

Planned Parenthood Affiliate Hit With Medicaid Fraud Suit

Planned Parenthood may be on the hook in Iowa.

One of its affiliates there allegedly submitted “repeated false, fraudulent, and/or ineligible claims for reimbursements” to Medicaid and failed to meet acceptable standards of medical practice. Those charges are part of a federal lawsuit made public Monday.

Alliance Defending Freedom, formerly Alliance Defense Fund, attorneys representing former **Planned Parenthood** clinic director Sue Thayer filed the lawsuit against the abortion giant’s Iowa affiliate in March 2011.

“Americans deserve to know if their hard-earned tax money is being funneled to groups that are misusing it,” says senior counsel Michael J. Norton, a former United States Attorney.

“People may hold different views about abortion, but everyone can agree that Planned Parenthood should play by the same rules as everyone else,” he continues. “It certainly isn’t entitled to any public funds, especially if it is defrauding Medicaid and the American taxpayer.”

Alliance Defending Freedom attorneys filed the suit under a federal law that allows “whistleblowers” with inside information to expose fraudulent billing by government contractors. By law, such cases may not be made public until a court unseals them. In March, a federal court unsealed a similar Alliance Defending Freedom lawsuit against a Texas **Planned Parenthood** affiliate.

Thayer, former manager of Planned Parenthood’s Storm Lake and LeMars clinics, has sued under both the federal and Iowa False Claims acts. The suit alleges that Planned Parenthood

knowingly committed Medicaid fraud from 2002 to 2009 by improperly seeking reimbursements from Iowa Medicaid Enterprise and the Iowa Family Planning Network for products and services not legally reimbursable by those programs.

The lawsuit alleges that Planned Parenthood of Greater Iowa, an affiliate now known as Planned Parenthood of the Heartland, filed nearly 500,000 false claims with Medicaid from which Planned Parenthood received and retained nearly \$28 million. If Thayer prevails, Planned Parenthood could be ordered to pay the United States and Iowa as much as \$5.5 billion in False Claims Act damages and penalties.

The lawsuit explains that, to enhance revenues, Planned Parenthood implemented a "C-Mail" program that automatically mailed a year's supply of birth control pills to women who had only been seen once at a Planned Parenthood clinic and usually by personnel who were not qualified health care professionals.

After that, Planned Parenthood mailed thousands of unrequested birth control pills to those clients. Planned Parenthood's cost for a 28-day supply of birth control pills mailed to clients was \$, but the Medicaid reimbursement Planned Parenthood received for the pills was \$.

In some cases, the Postal Service returned the birth control pills to Planned Parenthood. Instead of crediting Medicaid or destroying the returned pills, Planned Parenthood resold the same birth control pills and billed Medicaid twice for the same pills.

The suit also claims that Planned Parenthood coerced "voluntary donations" for services and then billed Medicaid for them. In effect, the lawsuit explains, Planned Parenthood both falsely billed Medicaid and took money from low-income women by getting them to pay for services Medicaid was intended to cover in full.

The lawsuit *Thayer v. Planned Parenthood of the Heartland* is

pending in the U.S. District Court for the Southern District of Iowa.