



**Special Learning, Inc.**  
A Global Leader in Digital Autism Solutions

# Ethics of Private Equity in ABA: Perspectives

Dr. Jon Bailey, BCBA-D

January 23, 2019



# Housekeeping

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1. Post your questions in the Questions Box. If we have time, one of our moderators will select a few to present to Dr. Bailey and our panelists.
2. If you experience technical issues during the webinar, contact GotoWebinar directly by calling (877) 582-7011.
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# Why This Topic?

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May 2018: Medicaid fraud scandal in South Florida

August 2018: Special Learning's Ethics of Medicaid Fraud Webinar

September 2018: Special Learning's Ethics of Medicaid Fraud Q&A with Dr. Jon Bailey

September 18, 2018: A note from a BCBA:

“I worked for Early Autism Project and left due to issues mentioned in your webinar. I left without a job because it was the ethical thing to do... I moved from another state to SC to work for Early Autism Project (EAP) and had worked for very ethical ABA companies in CA, also as a clinical director. The toll of unethical billing at EAP on staff, including myself, has been big and many of us who were not fraudulently billing are now wary of working for different companies and are re-evaluating how we move forward and looking for answers.”

# Case Study: Early Autism Project (Halifax Partners Company)

**August 2018:** [Early Autism Project, Inc. Pays the United States \\$8.8 Million to Settle Allegations of Medicaid Fraud](#)

Early Autism Project is owned by Chancelight Behavioral Health

**May 2018:** [Halifax Partners with ChanceLight Behavioral Health, Therapy & Education](#)

The Halifax Group is a PE firm with \$1.5 Billion under management

**9/20/2018:** [Glassdoor Review](#) from former employee of Early Autism Project (More than 5 years)

**Pros:** There are no pros for working for this company. If you don't want your reputation ruined, then stay away from them.

Sidenote:

**February 2015:** [How Helping a Son with Autism Transformed One Woman's Life](#): susan-butler-created-the-early-autism-project-to-help-her-son-with-autism

# PANELIST PERSPECTIVES



# Panelist: Our Conscience



## Jon Bailey, PhD, BCBA-D

Jon Bailey, PhD, BCBA-D received his PhD from the University of Kansas and is currently Professor Emeritus of Psychology at Florida State University, where he was a member of the graduate faculty for 38-years and produced a record 63 PhDs.

He is currently Director of the FSU Panama City Masters Program in Applied Behavior Analysis. Dr. Bailey is a Board Certified Behavior Analyst. He is Secretary/Treasurer and Media Coordinator of the Florida Association for Behavior Analysis, which he founded in 1980.

Dr. Bailey has published over 100 peer-reviewed research articles, is a past editor of the *Journal of Applied Behavior Analysis*, and is co-author of *Research Methods in Applied Behavior Analysis*, *How Dogs Learn*, *Ethics for Behavior Analysts*, 3<sup>rd</sup> Edition, *How to Think Like a Behavior Analyst*, and *25 Essential Skills and Strategies for Professional Behavior Analysts*, all co-authored with Dr. Mary Burch.

# Panelist: An Insider

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## **Emily White, EdD, BCBA**

Emily started her career in ABA at The Tom Golisano Center for Autism at Springbook, a residential ABA school for individuals with ASD located in upstate New York. She received her masters degree from Endicott College in Autism and Applied Behavior Analysis, as well as BCBA certification in 2015.

Emily has lived and worked in Colorado since 2015, and has practiced behavior analysis in different capacities, including as Associate Clinical Director for Autism Learning Partners (Denver), and as Clinical Director of Aspire Autism in Broomfield after the company was acquired by Autism Learning Partners.

Emily currently serves as the Behavioral Health Program Manager for the State of Colorado's Department of Human Services.

# Panelist: Potential Investor



## Kent Weaver

Kent Weaver is the founder, CEO and Managing Member of Granite Point Partners, a strategic investment firm located in CA. Kent has invested in over 75 middle market companies as an individual investor and with Granite Point. Kent has partnered with entrepreneurs to build successful businesses such as VRI (remote patient monitoring), Discover Outsourcing (HR outsourcing), Fieldedge (field technician software), mTab (database tool), Neuro International (brain trauma residential), Integra (health provider network), and CALO (teen mental health), among many investments.

In addition to Granite Point, Kent is currently Executive Chairman and former CEO at a Northern California-based home health care company acquired using a self-funded search fund model. During his 13-year tenure as Chairman & CEO, investors returns exceeded 35x acquisition capital with IRRs over 90%. Previously, Mr. Weaver held executive positions in marketing and product management for a VC-backed marketing automation startup, as a regional CFO and business analyst in PepsiCo's Pizza Hut Division, and as a management consultant at Ernst & Young. He received his MBA at the University of California, Los Angeles and BS in finance from the University of Southern California.



# Panelist: Industry Expert



## Ivy Chong, PhD, BCBA-D

Dr. Ivy Chong, BCBA-D is the Senior Vice President of Home, School, and Center based Services at the May Institute. She previously served as the Director of Autism Services and Training at the Scott Center for Autism Treatment for 9 years and Associate Professor in the College of Psychology and Liberal Arts at Florida Institute of Technology.

She has specialized in the assessment and treatment of individuals with ASD and developmental disabilities for 20 years, holds a doctorate in Psychology specializing in Behavior Analysis from Western Michigan University, and completed an MBA in Healthcare Management in 2016.

Dr. Chong's professional interests include early detection, diagnosis and evaluation of autism, linking assessment to treatment, and development of training systems. She is on the editorial board for *Behavior Analysis: Research and Practice*, an APA online journal, and has served as a guest reviewer for *Journal of Applied Behavior Analysis*, *Behavior Interventions*, *Journal of Autism and Developmental Disorders*, *Journal of Organizational Behavior Management*, and *Behavior Analysis in Practice*.

She has presented at numerous conferences and maintained leadership roles on local and national boards.

# Panelist: Parent Advocate

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## Feda Almaliti

Feda Almaliti is well known for her work spearheading autism insurance reform in California. She is the Vice President of Autism Society of America Bay Area Chapter and also serves on several boards where she continues to press for improvements in how needed services reach those affected by autism. Her 14 year-old son Muhammed has a severe form of autism and her college-age son has Asperger's. Feda has a middle son but can barely remember his name.

She enjoys cooking, entertaining, and hip hop. She does not enjoy constantly fixing Muhammed's broken iPads :( Feda lives with her family in the Bay Area.

# PANELIST DISCUSSION



## Recently Completed Autism Services Transactions

| Date       | Target/Issuer                           | Buyers/Investors                            | Location            |
|------------|-----------------------------------------|---------------------------------------------|---------------------|
| 09/26/2017 | Aspire Autism, LLC                      | Autism Learning Partners                    | Broomfield, CO      |
| 07/18/2017 | Autism Family Center, Inc               | Autism Spectrum Therapies, Inc              | Winnetka, IL        |
| 12/19/2016 | EpicHealth Services, Inc                | Bain Capital Private Equity, LP             | Dallas, TX          |
| 12/15/2016 | Proof Positive ABA Therapies LLC        | Autism Learning Partners                    | Costa Mesa, CA      |
| 06/27/2016 | Patterns Behavioral Services, Inc       | The SAILS Group, Inc                        | Brea, CA            |
| 06/17/2016 | Autism Behavioral Consulting, Inc       | CARD Capital                                | Sioux Falls, SD     |
| 05/24/2016 | Ed Support Services                     | Platinum Health Care                        | Oakland, CA         |
| 05/24/2016 | Beacon Specialized Living Services      | Pharos Capital                              | Bangor, MI          |
| 05/17/2016 | Learn-It Systems                        | LLR Partners                                | Baltimore, MD       |
| 05/10/2016 | Rehabilitation Associates, PC.          | EpicHealth Services, Inc                    | Richmond, VA        |
| 01/05/2016 | D&S Community Services                  | Comvest Partners                            | Austin, TX          |
| 11/24/2015 | AdvoServ                                | Wellspring Capital Management               | Bear, DE            |
| 11/06/2015 | RHA Health Services                     | Formation Capital                           | Asheville, NC       |
| 09/16/2015 | Sage Care Therapy Services Inc          | ChanceLight Behavioral Health and Education | Dallas, TX          |
| 08/31/2015 | Autism Treatment Solutions, LLC         | Butterfly Effects, LLC                      | Tracy, CA           |
| 08/21/2015 | Florida Autism Center                   | Shore Capital Partners                      | Tallahassee, FL     |
| 07/27/2015 | Futures Behavior Therapy Center, LLC    | H.I.G. Growth Partners                      | Beverly, MA         |
| 03/05/2015 | Clarity Service Group, LLC              | EpicHealth Services, Inc                    | Treose, PA          |
| 12/01/2014 | Nurses to Go, LLC                       | EpicHealth Services, Inc                    | St. Louis, MO       |
| 10/16/2014 | Community Integration, Inc              | UPMC Hamot                                  | Erie, PA            |
| 01/07/2014 | CARES, Inc                              | Mental Health Systems                       | San Diego, CA       |
| 10/22/2013 | Autism Intervention Specialist          | Great Point Partners                        | Worcester, MA       |
| 10/01/2013 | Autism Learning Partners                | Scopia Capital Management                   | Newhall, CA         |
| 01/29/2013 | Early Autism Project, Inc               | ChanceLight Behavioral Health and Education | Rock Hill, SC       |
| 01/03/2013 | Eden Autism Services, Florida Operation | Easter Seals Florida, Inc                   | Plainsboro, FL      |
| 11/29/2011 | The HealthCentral Network, Inc          | Remedy Health Media, LLC                    | Arlington, VA       |
| 08/24/2011 | Autism Services North                   | Great Point Partners                        | Dillsburg, PA       |
| 12/31/2010 | Northeast Pediatric Clinic, P.A.        | Children's Health Care Associates, Inc      | Vadnais Heights, MN |
| 08/13/2010 | EpicHealth Services, Inc                | Webster Capital                             | Dallas, TX          |
| 03/16/2010 | Alternative Behaviors, LLC              | Achieve Beyond, Inc                         | Falls Church, VA    |
| 01/15/2010 | Autism Learning Partners                | Great Point Partners                        | Newhall, CA         |
| 06/15/2009 | Blue Ridge Autism Center                | Blue Ridge Autism and Achievement Center    | Roanoke, VA         |
| 02/25/2009 | ASTAR Autism Clinic                     | Seattle Children's Hospital                 | Seattle, WA         |
| 06/30/2005 | The HealthCentral Network, Inc          | Multiple Investors                          | Somerville, NJ      |
| 10/18/2004 | Education Services of America           | Trimaran Capital Partners                   | Nashville, TN       |

# Convolutd Landscape

| Platform Company                  | Acquisitions                                                                                                      | Activity                     | Original PE Firm                                                         | Buyer                                                                 | Exit | Holding Period | Comments                                                                                         |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------|------|----------------|--------------------------------------------------------------------------------------------------|
| Autism Learning Partners          | Autism Learning Partners                                                                                          | 2010                         | Great Point Partners, Jefferson River Capital, Scopia Capital Management | Friedman Fleischer & Lowe (FFL Partners) \$3 Billion Under Management | Yes  | 7 Years        | 12/2017 -FFL Partners acquires Autism Learning Partners for <b>\$270 MILLION</b>                 |
|                                   | Aspire Autism                                                                                                     | 9/2017                       |                                                                          |                                                                       |      |                |                                                                                                  |
|                                   | Proof Positive Therapies                                                                                          | 12/2016                      |                                                                          |                                                                       |      |                |                                                                                                  |
|                                   |                                                                                                                   |                              |                                                                          |                                                                       |      |                |                                                                                                  |
| Learn Behavioral                  | Learn Behavioral                                                                                                  | 9/2010                       | Milestone Partners (\$1.5 Bilion under management)                       | LLR Partners (\$2 Billion under management)                           | Yes  | 6 Years        | 9/2010 - Milestone Partners acquires Learn Behavioral; 5/2016 - Milestones sells to LLR Partners |
|                                   | Behaviors Concepts                                                                                                | 2/2017 (Under LLR Partners)  |                                                                          |                                                                       |      |                |                                                                                                  |
|                                   | Advances Learning Center                                                                                          | 2/2018 (Under LLR Partners)  |                                                                          |                                                                       |      |                |                                                                                                  |
|                                   | Total Spectrum                                                                                                    | 10/2018 (Under LLR Partners) |                                                                          |                                                                       |      |                |                                                                                                  |
|                                   | Play Connections                                                                                                  | 10/2018 (Under LLR Partners) |                                                                          |                                                                       |      |                |                                                                                                  |
|                                   |                                                                                                                   |                              |                                                                          |                                                                       |      |                |                                                                                                  |
| Stepping Stones Pediatric Therapy | Stepping Stones Pediatric Therapy was formed by acquiring and combining My Therapy Company and Cumberland Therapy |                              | Shore Capital Partners                                                   | N/A                                                                   | No   | N/A            |                                                                                                  |
|                                   | My Therapy Company                                                                                                | 05/2014                      |                                                                          |                                                                       |      |                |                                                                                                  |
|                                   | Cumberland Therapy Services                                                                                       | 05/2014                      |                                                                          |                                                                       |      |                |                                                                                                  |
|                                   | AlphaVista                                                                                                        | 05/2016                      |                                                                          |                                                                       |      |                |                                                                                                  |
|                                   | Staffing Options and Solutions                                                                                    | 05/2017                      |                                                                          |                                                                       |      |                |                                                                                                  |
|                                   | Cobb Pediatric Therapy                                                                                            | 08/2018                      |                                                                          |                                                                       |      |                |                                                                                                  |





How do you embed Ethics into the DNA of ALL Behavioral Organizations?

Stay tuned...

# Thank You!

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Thank you to the wonderful Special Learning team members without whom our experience would be greatly diminished (or just plain disorganized!)

- Krystal Larsen, BCaBA, Director of Clinical Solutions
- Lesley de Dios, Director of Operations (Moderator and Technical Support)
- Michelle Capulong (Client Support Manager)
- Pia Agsao (Client Support)
- Sasho Gachev (Creative Director)
  
- Ann Beirne, BCBA, BACB ACE Coordinator