CLIENT ALERTS & INSIGHTS

OIG Finds Significant Improper Medicaid Payments for ABA Services in Wisconsin and Indiana, Signaling Greater Enforcement Efforts for ABA on the Horizon

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The U.S. Department of Health and Human Services Office of Inspector General (OIG) has recently issued two audit reports revealing substantial improper Medicaid fee-for-service (FFS) payments for Applied Behavior Analysis (ABA) services provided to children diagnosed with autism in Wisconsin and Indiana. These findings underscore the importance of strict compliance with not only state guidance, but also federal requirements regarding documentation and billing requirements and formal review processes for providers and Medicaid program administrators.

Wisconsin Findings (July 2025)

In its July 2025 report, which can be found here, OIG determined that Wisconsin made at least **$18.5 million** in improper FFS Medicaid payments for ABA services in 2021-2022, with an additional estimated **$94.3 million** ($62.3 Million Federal Share) in potentially improper payments. All 100 sampled enrollee-months in the audit contained improper or potentially improper claim lines. Key deficiencies included:

- **Incomplete or inaccurate documentation** - session notes often failed to support CPT codes billed, the number of units claimed, or dates of service.
- **Missing provider signatures** or incorrect rendering of providers listed.
- **Potentially unallowable activities** (e.g., recreational activities, nontherapy time such as meals or naps) included in billed time.
- **Lack of appropriate provider credentialing and supervision,** with services sometimes delivered by staff lacking proper credentials or adequate supervision, or claims submitted by providers without proper credentials, resulting in improper claims.
- **No statewide postpayment review** since program inception in 2016, and insufficient guidance to providers on documentation standards.

The OIG recommended that Wisconsin refund over $12.2 million (equivalent to the federal share of the improper FFS Medicaid Payment found as part of the Audit) and take corrective actions, including updating provider guidance, conducting periodic postpayment reviews, and verifying rendering provider information.

Indiana Findings (December 2024)

Similarly, the OIG found that Indiana made at least **$56 million** in improper FFS Medicaid payments for ABA services in 2019-2020. The full report can be found here. As in Wisconsin, each of the 100 claims sampled as part of this Indiana audit contained one or more improper or potentially improper claim lines. Deficiencies included:

- **Unsupported CPT code billing**, including excessive units, and overlapping service times.
- **Missing or inadequate session notes and required provider signatures**.
- **Lack of provider guidance and insufficient** oversight mechanisms to ensure compliance.

Indiana was advised to refund overpayments, strengthen documentation requirements, and perform periodic postpayment reviews.

These OIG audit reports show an increased scrutiny for ABA Compliance at the federal level; however, this does not indicate that state-level scrutiny is slowing down. For example, in March 2024, the Massachusetts's Inspector General published a report (which can be located here) finding up to $17.3 million in overpayments for ABA services, due primarily to some of the same compliance issues highlighted in the OIG reports on Wisconsin and Indiana, including inadequate supervision ratios, documentation issues, "impossible billing," and holiday claims.

Why This Matters

These OIG audit reports reflect not only heightened federal scrutiny of Medicaid ABA billing and documentation compliance, but will likely prompt increased scrutiny by the state Medicaid agencies to preemptively address the potential federal share of the repayments identified as part of the audits. Providers should be prepared for increased oversight and potential repayment demands if documentation does not fully support claims, both at the state and federal levels. ABA service providers and Medicaid administrators should:

- **Review and update documentation policies** to ensure compliance with state and federal requirements.
- **Establish clear supervision protocols** to ensure all ABA services are delivered by appropriately credentialed and supervised providers.
- **Train staff** on accurate CPT code usage, session note completeness, and rendering provider accuracy.
- **Implement internal audits** to detect and correct errors before claims are submitted.

Benesch Takeaway

With OIG conducting a series of ABA payment audits across multiple states, now is the time for providers to proactively strengthen compliance programs to mitigate risks of improper billing and repayment demands. **Benesch's Healthcare+ team** can assist with policy reviews, compliance documentation, internal audits, and provider training to help mitigate risk and prepare organizations for potential state or federal reviews.