at the company last year.

Allegations of child abuse have occurred at A.B.A. clinics elsewhere. In 2024, parents sued a Texas clinic after reviewing video footage they say shows their 7-year-old son being thrown against a wall. This February, a Florida technician was caught on tape hitting a 5-year-old with a shoe. Both children were

nonverbal.

‘A Freshly Stocked Pond’

Construction of a new Compleat Kidz clinic in Henderson, N.C.

Last October, North Carolina’s Medicaid program tried to rein in its A.B.A. spending. By December, it had failed.

The state proposed cutting payments to clinics by 10 percent, part of a larger set of reductions to offset a state budget crunch.

Twenty-one families sued, arguing that the large cut was discriminatory, and a judge ruled in their favor, blocking the change.

“Children who have been diagnosed with autism have every right to access the tools they need,” said Michael Easley, who represented the families.

Federal law requires Medicaid to cover care for children with certain medical conditions, including autism, which limits how states can change coverage. The politics of autism care can work against legislators, too. Parents will often fight fiercely against reductions.

“No one wants to be that man or that woman who says, ‘No, don’t help kids with autism,’” said Brian Hardin, the Republican chairman of the Nebraska Senate health committee, who is also the parent of a child with autism.

Last year, Nebraska succeeded in reducing the state’s \$144 hourly Medicaid payment rate, then the country’s highest. It still pays higher than the national average.

Recent federal audits have found that clinics in four states routinely billed Medicaid for nontherapeutic activities like lunch time and trips to the playground. Audits of additional programs are ongoing, several state officials said.

The high payment rates and limited oversight may also contribute to more overt types of fraud. On Thursday, prosecutors charged two Minnesota autism clinic operators with fraudulently billing the government \$46.6 million for services never delivered or given to children with fake diagnoses.

The Trump administration has identified autism therapy as a “high-priority focus” and sent letters to five states raising concerns about fraud. But Medicaid has not enacted any new policies.

North Carolina’s legislature recently tried another strategy, passing strict restrictions on hourly treatment last month. Jim Burgin, the Republican chairman of the Senate Health Care Committee, expects another lawsuit, but felt the state had to act.

“They have found a freshly stocked pond, and they are just fishing it out,” he said about the clinics. “It’s become the most expensive child care in North Carolina.”

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