

Testimony of Susan Thayer
before the
Committee on the Judiciary
United States House of Representatives
October 6, 2015

Mr. Chairman and Members of the Committee:

From April 1991 to December 2008, I served as the Center Manager of Planned Parenthood of the Heartland's Storm Lake, Iowa clinic. From approximately 1993 to 1997, I also served as the Center Manager for Planned Parenthood of the Heartland's LeMars, Iowa clinic. I spent 17 years working for Planned Parenthood. I've seen how it operates with my own eyes.

No business, certainly no healthcare clinic, should view a woman's body as a profit center, yet that is exactly what Planned Parenthood does. I want to share with you just a little of my own experience about how Planned Parenthood is focused more on its bottom line than the women it claims to serve. After leaving Planned Parenthood in 2008, I blew the whistle on Planned Parenthood's Medicaid billing practices, filing a False Claims Act lawsuit against Planned Parenthood of the Heartland through my attorneys with Alliance Defending Freedom. But I would like to first explain how I arrived at the point of being a whistleblower.

When I began working for Planned Parenthood I was convinced that I was serving my community. As an adoptive parent of three children and a foster mother of 130, I did not fit well into Planned Parenthood's corporate culture. But I believed the message that by working at Planned Parenthood I could help reduce abortion and serve women. I was wrong.

One of the first times that I saw the truth about Planned Parenthood was in 2002 when a recycling center in my small Iowa town discovered the remains of a newborn child. The Sheriff came to my clinic, seeking records of women who may have been the mother of this child who

was born alive and killed. This was not an abortion. It was a murder investigation. So, maybe naively, I thought Planned Parenthood would want to cooperate. Instead, Planned Parenthood leadership saw this as a fundraising opportunity. Rather than trying to quietly deal with this very sad story, leadership leaked it to the Des Moines Register and capitalized on it, making claims in the media that I knew were completely wrong but which kept the money coming in from around the country to fight this imaginary injustice. A mother killed her born alive child and Planned Parenthood was more interested in profiting off the attention than helping to solve the crime.

I justified working at Planned Parenthood because my own clinic didn't perform abortions. In fact, like most other rural Planned Parenthood locations in Iowa, we rarely had any medical professional present at all. A nurse practitioner would stop by for two to three hours per week to sign off on birth control prescriptions accumulated during the week. So the idea of us performing abortions seemed impossible. But in 2007, leadership implemented webcam abortions. The plan was to make every Iowa clinic into an abortion clinic by having a doctor in a remote location talk to the woman by video. They solved the problem of needing to determine gestational age of the unborn child by having non-medical staff perform transvaginal ultrasounds with minimal training. In response to our concerns, the project manager, Todd Buhacker, told us, "If you are breathing, you can do this. It helps if you've played a video game. It's just like running a joystick."

The doctor would then push a button and a drawer would open with the first abortion pill. She would then take the second pill at home, completing the abortion. We were told to tell women who experienced complications at home to report to the ER and just say they were having a miscarriage. This avoided attention from the local medical community when we would be outsourcing complications to others. Planned Parenthood cut costs to the bone by performing

abortions on a shoestring budget with little medical involvement. But none of this was focused on the woman's health or her best interests. When I raised concerns about this, I was forced out. Echoing my concerns, the Iowa Board of Medicine later adopted a rule that required a physician to personally examine every patient before a webcam abortion to determine gestational age of the unborn child; and to abide by FDA's limits on the use of Mifeprex – the abortion-inducing drug used by Planned Parenthood. This FDA regime limits the use of Mifeprex to 49 days gestation; Planned Parenthood administers this drug for up to 70 days gestation. But, Planned Parenthood successfully challenged this common-sense rule and the Iowa Supreme Court sided with Planned Parenthood.

Finally, Planned Parenthood's focus on its bottom line doesn't just ignore women's best interests. It also takes millions of excess dollars from taxpayers. My federal False Claims Act complaint alleges that Planned Parenthood filed false claims totaling about \$28 million with Iowa's Medicaid program for (1) illegally dispensing "medically unnecessary" quantities of oral contraceptive pills and birth control patches to C-Mail Medicaid patients and doing so without a prescription; (2) fraudulently billing the Iowa Medicaid program for abortion-related services; and (3) coercing "donations" from Medicaid patients.

Planned Parenthood has a negotiated price of \$2.98 per cycle of birth control pills. But in Iowa and many other states they are allowed to bill Medicaid at the high rate of \$35, receiving over \$26 in reimbursement every month. This made birth control a high profit margin item for us and we were required to increase birth control billings. In addition to filling prescriptions without a prescription since we usually had no medical professional on-hand, leadership also implemented a "C-Mail program" by which birth control would be automatically mailed – eliminating the need for the woman to return for refills. Given our lower income and younger

clientele this often meant that patients who had stopped using the pill, gotten pregnant, moved, or gone off to college would continue to receive pills in the mail automatically. Sometimes pills would be returned to us undeliverable or refused. They were just rebilled to Medicaid and sent out again. Planned Parenthood would automatically mail – and bill – a three cycle set of pills every 63 days, resulting in a surplus of 21 extra pills every three months. All this meant extra revenue to Planned Parenthood.

Because I had access to the billing system for the whole affiliate, I also know that Planned Parenthood would bill Medicaid for abortion-related services – ultrasounds, office visits, blood tests, medications, and other services that were part of an abortion. These types of Planned Parenthood Medicaid billings for abortion-related services have also been found by government auditors in New York and Washington.

Finally, even though we served a low income clientele we were required by upper management to solicit payment even though Medicaid was billed in full. Our leadership trained clinic staff to inform each client of the total amount of the bill for services rendered during a clinic visit, then asked clients to pay 50% of the amount. We were then told to ask, “How much are you planning to pay today? Will that be cash or credit?” Nearly all clients made some payment of \$10 or more either during a visit or later by mail. Planned Parenthood counted those payments as voluntary donations and billed the full amount to Medicaid.

Again, these practices were not intended to better serve women’s health. But they obviously benefitted Planned Parenthood’s bottom line. It is my understanding that Planned Parenthood has recently been audited in nine states, with all nine states showing overbilling. I am also glad to report that other former Planned Parenthood workers have come forward to complain about similar practices by other Planned Parenthood affiliates.

There is a reason that, despite technically being a nonprofit, Planned Parenthood has reported \$765 million in excess revenue over the last 10 years. It is run very much like a business – focused on increasing revenues, placing its own bottom line above the interests of women. And yet leadership would take expensive trips to Europe and Russia and throw elaborate parties at fancy venues.

I started working at Planned Parenthood believing that I could serve young women and make their lives better. Over nearly two decades inside Planned Parenthood, I learned that was a lie. Planned Parenthood is more concerned about its bottom line than it is about the health and safety of women.

Thank you.