## THE NEW LEVIATHAN



## THE MEGA-CENTER REPORT

HOW PLANNED PARENTHOOD HAS BECOME ABORTION, INC.



## THE NEW LEVIATHAN

## THE MEGA-CENTER REPORT

HOW PLANNED PARENTHOOD HAS BECOME ABORTION, INC.



An educational publication of Americans United for Life 655 15<sup>th</sup> St NW, Suite 410 Washington, DC 20005 202-289-1478 www.AUL.org

Americans United for Life, Washington, DC 20005 Copyright © 2015 by Americans United for Life All rights reserved. www.aul.org

Published in the United States of America.

Copyright © 2015 by Americans United for Life. All rights reserved under International and Pan-American Copyright Conventions. No part of *The New Leviathan: The Mega-Center Report, How Planned Parenthood Has Become Abortion, Inc.* may be reproduced or transmitted in any form, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system now known or to be invented, without permission in writing from the publisher, except by a reviewer who wishes to quote brief passages in an article or a review written for inclusion in a magazine, newspaper, or broadcast.

For information, please contact Americans United for Life, 655 15<sup>th</sup> St NW, Suite 410, Washington, DC 20005; 202-289-1478



Charmaine Yoest, Ph.D., PRESIDENT & CEO

#### **Executive Summary**

The great 17th century political philosopher, Thomas Hobbes, famously argued that the life of man was bleak—"solitary, poore, nasty, brutish, and short." Men are driven by the desire for power, and the fear of other men's power, to consent to a "social contract" with the powerful, sovereign Leviathan. Today, our culture has consented to a new Leviathan. Under the guise of the pursuit of equality, Planned Parenthood has leveraged women's fears against them.

As Planned Parenthood prepares to celebrate its centennial anniversary in 2016, evidence is increasing that the abortion giant's future will be defined by an intentional and purposeful increase in its abortion business, and an aggressive take-over of the U.S. abortion "market." Coinciding with Planned Parenthood's heightened focus on expanding its already substantial abortion business is a notable decline in Planned Parenthood's number of overall patients and its non-abortion services.

Central to Planned Parenthood's abortion-centric plan are its new "mega-centers" (centers or offices of at least 10,000 square feet) that have opened in at least 19 cities since 2004. In this report, AUL documents that:

- Planned Parenthood's mega-center expansion strategy coincides with its deliberate increasing focus on abortion as a core service.
- The number of abortions performed by Planned Parenthood has increased along with the addition of the mega-centers by more than 70,000 abortions annually.
- Planned Parenthood mega-centers strategy coincides with its increasing share of the abortion market: from performing 20 percent to at least 32 percent of all abortions in the United States.
- Planned Parenthood's roll-out and expansion of its mega-centers strategy has occurred even while its overall client base has declined by nearly 10 percent.
- Many of Planned Parenthood's non-abortion services (including cancer screening and other preventive services) have simultaneously declined by more than 50 percent.
- Mega-center expansion coincides with increased taxpayer funding of Planned Parenthood; the over half a billion dollars a
  year that Planned Parenthood now takes from the taxpayer represents over 40 percent of its overall revenue.
- Planned Parenthood's mega-center and abortion-centric trajectory has been expedited under the leadership of current Planned Parenthood Federation of America President, Cecile Richards.
- Mega-centers effectively cement Planned Parenthood's abortion-centric business model.
- Planned Parenthood's mega-center focused business model preys on competitors and undermines its legal arguments against medically appropriate health and safety standards.
- Planned Parenthood has often sought to deceive local communities to hide its plans to open mega-centers.

This report – the third installment in Americans United for Life's ongoing expose of the nation's largest abortion provider<sup>1</sup> – spotlights the increase in Planned Parenthood mega-centers and reveals what these centers mean for Planned Parenthood's indisputable status as America's largest abortion provider, as well as for the women targeted by the abortion chain and for American taxpayers who are forced to underwrite its increasingly abortion-centric agenda.

viii

<sup>&</sup>lt;sup>1</sup> See THE CASE FOR INVESTIGATING PLANNED PARENTHOOD, (Americans United for Life 2011), available at http://www.aul.org/aul-special-report-the-case-for-investigating-planned-parenthood (last visited Jan. 30, 2015) and THE PLANNED PARENTHOOD EXHIBITS (Americans United for Life 2012), available at http://www.aul.org/planned-parenthood-exhibits/ (last visited Jan. 30, 2015).

#### **Table of Contents**

l.	The New Leviathan	1
II.	The Rise of Planned Parenthood's Mega-Centers Coincides with Tremendous Growth in Planned Parenthood's Abortion Business and Taxpayer Funding, Even While the Organization's Overall Client Base and Non-Abortion Services Decline	2
Ш	Planned Parenthood's Mega-Centers Demonstrate Its Growing Emphasis on Abortion	13
IV	Planned Parenthood's Mega-Center Focused Business  Model Preys on Competitors, Undermining Its Rote Legal  Arguments Against Medically Appropriate Health and  Safety Standards	19
V.	Facing Opposition, Planned Parenthood Has Often Sought to Deceive Local Communities and to Hide Its Plans to Open and Operate Mega-Centers	24

#### I. The New Leviathan

Non est potestas Super Terram quae Comparetur ei
"There is no power on earth to be compared to him." Job 41:24
Frontispiece of the original Leviathan

The great 17th century political philosopher, Thomas Hobbes, famously argued that the life of man was bleak—"solitary, poore, nasty, brutish, and short." Men are driven by the desire for power, and the fear of other men's power, to consent to a "social contract" with the powerful, sovereign Leviathan.

Today, our culture has consented to a new Leviathan. Under the guise of the pursuit of equality, Planned Parenthood has leveraged women's fears against them. Perpetuating Hobbes's dark portrayal of the life of man, Planned Parenthood is able to position itself as a place offering peace. The new Leviathan is born.

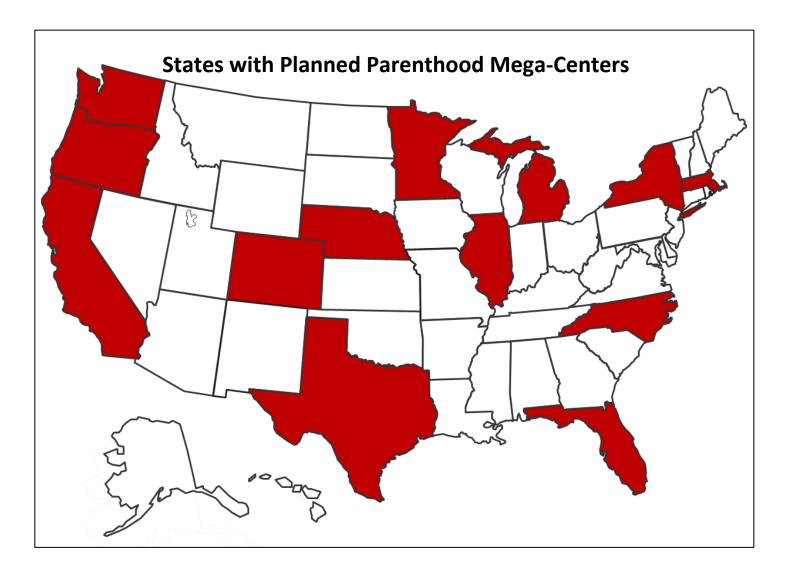
However in reality this new Leviathan is not peaceful. Planned Parenthood is seeking to expand their control. Evidence is increasing that the Leviathan's future will be defined by an intentional and purposeful increase in its abortion business, and an aggressive take-over of the U.S. abortion "market." Coinciding with Planned Parenthood's heightened focus on expanding its already substantial abortion business is a notable decline in Planned Parenthood's number of overall patients and its non-abortion services.

Americans United for Life is exposing the darkness driving this new Leviathan. We are releasing a report

examining the central strategy forming Planned Parenthood's abortion-centric plan: they are focused on building "mega-centers," which are centers or offices of at least 10,000 square feet. Since 2004, Planned Parenthood has opened new "mega-centers" in at least 19 cities.

This report will spotlight the increase in Planned Parenthood mega-centers and reveals what these centers mean for Planned Parenthood's indisputable status as America's largest abortion provider, as well as for the women targeted by the abortion chain, and for American taxpayers who are forced to underwrite its increasingly abortion-centric agenda.





# II. The Rise of Planned Parenthood's Mega-Centers Coincides with Tremendous Growth in Planned Parenthood's Abortion Business and Taxpayer Funding, Even While the Organization's Overall Client Base and Non-Abortion Services Decline

Under the Planned Parenthood Federation of America (PPFA) umbrella, there are 64 Planned Parenthood affiliates which operate approximately 700 centers in the United States. Since 2004, PPFA affiliated "megacenters" (centers or offices of at least 10,000 square feet) have opened in at least 19 cities in 14 states. Without exception, each of these Planned Parenthood mega-center clinics performs abortions. The vast majority are open at least 6 days a week.

#### A. Planned Parenthood's Mega-Center Expansion Coincides with Planned Parenthood's Deliberate Increasing Focus on Abortion as a Core Service

Since it entered the abortion business in 1970, PPFA has intentionally and exponentially expanded this highly profitable segment of its operations. Notably, PPFA's increasing focus on abortion will likely continue.

A legal complaint filed against the State of Texas confirmed that the current directive for all of Planned Parenthood's affiliates are that they *must* be abortion providers to be part of PPFA:

Plaintiffs all are affiliates of, or ancillary organizations of affiliates of, Planned Parenthood Federation of America ("PPFA"), which also advocates for women's access to comprehensive reproductive healthcare, including abortion, and requires that its affiliates do the same. PPFA does not provide abortion care itself, but its member affiliates offer that service throughout the United States and as of January 2013, all member-affiliates will be required to do so. <sup>1</sup>

In a 2010 Iowa Public Radio interview, Barbara Chadwick, Director of Patient Services of Planned Parenthood of East Central Iowa, acknowledged that increasing abortions as a "core service" is part of PPFA's strategic plan.

NARRATOR: It's the goal of Planned Parenthood to expand abortion services at its clinics nationwide over the next 5 years. CHADWICK: We have been looking at initiating an abortion service as a *core* service of all Planned Parenthoods, part of the Federation's strategic plan for 2015.<sup>2</sup>

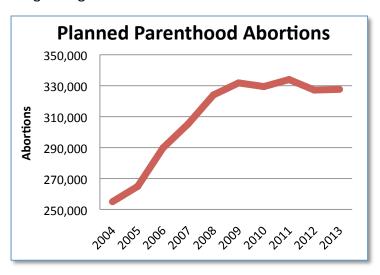
PPFA's intentional increase in its abortion business is not limited to expanding the number of its clinics

where abortions are performed. Individual clinics are also allegedly under orders to increase their abortion numbers.

Abby Johnson, the former director of Planned Parenthood's Bryan, Texas clinic, has stated that her assigned budget always included "goals" for abortion services. <sup>3</sup> In 2009, when her clinic was given an increased abortion quota, Ms. Johnson said that her superiors gave her "the clear and distinct understanding that I was to get my priorities straight, that abortion was where my priorities needed to be because that's where the revenue was."<sup>4</sup>

## B. Planned Parenthood's Abortion Numbers Have Increased with Addition of Mega-Centers

Both in terms of raw numbers and as a percentage of its operations, during Planned Parenthood's current mega-center expansion, the growth of its abortion business has been dramatic. Coinciding with its megacenter expansion, Planned Parenthood now performs over 70,000 more abortions each year, 200 more abortions each day, than it did in 2004. In 2004, PPFA reported that its centers performed 255,015 abortions. Over the last decade, the burgeoning abortion business at Planned Parenthood

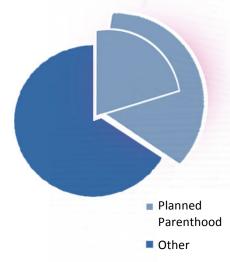


Out of the estimated 1,058,500 abortions in the United States that year,

Planned Parenthood performed nearly one out of every three (32%).

U.S. Abortions in 2011





centers has continued to grow. After opening at least 14 mega-centers, PPFA reported its centers performed a record-high 333,964 abortions in 2011. Moreover, PPFA's most recent annual report documents that its abortion numbers remain consistently high, having performed 327,653 abortions in 2013.

During Planned Parenthood's mega-center expansion phase, the percentage of patients for which it performed abortions climbed from 8.7% in 2004 to, by its own admission, 12.1% in 2013.<sup>8</sup>

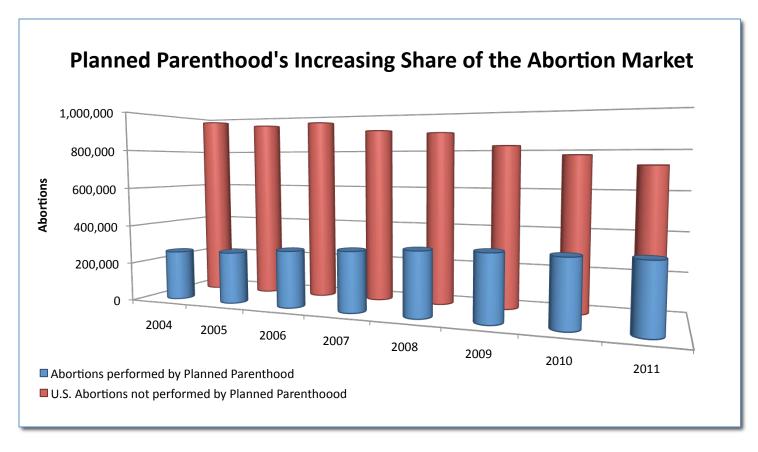
#### C. Roll-out of Planned Parenthood Mega-Centers Coincides with Its Increasing Share of the Abortion Market

Planned Parenthood's roll-out of its mega-center business model directly corresponds with Planned

Parenthood's obvious and dramatic increase in its share of the overall abortion market over the same time period. Since 2004, as Planned Parenthood has announced, built, and opened its mega-centers, Planned Parenthood's share of the U.S. abortion market increased from 20% to over 30%.

In 2004, Planned Parenthood clinics performed 255,015 of the estimated 1,222,100 abortions performed in the United States, 10 or one out of every five abortions that year (20%).

By 2011, the latest year for which national data is available, Planned Parenthood performed a record 333,964 abortions<sup>11</sup> Out of the estimated 1,058,500 abortions in the United States that year,<sup>12</sup> Planned Parenthood performed nearly one out of every three (32%).



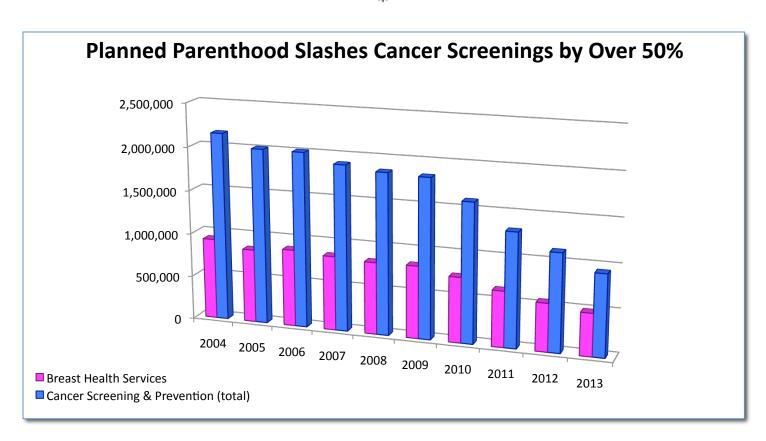
While national data is not available beyond 2011, the decades-long decline in the number of abortions can reasonably be expected to continue. By 1990, the annual number of abortions in the U.S. had more than doubled since 1973 when the Supreme Court decided *Roe v. Wade* and *Doe v. Bolton*, striking down abortion regulations nationwide. After peaking in the early 1990s, however, the number of abortions has steadily declined. In fact, by 2011, the number of abortions performed in the United States was lower than it was in 1975.

A contributing factor to the lowered number of abortions is the 1992 Supreme Court decision in *Planned Parenthood v. Casey*. <sup>17</sup> Although not overturning *Roe*, the *Casey* court acknowledged a state's interest in protecting women through the enactment of abortion regulations and restrictions. Research has shown a correlation between the

enactment of laws regulating abortion, like those requiring informed consent and parental involvement, and the reduced number of abortions. 18

If law influences the number of abortions, the U.S. abortion figure can be expected to drop further. According to the pro-abortion Guttmacher Institute, Planned Parenthood's former research affiliate, <sup>19</sup> "an unprecedented wave of state level abortion restrictions swept the country over the past three years." <sup>20</sup> The 205 abortion restrictions Guttmacher identified as having been enacted between 2011 and 2013 exceeded the total number enacted during the entire previous decade. <sup>21</sup>

Meanwhile, PPFA annual reports document a consistently robust abortion business. Its recently implemented abortion mandate, requiring all Planned Parenthood affiliates to perform abortions, suggests



that its abortion business will continue to grow in spite of the national decline in the number of abortions.

The increase in Planned Parenthood's abortion numbers runs sharply counter to the decades-long national decline in abortion. Planned Parenthood is becoming more abortion-centric with each passing year, and its mega-centers strategy appears to play a key role in this calculated and profit-driven transformation.

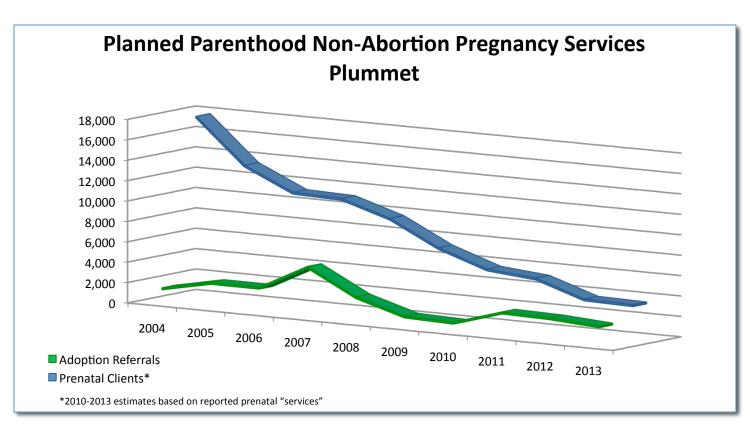
# D. Planned Parenthood's Rollout and Expansion of its Mega-Centers Has Occurred Even While Its Overall Client Base and Non-Abortion Services Have Declined

During this era of unprecedented expansion into mega-centers, Planned Parenthood's client base, as a whole, has stagnated and even recently declined. In its 2005-2006 annual report, PPFA reported that 2,936,328 clients were seen at its centers in 2004. Since 2007, PPFA's annual reports have typically claimed "around 3,000,000" clients annually. PPFA's most recent report estimates its clinics saw only 2.7 million patients in 2013, a nearly 10 percent decline in patients served. PPFA's

### E. Planned Parenthood Slashes Cancer Screening and Preventive Services

In contrast to its growing abortion business, during the era of mega-center expansion, cancer screening and prevention services at PPFA's centers have been cut by more than 50 percent.

The decline includes "Breast exams/breast care" services. These services have undergone steep cuts even after Planned Parenthood unleashed a vicious firestorm against the Susan G. Komen Foundation in



2012 when the cancer research foundation notified Planned Parenthood that its clinics were not eligible for new grants. An important fact often ignored in the media coverage of the "controversy" was that Planned Parenthood clinics failed to meet the Komen Foundation's newly established grant standards, which were designed to better serve women.

As was publicly explained by the Komen Foundation, the organization "made the decision to implement stronger performance criteria... to minimize duplication and free up dollars for direct services to help vulnerable women... Consequently, some organizations are no longer eligible to receive Komen grants." Komen's new grant standards were designed to give money on an "outcomes based strategy" that Planned Parenthood's "pass through" clinics failed to meet.

Planned Parenthood, however, blasted the cancer research as having "succumbed to political pressure." Planned Parenthood's phony narrative overshadowed the truth and continues to be repeated in the media today. A 2014 article in the Los Angeles Times, for example, exclaimed that "[t]he Susan G. Komen Breast Cancer Foundation committed one of the great PR faux pas of the decade in January 2012, when it summarily cut off funding to Planned Parenthood in what appeared to be a bow to antiabortion crusaders." 27

Although the Komen Foundation was "dismayed and extremely disappointed that actions [it took] to strengthen [its] granting process [were] widely mischaracterized," Planned Parenthood's bullying campaign<sup>29</sup> ultimately resulted in lowered grant standards so that Planned Parenthood clinics could continue to receive money from Komen. Further,

Planned Parenthood also reportedly raised over \$3 million in 3 days on the "controversy." 30

Yet, despite the continued grants and a fundraising boom, Planned Parenthood's "breast health services" have plummeted. Ironically, as these services drop year after year, Planned Parenthood continues to disingenuously spotlight "breast health services" as one of its top achievements.

#### F. Planned Parenthood's Non-Abortion Pregnancy Services Plummet

Adoption referrals at PPFA centers have fluctuated from year to year, but are always far below the abortions it performs. For its last five reported "service" years, Planned Parenthood's abortion-to-adoption ratio is 201 to 1.

The contrast between Planned Parenthood's lifeending and life-preserving pregnancy-related services grows even more pronounced when the sharp decrease in prenatal services is also considered.

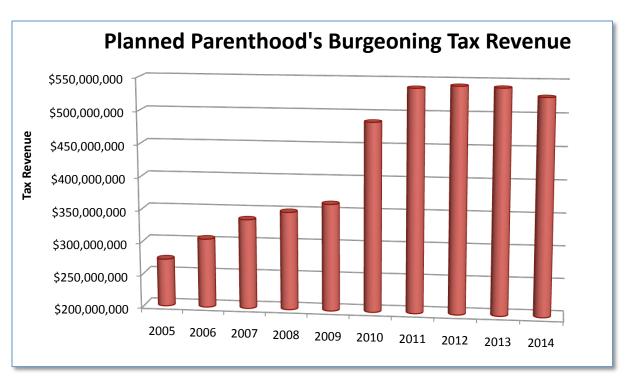
Planned Parenthood's prenatal services/clients have decreased by an estimated 80% since Planned

Parenthood's mega-center expansion began in 2004.<sup>31</sup>

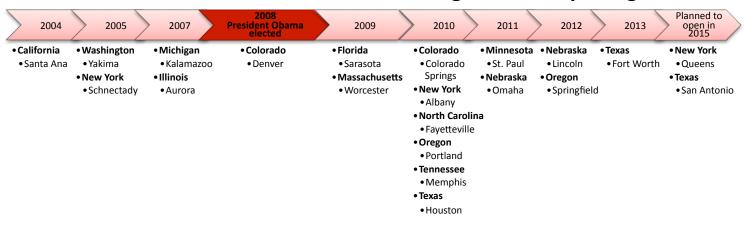
According to its most recent annual report, abortions were 94% of its pregnancy-related services (abortion, adoption referral, and prenatal services). For an estimated 98.5% of the pregnant women who received a pregnancy-related service at a PPFA center, that service was abortion.<sup>32</sup>

#### G. Mega-Center Expansion Coincides with Increased Taxpayer Funding of Planned Parenthood

Corresponding with Planned Parenthood's megacenter expansion strategy and growing abortion business is an increase in Planned Parenthood's taxpayer funding. PPFA affiliates' reported revenue from taxpayer dollars has increased from \$272.7 million in its 2004-2005 fiscal year, to an average of \$536.6 million in each one of the past 4 years.<sup>33</sup>



#### **Timeline of Planned Parenthood Mega-Center Openings**



According to PPFA's most recently released annual report, 41% of Planned Parenthood's \$1.3 billion in revenue came from the American taxpayer.

Notably, two-thirds of Planned Parenthood's megacenters opened after President Barack Obama was elected in November 2008. President Obama and his Administration have actively thwarted efforts to reduce Planned Parenthood's taxpayer funding or to redirect taxpayer funding away from the abortion chain.

For example, in 2011, faced with an impending government shutdown over funding disagreements, President Obama reportedly told Speaker of the House John Boehner that his openness to discussion on one particular point, de-funding Planned Parenthood (something the House of Representatives had already voted in favor of after yet another scandal at the abortion chain was exposed), 34 amounted to "Nope. Zero." Evidently, President Obama would rather have the government shut down than negotiate any cuts to Planned Parenthood's taxpayer funding.

In at least six states that have sought to end taxpayer funding of Planned Parenthood and other abortion

providers, the Obama Administration has reacted by either withholding or threatening to withhold federal funds from the state (Indiana and Texas), or by actively undermining state law through direct federal contracts with Planned Parenthood and other abortion provider entities in the state (New Hampshire, New Jersey, North Carolina, and Tennessee). 36

#### H. Planned Parenthood's Mega-Center and Abortion-Centric Trajectory has been Expedited Under Cecile Richards' Leadership

A noticeable surge in Planned Parenthood's megacenter and abortion-focused business model has occurred under the leadership of PPFA President, Cecile Richards. In the nine years that Ms. Richards has been at the helm, 15 Planned Parenthood megacenters have opened. Planned Parenthood centers now perform 63,000 to 69,000 more abortions annually than they did in 2005, when Ms. Richards assumed the presidency.

Notably, under the reign of Cecile Richards:

 Planned Parenthood's share of the U.S. abortion market has increased by 12%.

- Planned Parenthood's overall patients have declined by 13%.
- Planned Parenthood's cancer screening and prevention services have been cut by more than 50%.
- Planned Parenthood's prenatal services have decreased by 70%.

Already deep in the abortion business, PPFA's new mandate that all affiliates must perform abortions was issued during Cecile Richards' rule.

While the facts show that under her leadership Planned Parenthood has radically transformed into Abortion Inc., Cecile Richards has been actively engaging in a misdirection campaign.

For example, on February 21, 2011, after Cecile Richards appeared on Joy Behar's talk show to discuss potential cuts to Planned Parenthood's federal funding. Ms. Richards stated, "If this bill ever becomes law, millions of women in this country are going to lose their health care access, not to abortion services, to basic family planning – you know, mammograms, cancer screenings, cervical cancer..." 37

Redirecting taxpayer dollars away from Planned Parenthood to healthcare providers that do not run an abortion business is not, as Ms. Richards suggested, synonymous with cutting funding for healthcare services.

Perhaps even more glaring: no Planned Parenthood clinic provides mammograms, as Ms. Richards (at a minimum) implied. As Planned Parenthood's president, Ms. Richards must be well-aware that none of her clinics nationwide are even authorized to provide mammograms.<sup>38</sup> Yet she deceptively chose

mammograms as the first example of services that would be "lost" if Planned Parenthood lost federal funding.

Why lie? Taxpayer funding is obviously critical to Planned Parenthood's business, as it amounts to 40% of its revenue. The truth about Planned Parenthood's increasing abortion-centric nature as it cuts other services and overall clients decline would be unlikely to garner support for keeping her abortion business on the government dole.

AUL's Reports, *The Case for Investigating Planned Parenthood* and *The Planned Parenthood Exhibits*, the use of "webcam" abortions to distribute RU-486 violates FDA requirements for dispensing mifepristone. Dispensing the dangerous abortion drug regimen after videoconferencing in place of a face-to-face visit between doctor and patient, places women in greater jeopardy.

5 Abby Johnson & Cindy Lambert Living Annual Transport of Appendix Property of Appendix Property

<sup>5</sup> Abby Johnson & Cindy Lambert, UNPLANNED: THE DRAMATIC TRUE STORY OF A FORMER PLANNED PARENTHOOD LEADER'S EYE-OPENING JOURNEY ACROSS THE LIFE LINE 114 (Ignatius Press, 2010).

<sup>&</sup>lt;sup>1</sup> PLANNED PARENTHOOD BY THE NUMBERS (Jan. 2015), *available at* http://www.plannedparenthood.org/files/5314/2056/3699/PP Numbers Jan2015 FINAL.pdf (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>2</sup> Plans for a Planned Parenthood mega-center in Auburn Hills, Michigan were abandoned after the proposed center was the subject of a lawsuit. Although Planned Parenthood claimed "no decision had been made about which specific services would be offered in the 17,050 square-foot building it purchased in 2010," as part of a settlement in that suit, it agreed that a clinic performing abortions would not be permitted on the property. Planned Parenthood subsequently scrapped its plans to open the Auburn Hills clinic and sold the property. See Ann Zaniewski, Planned Parenthood scraps plan for Auburn Hills clinic, puts building up for sale, The Oakland Press, June 21, 2012, http://www.theoaklandpress.com/general-news/20120621/planned-parenthood-scraps-plan-for-auburn-hills-clinic-puts-building-up-for-sale?viewmode=fullstory (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>3</sup> Complaint at ¶ 30 (d), *Planned Parenthood Ass'n Tex. v. Suehs*, 2012 U.S. Dist. LEXIS 62289 (W.D. Tex., Apr. 30, 2012) (No. 1:12-CV-00322).

<sup>&</sup>lt;sup>4</sup> *Iowa Planned Parenthood in Tailspin Over Telemed Abortions*, Operation Rescue, (June 8, 2010), http://operationrescue.org/audio/nr100521AbortionProtestPiece.mp3 (last visited Feb. 6, 2015). The interview continued with the narrator announcing "Medical abortions, Chadwick says, will be a key element in that strategy and signing up for the long-distance option will get her organization toward the goal faster." The "long-distance option," that will get Planned Parenthood "toward the goal faster," employs "webcam" abortions in place of in-person physician-patient visits to increase the reach of Planned Parenthood's abortion business without having to increase the number of its physicians or increase its investment in patient care. As documented in

<sup>&</sup>lt;sup>6</sup> *Id.* at 115.

<sup>&</sup>lt;sup>7</sup> PLANNED PARENTHOOD FED'N OF AM., INC., ANNUAL REPORT (2005-2006).

<sup>&</sup>lt;sup>8</sup> PLANNED PARENTHOOD FED'N OF AM., INC., ANNUAL REPORT (2010-2011).

<sup>&</sup>lt;sup>9</sup> Since 2011, Planned Parenthood has not reported its services for the calendar year but instead uses October 1-Sept 30 as its service year. That means its reported "2013" figure is technically the last quarter of 2012 and the first three quarters of 2013.

<sup>&</sup>lt;sup>10</sup> See Planned Parenthood Fed'n Of Am., Inc., Planned Parenthood By The Numbers (2011).

<sup>&</sup>lt;sup>11</sup> PLANNED PARENTHOOD FED'N OF AM., INC., ANNUAL REPORT (2004-2005).

<sup>&</sup>lt;sup>12</sup> Jones & Jerman, *Abortion Incidence and Service Availability in the United States 2011*, 46(1) PERSP. ON SEXUAL & REPROD. HEALTH (2014).

<sup>&</sup>lt;sup>13</sup> PLANNED PARENTHOOD FED'N OF AM., INC., ANNUAL REPORT (2012-2013).

<sup>&</sup>lt;sup>14</sup> Jones & Jerman, *Abortion Incidence and Service Availability in the United States 2011*, 46(1) PERSP. ON SEXUAL & REPROD. HEALTH (2014).

<sup>&</sup>lt;sup>15</sup> See Jones & Kooistra, Abortion incidence and services in the United States 2008, 43(1) PERSP. ON SEXUAL & REPROD. HEALTH 47 (2011).

<sup>&</sup>lt;sup>16</sup> 410 U.S. 113 (1973).

<sup>&</sup>lt;sup>17</sup> 410 U.S. 179 (1973).

<sup>&</sup>lt;sup>18</sup> See Jones & Kooistra, Abortion incidence and services in the United States 2008, 43(1) PERSP. ON SEXUAL & REPROD. HEALTH 47 (2011); Jones & Jerman, Abortion Incidence and Service Availability in the United States 2011, 46(1) PERSP. ON SEXUAL & REPROD. HEALTH (2014).

<sup>&</sup>lt;sup>19</sup> 505 U.S. 833 (1992).

<sup>&</sup>lt;sup>20</sup> See e.g. Michael J. New, Analyzing the Effect of Anti-Abortion U.S. State Legislation in the Post-Casey Era, 11 STATE POL. & POL'Y QUARTERLY, 28 (2011).

<sup>&</sup>lt;sup>21</sup> The organization, which was a long-time "special affiliate" of Planned Parenthood, was named for Dr. Alan Guttmacher, who was Planned Parenthood's president from 1962 to 1974. During the same time, Planned Parenthood became among the first to eagerly profit from abortion's legalization. The Guttmacher Institute's "Guiding Principles" include: "The Institute works to protect, expand and equalize universal access to information, services and rights that will enable women and men to…exercise the right to choose safe, legal abortion." *See* http://www.guttmacher.org/about/mission.html (last visited July 6, 2014).

<sup>&</sup>lt;sup>22</sup> Boonstra & Nash, A Surge of State Abortion Restrictions Puts Providers—and the Women They Serve—in the Crosshairs, 17 GUTTMACHER POL'Y REVIEW (2014).

<sup>&</sup>lt;sup>23</sup> *Id*.

<sup>&</sup>lt;sup>24</sup> PLANNED PARENTHOOD FED'N OF AM., INC., ANNUAL REPORT (2005-2006).

<sup>&</sup>lt;sup>25</sup> However, a January 2014 Planned Parenthood document entitled "By The Numbers" reported: "Number of these people served [annually] by Planned Parenthood affiliate health centers in the U.S.: 2,840,000." *See* PLANNED PARENTHOOD FED'N OF AM., INC.,

PLANNED PARENTHOOD BY THE NUMBERS (2014)

http://www.plannedparenthood.org/files/9313/9611/7194/Planned\_Parenthood\_By\_The\_Numbers.pdf\_(last visited Feb. 3, 2015).

<sup>26</sup> PLANNED PARENTHOOD FED'N OF AM., INC., ANNUAL REPORT (2013-2014).

- <sup>27</sup> See Sarah Muller, Komen Foundation's race for the GOP base?, MSNBC, Feb. 1, 2012 available at http://www.msnbc.com/the-last-word/komen-foundations-race-gop-base (quoting a statement released by the Susan G. Komen Foundation) (last visited June 1, 2015).
- <sup>28</sup> See http://www.plannedparenthood.org/about-us/newsroom/press-releases/alarmed-saddened-komen-foundation-succumbing-political-pressure-planned-parenthood-launches-fun (last visited June 1, 2015).
- <sup>29</sup> Michael Hiltzik, *Susan G. Komen Foundation discovers the price of playing politics*, LOS ANGELES TIMES, Jan. 8, 2014, *available at* http://www.latimes.com/business/hiltzik/la-fi-mh-susan-g-komen-20140108-story.html (last visited May 29, 2015).
- <sup>30</sup> See Sarah Muller, Komen Foundation's race for the GOP base?, MSNBC, Feb. 1, 2012 available at http://www.msnbc.com/the-last-word/komen-foundations-race-gop-base (quoting a statement released by the Susan G. Komen Foundation) (last visited June 1, 2015).
- <sup>31</sup> See Karen Handel, Planned Bullyhood (2012); See also Americans United for Life's Planned Parenthood Exhibit 4, Planned Parenthood Bullied the Komen Foundation to Preserve its "Trusted Healthcare Provider" Façade, available at http://www.aul.org/planned-parenthood-exhibits-exhibit-4/ (last visited Feb. 3, 2015).
- <sup>32</sup> See Meghan McCarthy, *Planned Parenthood Raises \$3 Million in Wake of Komen Funding Controversy*, NATIONAL JOURNAL, Feb. 3, 2012, http://www.nationaljournal.com/planned-parenthood-raises-3-million-in-wake-of-komen-funding-controversy-20120203
- Perhaps in an effort to mask the growing disparity, Planned Parenthood switched, in 2009, from reporting "prenatal clients" to reporting "prenatal services." While Planned Parenthood no longer provides an exact figure of prenatal clients, conclusions can be drawn using PPFA's reported 2009 figures. Planned Parenthood reported both 7,021 prenatal clients and 40,489 prenatal services in 2009. That would average to 5.77 services for each pregnant woman. Applying that ratio to its 2013 numbers, PPFA's 18,684 prenatal services included approximately 3,240 prenatal clients—a more than 80% decline from the 17,610 prenatal clients its clinics saw in 2004
- <sup>34</sup> According to PPFA's most recently released annual report, in 2013, its centers provided 18,684 prenatal services, 1,880 adoption referrals, and 327,653 abortions. Applying its 2009 prenatal services/clients ratio, 18,684 prenatal services would be approximately 3,240 prenatal clients.
- <sup>35</sup> Until 2010, actual taxpayer funding may have been underreported in PPFA's annual reports. Starting in 2010, PPFA began explicitly including "reimbursements" under its government revenue. That year there was a substantially higher than usual increase in the reported government revenue and a coinciding substantial decrease in its reported "other clinic revenue." It appears that at least some Medicaid reimbursements—taxpayer dollars—were previously included under "health center income" rather than "government grants and contracts," giving a misleading impression of how much of Planned Parenthood's revenue came from taxpayers. Notwithstanding the change in how PPFA categorized its revenue, Planned Parenthood's reported taxpayer funding was, according to its own accounts, steadily increasing. Notably, Planned Parenthood's reported taxpayer funding rose substantially again in 2011 and has remained consistently high.
- <sup>36</sup> See Exposing Planned Parenthood's Cover-up of Child Sex Trafficking, Live Action Investigations (2011) available at http://www.liveaction.org/traffick/ (last visited Jan. 30, 2015). "Investigations found seven Planned Parenthood clinics in four different states were willing to aid and abet the sex-trafficking of minor girls by supplying confidential birth control, STD testing, and secret abortions to underage girls and their traffickers."
- <sup>37</sup> See How Government Shutdown Was Averted: Behind the Planned Parenthood Deal, available at http://abcnews.go.com/blogs/politics/2011/04/how-government-shutdown-was-averted-behind-the-planned-parenthood-deal/ (last visited Jan. 30, 2015).
- <sup>38</sup> See Planned Parenthood Exhibit 1 (Americans United for Life 2012), available at http://www.aul.org/planned-parenthood-exhibits-exhibit-1/ (last visited Jan. 30, 2015).
- <sup>39</sup> The Joy Behar Show: Planned Parenthood Changing Plans? (HLN Feb. 21, 2011). Video available at Cecile Richards of Planned Parenthood & Rep. Gwen Moore on Joy Behar, YOUTUBE (Feb. 22, 2011)

http://www.youtube.com/watch?v=I82QY65sVSA&feature=player\_embedded\_(at 3:59) (last visited Feb. 5, 2015).

- <sup>40</sup> See http://www.adfmedia.org/files/DOC702.pdf (last visited Feb. 5, 2015). Responding to a Freedom of Information Act (FOIA) request by Alliance Defending Freedom attorney Casey Mattox, HHS stated that a "thorough and diligent investigation" uncovered no instances of Planned Parenthood clinics authorized to perform mammography. See also Casey Mattox, Obama Administration: Planned Parenthood Does Not Perform Mammograms, Townhall, Sept. 7, 2012, available at
- http://townhall.com/columnists/caseymattox/2012/09/07/obama\_administration\_planned\_parenthood\_does\_not\_perform\_mammogra ms/page/full/ (last visited Feb. 5, 2015).

#### III. Planned Parenthood's Mega-Centers Demonstrate Its Growing Emphasis on Abortion

A comparison of data from state health departments, reports from Planned Parenthood affiliates, and analysis from the pro-abortion Guttmacher Institute establish a connection between the new mega-centers and the increase in Planned Parenthood's share of state abortion markets. In some instances, Planned Parenthood affiliates' explicit statements reveal its increased focus on abortion as the centerpiece of its future business plans. In addition, the trends documented by Guttmacher Institute substantiate that Planned Parenthood's mega-centers (and similar facilities) are a growth segment for the abortion industry.

#### A. Case Study 1: Planned Parenthood of the Rocky Mountains Abortion Numbers and Percentages Increase After Opening of Two Mega-Centers in Colorado

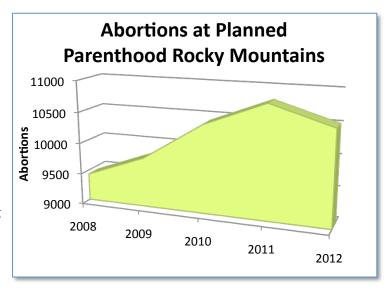
Planned Parenthood of the Rocky Mountains (PPRM) has opened at least 2 mega-centers, one in Colorado Springs in 2008 and one in Denver in 2010. Trends seen at these centers parallel trends observed nationally: growing numbers of abortion patients, but a decrease in the overall total number of patients.

Prior to the opening of the new mega-centers, PPRM announced in its 2005 annual report, "simply put, we have changed." PPRM noted that after "strategically examin[ing]" its operations that it had "shift[ed] to a more businesslike approach." PPRM elaborated that its "bottom line" focus was central to its mission: "We believe our adaptive response...vigorously protect[s] both our bottom line and our ability to ultimately fulfill our mission."

#### SIMPLY PUT, WE HAVE CHANGED.

In order to protect and strengthen our dual bottom line of margin and mission, Planned Parenthood of the Rocky Mountains began a major agency-wide change initiative three years ago. Utilizing the internal expertise of a broad cross-section of staff, we strategically examined our operations and shifted to a more businesslike approach. We have significantly

We expanded, relocated and upgraded our health centers



A significant part of this intentional transformation was the pending addition of the two abortion-performing mega-centers.

Not surprisingly, with its new "businesslike approach," "bottom-line" focus, and "expanded" centers, PPRM's abortion business has increased. Both in terms of numbers of abortions performed and the percentage of its overall business that abortion represents, abortion is a growing part of PPRM.

In 2005, PPRM operated 31 health centers in five states that performed 8,280 abortions, representing 7% of its total clients.<sup>3</sup> Since 2010 (when its second mega-center opened), while operating only 29 clinics in 4 states, PPRM has consistently performed more

\*

than 10,000 abortions annually. PPRM provided abortions to 10% of its total clients in 2012. 5

Importantly, PPRM is performing more abortions despite the decreasing overall number of abortions in the states it operates abortion centers.<sup>6</sup>

Reflecting the national trend, simultaneous with its abortion business growth, PPRM's overall client base and non-abortion services, such as cancer screenings, have steadily declined.

#### B. Case Study 2: Planned Parenthood Mega-Center in Minnesota Performs Nearly Half the Abortions in the State

Planned Parenthood appears to be building an abortion monopoly in Minnesota. A Minnesota Health Department report documents that Planned Parenthood was the state's top provider of abortions, performing 4,370 abortions in 2013—nearly half of

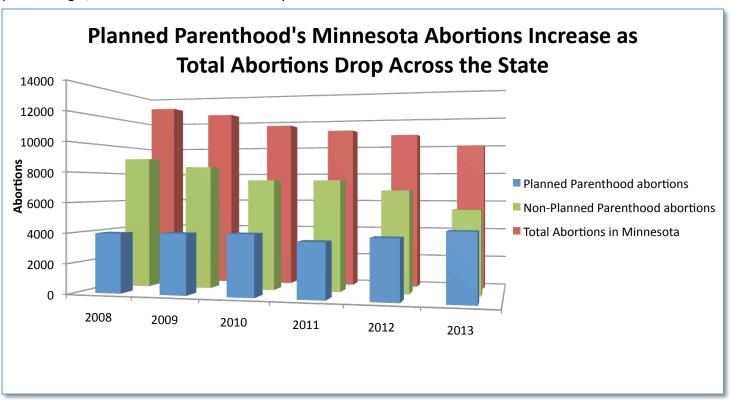
the 9,903 abortions reported in the entire state.<sup>7</sup>

Only one of the 18 Planned Parenthood centers in Minnesota advertises that it performs abortions, while the other 17 only advertise abortion referrals. That abortion-performing clinic is the 46,000 square foot facility that Planned Parenthood opened in St. Paul in December 2011.

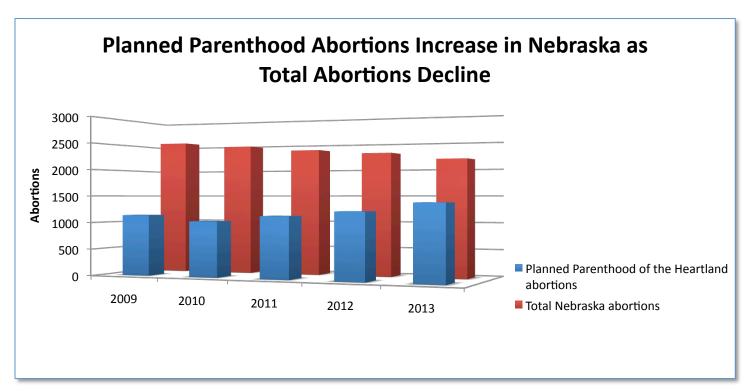
Planned Parenthood's mega-center appears to be solidifying its abortion business in Minnesota despite a continuous decline in the state's overall number of abortions.

#### C. Case Study 3: Planned Parenthood of the Heartland Boosts Abortion Numbers in Nebraska Even As Total State Numbers Decline

Planned Parenthood of the Heartland (PPH) is a large, multi-state Planned Parenthood affiliate that is the product of recent mergers among and consolidations







of smaller local affiliates. PPH has opened two megacenters in the past 5 years: the Omaha Northwest Health Center in 2011, and the Lincoln South Health Center in 2012. <sup>10</sup> While PPH reports only its total number of abortions across the entire affiliate, <sup>11</sup> the State of Nebraska maintains detailed statistical reports on abortions occurring within the state.

PPH now operates two of the three abortion clinics in Nebraska, and its center-specific abortion numbers can be inferred from county-level abortion incidence reporting by the Nebraska Department of Health and Human Services. The Nebraska health department reports from 2009 to 2013 show Planned Parenthood's inferred Nebraska abortion numbers, the total in Lancaster County (Lincoln) and Douglas County (Omaha), increasing every year after the opening of the two mega-centers.

During this 5-year period, Planned Parenthood of the Heartland increased their abortion numbers in Nebraska by over 20%. In the same time period, total abortion numbers in Nebraska dropped by nearly 15%. Growing its abortion business despite a statewide decline in abortion, Planned Parenthood

increased its share of the Nebraska abortion market from approximately 44% before opening its megacenters to performing nearly 64% of the abortions in Nebraska in 2013.

#### D. Case Study 4: Massachusetts Mega-Center Plans Explicitly Include Expanded Access to Abortion

In some regions of the country, Planned Parenthood has not shied away from publicizing its intentions to expand abortion through the opening and operation of mega-centers. For example, in 2008, a \$6.25 million tax-exempt bond was issued on behalf of the Planned Parenthood League of Massachusetts (PPLM) to purchase and demolish a building in Worcester and to erect an 11,000 square-foot mega-center in its place. When it announced the project, PPLM's press release was explicit that "[t]he new location will allow Planned Parenthood to expand access to abortion care." PPLM even crassly referred to its abortion-expanding mega-center as "an investment in the City of Worcester."

\*

E. Pro-Abortion Guttmacher Institute Data Substantiates that Planned Parenthood's Mega-Centers are a Growing Segment of the Abortion Industry.

Although much of the abortion-related data and analysis reported by the pro-abortion Guttmacher Institute is driven by ideology, some important insights can be gleaned from the information it tracks and disseminates. Guttmacher's data concerning the number and type of abortion providers in the U.S. substantiates that clinics such as Planned Parenthood's mega-centers are a growing segment of the abortion industry.

For many years, Guttmacher has observed that U.S. abortions are concentrated among a small number of large providers—facilities with large abortion "caseloads." Notably, Guttmacher data documents that these large abortion caseloads are often reported as what it classifies as "non-specialized" clinics or "clinics focus[ed] on contraceptive and family planning services."

While Guttmacher's threshold for a "non-specialized" clinic is that more than 50 percent of patient visits are for non-abortion services, abortion is often a substantial focus of these clinics' operations. These "non-specialized" clinics are, in fact, often performing as many abortions as what Guttmacher would define outright as an "abortion clinic." As Guttmacher explains:

[E]ven though a majority of patient visits to ["non-specialized"] facilities are for other services, some non-specialized clinics are similar to [what Guttmacher classifies as]

abortion clinics in that they have large abortion caseloads. 19

In 2011, 81 "non-specialized" clinics each performed 1,000-4,999 abortions annually. Guttmacher also identified another five "non-specialized" clinics each performing 5,000 or more abortions for the year. <sup>21</sup>

While not every identified "non-specialized" clinic may be affiliated with Planned Parenthood (and some Planned Parenthood clinics may also meet the Guttmacher "50% of patients" threshold to be classified as an "abortion clinic"), the documented growth of Planned Parenthood's share of the abortion market is similar to the increase in the market share of these "non-specialized" facilities. In 2011, "non-specialized" facilities accounted for 31% of all abortions performed nationwide, 22 which was an increase from 2008, when Guttmacher reported that "non-specialized" facilities performed only 24% of abortions. 23

Planned Parenthood's mega-centers exemplify the trend documented by Guttmacher. Larger facilities, advertising abortion services at least 6 days a week, and designed for large annual abortion caseloads.

The full impact of Planned Parenthood's mega-center business model is not yet known. Guttmacher only provides national data through 2011.

<sup>12</sup> See Nebraska Department of Health and Human Services, "Nebraska Statistical Report of Abortions," http://nlcs1.nlc.state.ne.us/epubs/h8320/s001.html (last visited April 29, 2015)

<sup>&</sup>lt;sup>1</sup> PLANNED PARENTHOOD OF THE ROCKY MOUNTAINS, ANNUAL REPORT (2005).

<sup>&</sup>lt;sup>2</sup> Id.

<sup>&</sup>lt;sup>3</sup> PLANNED PARENTHOOD OF THE ROCKY MOUNTAINS, ANNUAL REPORT (2006).

<sup>&</sup>lt;sup>4</sup> See PLANNED PARENTHOOD OF THE ROCKY MOUNTAINS ANNUAL REPORTS for 2010 and 2012, available at http://www.plannedparenthood.org/planned-parenthood-rocky-mountains/who-we-are/annual-report/ (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>5</sup>PPRM reported performing 10,505 abortions for 106,022 overall patients. PLANNED PARENTHOOD OF THE ROCKY MOUNTAINS, ANNUAL REPORT (2012).

<sup>&</sup>lt;sup>6</sup>Between 2008 and 2011, the incidence of abortion in Colorado declined from 15,960 to 14,710. During that time, PPRM also operated abortion clinics in Nevada where the abortion incidence likewise declined (from 13,450 to 11,290 abortions). Jones & Jerman, *Abortion Incidence and Service Availability in the United States 2011*, 46(1) PERSP. ON SEXUAL & REPROD. HEALTH (2014). Although Planned Parenthood of New Mexico has subsequently merged with PPRM, the services provided in facilities operated by Planned Parenthood in New Mexico were not included in PPRM's annual reports through 2012. PPRM does not perform abortions at its Wyoming clinic.

<sup>&</sup>lt;sup>7</sup> Jeremy Olson, *Minnesota abortions hit a record low*, STAR TRIBUNE, July 1, 2014, http://www.startribune.com/lifestyle/health/265474041.html (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>8</sup> List of Planned Parenthood centers in Minnesota *available at* http://www.plannedparenthood.org/health-center/MN/ (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>9</sup>See http://www.lifenews.com/2011/12/08/planned-parenthood-opening-16m-abortion-biz-in-minnesota/ (last visited Jan. 30, 2015). Information on St. Paul mega-center available at http://www.plannedparenthood.org/health-center/minnesota/st.-paul/55114/st.-paul-health-center---vandalia-4055-90720 (last visited July 6, 2014). The most recent annual report for the Planned Parenthood of Minnesota, North Dakota, South Dakota affiliate asserts that its clinics performed a combined 5,017 abortions in 2013. http://www.plannedparenthood.org/files/4814/0621/3904/1. Planned\_Parenthood\_2013\_Annual\_Report.pdf. Curiously, that number exceeds the 4,370 abortions the Minnesota Health Department reported that Planned Parenthood performed, plus all 601 abortions performed by all abortion providers—not limited to Planned Parenthood—in the State of South Dakota in 2013. https://doh.sd.gov/statistics/2013Vital/Abortion.pdf (Planned Parenthood does not perform abortions in North Dakota).

<sup>&</sup>lt;sup>10</sup> See Planned Parenthood of the Heartland, "Our History," http://www.plannedparenthood.org/planned-parenthood-heartland/whowe-are/history (last visited April 29, 2015).

See PPH Annual Reports for 2012, 2013, and 2014 at Planned Parenthood of the Heartland, "Publications," http://www.plannedparenthood.org/planned-parenthood-heartland/who-we-are/publications (Last visited April 29, 2015). According to these reports, PPH's total abortion numbers for the entire affiliate have also increased for the years annual reports are available.

<sup>&</sup>lt;sup>13</sup> See Nebraska DHHS, "Nebraska Statistical Report of Abortions," for 2009 to 2013. The reports do indicate that 3 abortions were performed each year in Douglas County prior to the opening of the PPH Omaha mega-center. There was no abortion clinic in Omaha before Planned Parenthood's Northwest mega-center and so these likely represent hospital inductions or private OB/GYN procedures. It is unlikely that these small-time abortion providers accounted for the over 12,000% increase in abortions in Douglas County from 2010 to 2011 when PPH opened its Omaha mega-center.

<sup>&</sup>lt;sup>14</sup> See\$6.25 Million MassDevelopment Bond Support Planned Parenthood League of Massachusetts, Inc. Expansion in Worcester, available at http://www.massdevelopment.com/press-room/press-archives/archives/6-25-million-massdevelopment-bond-supports-planned-parenthood-league-of-massachusetts-inc-expansion-in-worcester/ (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>15</sup> See Planned Parenthood's New, Green Health Center Opens in Worcester, available at http://www.plannedparenthood.org/planned-parenthood-massachusetts/newsroom/press-releases/planned-parenthoods-new-green-health-center-opens-worcester (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>17</sup> See e.g., Finer & Henshaw, Abortion Incidence and Services in the United States 2000, 35(1) PERSP. ON SEXUAL & REPROD. HEALTH (2003); Jones & Kooistra, Abortion incidence and services in the United States 2008, 43(1) PERSP. ON SEXUAL & REPROD. HEALTH 47 (2011); Jones & Jerman, Abortion Incidence and Service Availability in the United States 2011, 46(1) PERSP. ON SEXUAL & REPROD. HEALTH (2014).

<sup>&</sup>lt;sup>18</sup> Planned Parenthood's annual reports similarly depreciate the role abortion plays by defining its "services" in such a way that it avoids accounting for their time and expense. A single pregnancy test is designated by Planned Parenthood as a "service" and thus given equal weight to a far more time-consuming and lucrative surgical abortion procedure, another Planned Parenthood "service." <sup>19</sup> Finer & Henshaw, *Abortion Incidence and Services in the United States 2000*, 35(1) PERSP. ON SEXUAL & REPROD. HEALTH (2003). <sup>20</sup> Jones & Jerman, *Abortion Incidence and Service Availability in the United States 2011*, 46(1) PERSP. ON SEXUAL & REPROD. HEALTH (2014).

<sup>&</sup>lt;sup>21</sup> Id. <sup>22</sup> Id. <sup>23</sup> Jones & Kooistra, Abortion incidence and services in the United States 2008, 43(1) PERSP. ON SEXUAL & REPROD. HEALTH 47 (2011).

## IV. Planned Parenthood's Mega-Center Focused Business Model Preys on Competitors, Undermining Its Rote Legal Arguments Against Medically Appropriate Health and Safety Standards

Planned Parenthood routinely files lawsuits against medically appropriate health and safety standards, arguing that any resultant decrease in local abortion providers results in greater driving distances and costs for women and that any decrease in the number of easily accessible abortion providers is an unconstitutional burden on women. However, these arguments are proven both duplicitous and cynical by Planned Parenthood's business model—including its aggressive mega-center expansion—that has, in fact, put smaller, non-affiliated abortion providers out of business.

#### A. Planned Parenthood's Aggressive, Abortion-Focused Business Model Aims to Shut Down its Competition

Planned Parenthood's roll-out of its mega-centers and intensified focus on its abortion business have resulted in the closure of competing abortion providers. Evidence suggests that Planned Parenthood's expansion of its abortion business is not focused on expanding access to abortion but is instead aimed at achieving dominance in the abortion market.

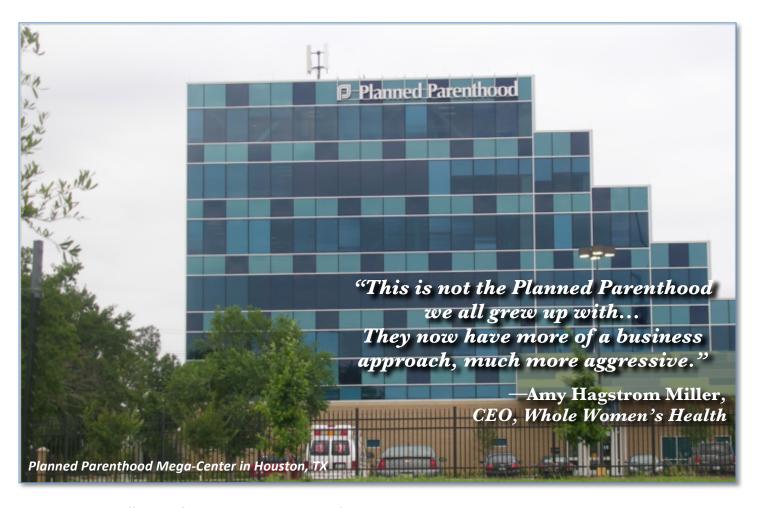
For example, in Washington state, Planned Parenthood's mega-center expansion led to the closure of the Cedar River Clinics' Yakima clinic (originally called the "Feminist Women's Health Center" (FWHC)) which had operated for over 30 years. A co-founder of the now-defunct FWHC clinic, Beverly Whipple made no bones about Planned Parenthood's role in the clinic's closure: "We would not be closing today if Planned Parenthood had not started providing abortion services in the same town where we have been providing abortion care for 30 years." Ms. Whipple further asserted that "[i]n starting to provide abortion, [Planned Parenthood] [was] NOT responding to a local need. Their actions

did NOT expand access [to abortion]."<sup>2</sup> Rather than expanding access to abortion in Yakima, Planned Parenthood was instead eradicating the competition and asserting its own financial and business interests.

What happened in Yakima, Washington is not an outlier. In 2008, the *Wall Street Journal* interviewed independent abortion providers about Planned Parenthood's ongoing expansion strategy.<sup>3</sup> Amy Hagstrom Miller, who was identified as operating abortion clinics in both Texas and Maryland, voiced deep frustration over Planned Parenthood's evolving business model: "This is not the Planned Parenthood we all grew up with ...they now have more of a business approach, much more aggressive."<sup>4</sup>

Recently, some former Planned Parenthood affiliates have balked at the national organization's efforts to expand its abortion business at the expense of other providers. For example, in 2012, a former Planned Parenthood clinic in upstate New York dropped its affiliation with the national chain over Planned Parenthood's new mandate that every affiliate perform abortions because, as the New York clinic's CEO explained, "There's no need for us to be duplicating services that are already adequately and well provided locally."<sup>5</sup>





## B. Taxpayer Dollars and Tax Exempt Status Fuel Planned Parenthood's Take-Over of the Abortion Market

PPFA's ability to open mega-centers and to take-over the abortion market has been enabled by both its receipt of taxpayer funding and its tax-exempt status.

Planned Parenthood clinics have a distinct competitive advantage by belonging to a federation. Examining how state regulation impacts the supply and demand of abortion, Alliance Defending Freedom (ADF) attorney Steve Aden has observed:

By empowering [Planned Parenthood Federation of America] to negotiate for medical supplies and medications as a largevolume provider, inventory costs are presumably lower relative to similar for-profit employers. And its affiliation structure provides many of the benefits of a franchise operation—well-developed trademarks and concomitant goodwill, financial and medical management procedures, marketing, sales assistance and training... <sup>6</sup>

The competitive benefits of PPFA's affiliate structure are bolstered by its taxpayer funding. An article published at *RH Reality Check*, an abortion advocacy website, identifies as a major factor contributing to Planned Parenthood's competitive edge over "smaller centers," such as the now-closed FWHC in Yakima, is that Planned Parenthood "receive[s] federal funding."

\*

The Wall Street Journal similarly reported that Ms. Hagstrom Miller, whose clinics do not receive the government grants or tax-deductible donations that Planned Parenthood does, "[said that] she [could not] match the nonprofit's budget for advertising or clinic upgrades." Ms. Hagstrom Miller unflatteringly compared Planned Parenthood to "other big national chains," alleging that "[t]hey put local independent businesses in a tough situation."

Mr. Aden explains how Planned Parenthood's nonprofit status results in an even greater competitive advantage than its already significant edge from soliciting tax-deductible donations:

Its non-profit exemption, in addition to enabling its affiliates to solicit private tax-deductible contributions, allows it to operate free of federal, state, and local income and excise taxes on income from clinical services, and in most jurisdictions has probably granted it exemptions from real property taxes on owned property. 9

## C. Planned Parenthood's Mega-Centers Allegedly Designed to Attract Higher Paying Clients

Planned Parenthood's competitors have also highlighted another trend inherent in Planned Parenthood's mega-center business model — one that runs directly counter to its deceiving self-portrayal as an advocate for poor women. Claire Keyes, an independent abortion provider in Pittsburgh, said of Planned Parenthood's shift to mega-centers in urban areas, "They've made a decision to go after the young and the hip and the affluent...".<sup>10</sup>

"[Planned Parenthood's] Aurora, Illinois mega-center," explained the *Wall Street Journal*, "typifies" what it considered Planned Parenthood's "balancing act in

reaching out to clients." The Aurora abortion megacenter "is located on the wealthy side of town amid culde-sac subdivisions, across from a bank, but it's also convenient to Aurora's significant population of poor and uninsured families." In Denver, "similar dynamics are at work," where (as discussed above) Planned Parenthood of the Rocky Mountains has announced an intentional "businesslike approach" and "bottom-line" focus.

### D. Planned Parenthood's Legal Arguments Clash with Its Actions.

Planned Parenthood has an apparent schizophrenic philosophy on abortion clinic closures. When an abortion clinic closes because it fails to comply with medically appropriate health and safety standards, Planned Parenthood argues that such diminished access to abortion creates an undue burden on women. However, where Planned Parenthood's business strategy is responsible for a clinic's closure, the abortion giant's verdict is that their actions are simply good business.

In its lawsuits challenging health and safety standards for abortion providers, Planned Parenthood consistently argues that any closure of existing abortion facilities decreases abortion access and constitutes an "undue burden" on women seeking abortions in those states.<sup>13</sup>

For example, in Texas, where Planned Parenthood already operates multiple mega-centers and is planning an additional mega-center in San Antonio, the abortion chain filed a lawsuit against a 2013 state law mandating that a physician performing or inducing an abortion have admitting privileges at a local hospital and requiring that abortion-inducing

drugs, such as RU-486, be administered only in the manner approved by the FDA.<sup>14</sup> In its motion for a preliminary injunction against the enforcement of the law, Planned Parenthood argued, in part:

There are currently only five Texas cities where a woman can get an abortion after 15 weeks; if the [law] takes effect, there will be three. And those health centers that can continue to provide abortions will be forced to serve more women with fewer physicians.<sup>15</sup>

Notably, Planned Parenthood has made similar claims in its challenges to admitting privileges requirements in Alabama<sup>16</sup> and Wisconsin.<sup>17</sup>

Conversely, when not challenging medically appropriate standards of care in federal or state courts, Planned Parenthood has characterized its own mergers and consolidations (*i.e.*, operation of fewer centers of clinics in fewer locations) as a means of making the organization more "efficient" and even enabling the organization to expand its services. <sup>18</sup> No mention is made of the decreasing numbers of abortion providers in this context. Clearly, when Planned Parenthood evaluates its own business plan, any resultant decrease in either Planned Parenthood clinics or non-affiliated abortion facilities, especially in smaller towns and communities, is seen as a good business decision for the abortion giant and not as an impediment to women seeking abortions.

<sup>&</sup>lt;sup>1</sup> Amie Newman, Feminist Health Center Closes After Thirty Years. What Does it Mean for Women?, RH REALITY CHECK, available at http://rhrealitycheck.org/article/2010/11/18/draft-feminist-health-center-closes-after-thirty-years-what-does-mean-women-0/(last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>2</sup> *Id*.

<sup>&</sup>lt;sup>3</sup> Stephanie Simon, Extending the brand: Planned Parenthood hits suburbia, THE WALL STREET JOURNAL, June 23, 2008, available at http://www.denverpost.com/popular/ci\_9674675?source=pop\_neighbors\_coloradosprings (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>5</sup> See Local Planned Parenthood Changes Name, No Services, available at http://www.wbng.com/news/video/Local-Planned-Parenthood-Changing-Name-Not-Services-181449101.html?m=y&smobile=y (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>6</sup> Steven H. Aden, *Driving Out Bad Medicine: How State Regulation Impacts the Supply and Demand of Abortion*, 8 St. Thomas J.L. & Pub. Pol'y 14, 21 (2014).

<sup>&</sup>lt;sup>7</sup> Amie Newman, Feminist Health Center Closes After Thirty Years. What Does it Mean for Women?, RH REALITY CHECK, available at http://rhrealitycheck.org/article/2010/11/18/draft-feminist-health-center-closes-after-thirty-years-what-does-mean-women-0/ (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>8</sup> Stephanie Simon, Extending the brand: Planned Parenthood hits suburbia, THE WALL STREET JOURNAL, June 23, 2008, available at http://www.denverpost.com/popular/ci 9674675?source=pop neighbors coloradosprings (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>9</sup> Steven H. Aden, *Driving Out Bad Medicine: How State Regulation Impacts the Supply and Demand of Abortion*, 8 St. Thomas J.L. & Pub. Pol'y 14, 20 (2014).

<sup>&</sup>lt;sup>10</sup> Stephanie Simon, Extending the brand: Planned Parenthood hits suburbia, THE WALL STREET JOURNAL, June 23, 2008, available at http://www.denverpost.com/popular/ci\_9674675?source=pop\_neighbors\_coloradosprings (last visited Jan. 30, 2015).

<sup>11</sup> Id.

<sup>&</sup>lt;sup>12</sup> *Id*.

<sup>&</sup>lt;sup>13</sup> See e.g., Brief for Planned Parenthood Center for Choice et al. as Amicus Curiae Supporting Plaintiffs-Appellees, Whole Woman's Health v. Lakey, 769 F.3d 285 (5<sup>th</sup> Cir. Tex. 2014) (No. 14-50928). "The fact is, any time abortion providers are forced to shut their doors, women are delayed or prevented from obtaining abortions because of increased travel distances and cost..." Id. at 6. See also Planned Parenthood v. Abbott, Case No. 1:13-cv-862 (W.D. Tex. 2013); Planned Parenthood v. Strange, Civil Action No. 2:13cv405-MHT (M.D. Ala. 2013); Planned Parenthood of Wisconsin v. Van Hollen, 3:13-cv-00465-wmc (W.D. Wis. 2013).

<sup>&</sup>lt;sup>14</sup> Planned Parenthood v. Abbott, Case No. 1:13-cv-862 (W.D. Tex. 2013). Case material available at http://reproductiverights.org/en/case/planned-parenthood-et-al-v-abbott (last visited July 7, 2014). The abortion-inducing drug requirement is based on model language developed by Americans United for Life.

<sup>&</sup>lt;sup>15</sup> Planned Parenthood v. Abbott, Plaintiffs' Motion for Preliminary Injunction and Memorandum of Law in Support Thereof, available at https://www.aclu.org/sites/default/files/assets/planned parenthood 9.pdf (last visited Feb. 3, 2015).

<sup>&</sup>lt;sup>16</sup> Planned Parenthood v. Strange, Civil Action No. 2:13cv405-MHT (M.D. Ala. 2013).

<sup>&</sup>lt;sup>17</sup> Planned Parenthood of Wisconsin v. Van Hollen, 3:13-cv-00465-wmc (W.D. Wis. 2013).

<sup>&</sup>lt;sup>18</sup> Cash crush forces Planned Parenthood merger, THE COURIER, Feb. 8, 2008, /cur/raw/02-08-

<sup>2008/</sup>story\_asp\_SID\_24899\_SEC\_8/index.html (last visited Feb. 3, 2015). In analyzing the opening of a mega-center in Aurora, Illinois, the CEO of one of Planned Parenthood's other Illinois affiliates noted there were 180 to 190 [U.S. Planned Parenthood] affiliates when she began in 1979, but said there would be only 105 to 110 once the latest mergers (undertaken in conjunction with the opening of the Aurora and other mega-centers) ended. *All five of state's Planned Parenthood affiliates to merge*, SPRINGFIELD STATE JOURNAL-REGISTER, Feb. 8, 2008. The CEO argued that "efficiencies" gained in through the mergers might eventually enable the Planned Parenthood to "expand" services to the southern part of the state.

## V. Facing Opposition, Planned Parenthood Has Often Sought to Deceive Local Communities and to Hide Its Plans to Open and Operate Mega-Centers

Not surprisingly, Planned Parenthood's mega-center expansion efforts are often not welcomed by the communities and citizens affected. Rather than deal honestly with communities and confront local opposition, Planned Parenthood has instead responded with diversionary and often dishonest tactics.

### A. Aurora, Illinois: Planned Parenthood Misleads Zoning Officials

In early 2006, Planned Parenthood acquired property in Aurora, Illinois, under the name of a subsidiary called Gemini Office Development, Inc.<sup>1</sup> Planned Parenthood intended to build a 22,000-square-foot, \$7.5 million abortion mega-center<sup>2</sup> and community education center.<sup>3</sup>

When seeking permits from the city, Planned Parenthood hid behind Gemini Office Development, Inc., ("Gemini") listing it as both the property owner and the tenant on various forms<sup>4</sup> and indicating that the building would house a for-profit "medical office building."<sup>5</sup> At a November 2006 meeting with the Aurora Planning and Development Committee during the permit process, representatives of Gemini were specifically asked if the building was being built for a specific client. In response, Gemini misled the committee by asserting that they were in negotiations with a client, but did not yet have a lease.<sup>6</sup> Relying on the information provided by Gemini, the committee approved its petition for a permit, and construction began on the center.<sup>7</sup>

On July 27, 2007, the *Chicago Tribune* broke the story that Gemini was a subsidiary of Planned Parenthood and that the "medical office building" was actually a new Planned Parenthood mega-complex.<sup>8</sup> The paper quoted Steve Trombley, president of Planned

Parenthood Illinois as saying, "Frankly, I'm surprised we were able to keep it a secret for so long... We didn't want anything to interfere with the opening ... and, at this point, I don't anticipate anything will stop that from happening."

Government officials involved in the permit process were understandably displeased that they were misled regarding the planned tenant for the building and indicated that their decisions regarding zoning would have been affected had they been given full information. Residents of Aurora were also disappointed that the true nature of the building was being hidden from them, denying them the opportunity to voice their opinions on an issue that would affect their daily lives and businesses. 11

After learning of Planned Parenthood's deception during the permit process, a coalition of Aurora business owners and families sought to challenge the legitimacy of the permits on the basis that Planned Parenthood made fraudulent representations on their building and zoning applications. Several lawsuits were filed, but eventually Planned Parenthood was granted approval from city officials. The center opened on October 2, 2007. And though the center has been in operation for more than seven years, the legal challenges to Planned Parenthood's duplicity continue. 4





## B. Colorado Springs, Colorado: Planned Parenthood Deliberately Hides Involvement

A similar story unfolded in Colorado Springs. "Rather than the property being bought under [Planned Parenthood's] name... a group named Majors Property LLC is listed as the owner for [the abortion mega-center at] 3480 Centennial." Doris Ralston, the executive director the Colorado Springs Osteopathic Foundation, with which Majors Property negotiated the sale, said in an interview that she did not know that Planned Parenthood was involved. "We thought it was a real estate firm or developer." 16

When asked about the situation, a Planned Parenthood of the Rocky Mountains (PPRM)

spokesperson "declined to elaborate on the connection between the [Majors Property] LLC and Planned Parenthood." However, she stated it was her organization's "protocol and customary practice not to unveil construction details for competitive reasons" and that "it is our responsibility to protect the privacy of our business partners so they and their families are not susceptible or inclined to unnecessary attention." <sup>17</sup>

#### C. Fort Worth, Texas: Construction Workers and Local Leaders Outraged by Planned Parenthood's Duplicity

In late 2011, Planned Parenthood announced that as part of a \$21.5 million campaign, it would be building

a new regional health center in Fort Worth, Texas. <sup>18</sup> In Southwest Fort Worth Health Center opened in late its announcement, Planned Parenthood stated the new center would be three times as large as their current building, but that it "[could not] disclose the exact location" of the new center because of purported safety concerns. 19

2013.25

Unbeknownst to area residents, Planned Parenthood was setting up shop next to one of the nation's premier adoption organizations, the Gladney Center for Adoption. 20 As seen in other areas where Planned Parenthood has built new mega-centers, it used a shell company to purchase the property and apply for the necessary permits.<sup>21</sup>

The identity of the true owner and the building's intended purpose as an ambulatory surgical center capable of performing late-term abortions were not only hidden from the general public, but also from the various contractors and subcontractors that were involved in the center's construction. When word inevitably leaked out, construction was delayed as several contractors and subcontractors immediately withdrew from the project, citing their deep respect for the sanctity of human life.<sup>22</sup> Fort Worth pastor Al Meredith condemned Planned Parenthood for not disclosing to its contractors what they were building, saying, "You don't honor other people's convictions by sneaking this by them... you don't hoodwink people into building something that violates their conscience."23

While Planned Parenthood was building the expensive Fort Worth center, it simultaneously closed down six local family planning clinics, none of which performed abortions, citing a lack of funding.<sup>24</sup> Despite the opposition, controversy, and construction delays surrounding the project, the Planned Parenthood

<sup>3</sup> Fox Valley Families v. Planned Parenthood of Illinois, No. 2-13-1019, Brief of Plaintiffs-Appellants, at 11.

<sup>&</sup>lt;sup>1</sup> Fox Valley Families v. Planned Parenthood of Illinois, No. 2-13-1019, Brief of Plaintiffs-Appellants, at 6, available at https://www.thomasmoresociety.org/wp-content/uploads/2014/05/140425-aurora-zoning-appellate-brief-FINAL.pdf (last visited Feb. 3, 2015).

<sup>&</sup>lt;sup>2</sup> James Kimberly, *Judge: Aurora Planned Parenthood Clinic Can Wait*, CHICAGO TRIBUNE, *available at* http://www.chicagotribune.com/news/local/chi-auroraclinic websep21,0,217658.story (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>4</sup> *Id*. at 8.

<sup>&</sup>lt;sup>5</sup> *Id*. at 7.

<sup>&</sup>lt;sup>6</sup> *Id*. at 15.

<sup>&</sup>lt;sup>7</sup> *Id*.

<sup>&</sup>lt;sup>8</sup> Bonnie Miller Rubin, *Abortion clinic built under radar*, CHICAGO TRIBUNE, July 27, 2007, http://articles.chicagotribune.com/2007-07-27/news/0707261394\_1\_planned-parenthood-abortions-clinic (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>9</sup> *Id* 

<sup>&</sup>lt;sup>10</sup> Fox Valley Families v. Planned Parenthood of Illinois, No. 2-13-1019, Brief of Plaintiffs-Appellants, at 15.

<sup>&</sup>lt;sup>11</sup>Bonnie Miller Rubin, *Abortion clinic built under radar*, CHICAGO TRIBUNE, July 27, 2007, http://articles.chicagotribune.com/2007-07-27/news/0707261394 1 planned-parenthood-abortions-clinic (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>12</sup> Lori Solyom, *Zoning Violations by Aurora Mega-Abortion Facility Require Shutdown*, CHICAGO TRIBUNE, May 9, 2014, http://www.chicagotribune.com/news/local/suburbs/aurora/community/chi-ugc-article-zoning-violations-by-aurora-mega-abortion-fac-2014-05-09,0,2983955.story (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>13</sup> See Amid Protests, Planned Parenthood Opens, available at http://chicagoist.com/2007/10/02/amid\_protests.php (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>14</sup> See Zoning Violations by Mega-Abortion Facility in Aurora Appealed to Shut it Down, THOMAS MORE SOCIETY, May 8, 2014, available at https://www.thomasmoresociety.org/2014/05/08/zoning-violations-by-mega-abortion-facility-in-aurora-appealed-to-shut-it-down/ (Jan. 30, 2015).

<sup>&</sup>lt;sup>15</sup>See New Home on Mesa for Planned Parenthood, available at http://www.westsidepioneer.com/Articles/081910/PlannedParenthood.html (last visited Jan. 30, 2015). <sup>16</sup> Id.

<sup>17</sup> *Id*.

<sup>&</sup>lt;sup>18</sup>Randall O'Bannon, *Planned Parenthood Plans Bigger Clinic for Fort Worth Texas*, NATIONAL RIGHT TO LIFE NEWS TODAY, Dec. 3, 2011, http://www.nationalrighttolifenews.org/news/2011/12/planned-parenthood-plans-bigger-clinic-for-fort-worth-texas/#.U6shGPldWSo (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>19</sup> Alex Branch, *\$6.5 million Planned Parenthood health center under construction in Fort Worth*, Star-Telegram, Mar. 30, 2012, http://www.star-telegram.com/2012/03/29/3846506/65-million-planned-parenthood.html?rh=1 (last visited Jan. 30, 2015). <sup>20</sup> *Id*.

 $<sup>^{21}</sup>$  *Id*.

<sup>&</sup>lt;sup>22</sup> See Planned Parenthood Secretly Breaks Ground on Late Term Ft. Worth Clinic Next to Adoption Center; Contractors Pull Out, available at <a href="http://texlife.org/2012/05/planned-parenthood-secretly-breaks-ground-on-late-term-ft-worth-clinic-next-to-adoption-center-contractors-pull-out-corrected/">http://texlife.org/2012/05/planned-parenthood-secretly-breaks-ground-on-late-term-ft-worth-clinic-next-to-adoption-center-contractors-pull-out-corrected/</a> (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>23</sup> Jerry Pierce, *Contractor built churches, now abortion facility,* Baptist Press, Apr. 2, 2012, *available at* http://www.bpnews.net/printerfriendly.asp?id=37518 (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>24</sup> See Planned Parenthood aborts family planning clinics to create new Abortion Mega-Center, available at http://www.texasrighttolife.com/about/803/Planned-Parenthood-aborts-family-planning-clinics-to-create-new-Abortion-MegaCenter (last visited Jan. 30, 2015).

<sup>&</sup>lt;sup>25</sup> See Planned Parenthood Clinic Opens Next to Adoption Center, available at http://www.lifesitenews.com/news/planned-parenthood-clinic-opens-next-to-adoption-center (last visited Jan. 30, 2015).

#### •

#### Conclusion

Bigger centers with a bigger abortion focus—Planned Parenthood has an "abortion plan" of epic proportions. Already the nation's largest abortion provider, Planned Parenthood is aggressively positioning itself to take over the abortion market. With the unwitting involvement of American taxpayers and an increasingly myopic focus on its financial bottom-line, Planned Parenthood's abortion mega-centers are helping to make its monopolistic aspirations a reality. The New Leviathan has been born.



The New Leviathan: The Mega-Center Report, How Planned Parenthood Has Become Abortion, Inc.

 $\ensuremath{\mathbb{C}}$  2015 Americans United for Life. All Rights Reserved.

www.aul.org

