



2. The federal Title XIX-Medicaid program is a jointly funded federal-state healthcare program implemented pursuant to the provisions of (a) title XIX of the Social Security Act and its implementing regulations and policies, and (b) State of Iowa statutes and implementing regulations and policies.
3. The federal False Claims Act provides that any person who, *inter alia*, knowingly submits or causes to be submitted a false or fraudulent claim to the government for payment or approval, or knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim, is liable for a civil penalty up to \$11,000 for each such false claim, plus treble actual damages sustained by the government.
4. The Iowa False Claims Act provides that any person who, *inter alia*, “[k]nowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval” or “[k]nowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim” or “[c]onspires to commit [these] violation[s],” IOWA CODE ANN. § 685.2(1)(a) – (c), is liable to the State of Iowa for a civil penalty up to \$11,000 per false claim, plus treble actual damages.
5. The original complaint was filed under seal, without service on the defendant until order of Court. Following notices of nonintervention by both the United States of America and the State of Iowa, by order dated July 5, 2012, this Court ordered the First Amended Complaint unsealed and, with other specified documents, served on the defendant.
6. Qui Tam Plaintiff-Relator Susan Thayer is an original source with non-public, direct, personal, and independent knowledge of the facts and information upon which the allegations contained in this complaint are based.

7. As required by the federal False Claims Act, 31 U.S.C. § 3730(b)(2), and the Iowa False Claims Act, IOWA CODE ANN. § 685 *et seq.*, Qui Tam Plaintiff-Relator Susan Thayer has previously provided the Attorney General of the United States and the United States Attorney for the Southern District of Iowa, for the United States of America, and the Iowa Attorney General, for the State of Iowa, all material evidence and information in her possession, custody, or control related to her complaint.

## **II. JURISDICTION AND VENUE**

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1345 and 31 U.S.C. § 3732, which specifically confers jurisdiction on this Court for actions brought pursuant to 31 U.S.C. §§ 3729 and 3730.
9. In addition, this Court has jurisdiction over the subject matter of this action pursuant to IOWA CODE ANN. § 685 *et seq.*, 28 U.S.C. § 1367(a), and 31 U.S.C. § 3732(b).
10. This Court has personal jurisdiction over Defendant Planned Parenthood of the Heartland pursuant to 31 U.S.C. § 3732(a), as Defendant Planned Parenthood of the Heartland may be found in, resides in, and transacts business, including the acts in violation of 31 U.S.C. § 3729 alleged, herein.

## **III. PARTIES**

11. Qui Tam Plaintiff-Relator Susan Thayer (hereinafter “Plaintiff-Relator Thayer”) is an individual resident in Lakeside, Iowa. From 1991 to December 2008, Plaintiff-Relator Thayer served as the center manager of the Defendant Planned Parenthood of the Heartland’s Storm Lake, Iowa, clinic. At the time, Defendant Planned Parenthood of the Heartland was known as Planned Parenthood of Greater Iowa, Inc. From approximately 1993 to 1997,

Plaintiff-Relator Thayer simultaneously served as the center manager for Defendant Planned Parenthood of the Heartland's LeMars, Iowa, clinic.

12. Planned Parenthood of the Heartland, Inc., is an Iowa non-profit corporation resident, upon information and belief, at 1171 7th Street, P.O. Box 4557, Des Moines, Iowa 50314. On September 1, 2009, Planned Parenthood of Greater Iowa, Inc., merged with Planned Parenthood of Nebraska/Council Bluffs, Inc., and thereafter was known as Planned Parenthood of the Heartland, Inc. On December 9, 2010, Planned Parenthood of the Heartland, Inc. merged with Planned Parenthood of East Central Iowa, Inc. At the time Plaintiff-Relator Thayer was employed by Planned Parenthood of the Heartland, Inc., Planned Parenthood of the Heartland, Inc. operated as many as eighteen clinics in Iowa, to wit: Ames, Ankeny, Bettendorf, Cedar Falls, Creston, Davenport, Des Moines, Ft. Dodge, Iowa City, Knoxville, LeMars, Newton, Red Oak, Rosenfield, Sioux City, Spencer, Storm Lake, and Urbandale. These clinics are referred to herein either by the specific clinic name or, collectively as "Planned Parenthood's Iowa Clinics." "Defendant Planned Parenthood of the Heartland" shall refer to Planned Parenthood's Iowa Clinics, its headquarters office in Des Moines, Iowa, and all management personnel of Planned Parenthood of the Heartland, Inc.

#### **IV. FACTS COMMON TO ALL CLAIMS FOR RELIEF**

##### **a. Title XIX-Medicaid Program**

13. The federal Title XIX-Medicaid program, authorized pursuant to Title XIX of the Social Security Act, is a federal-state healthcare program implemented and administered, pursuant to, as is required by law, a plan approved by the federal Centers for Medicare and Medicaid

Services (herein “CMS”), by the State of Iowa and financed jointly through federal and state funds.

14. The purpose of the Title XIX-Medicaid program is to help ensure that people of low income have available to them medical and health care. For eligible recipients, defined as those at and below specified federal poverty guidelines, the Title XIX-Medicaid program pays certain specified costs of services and products.
15. Both State of Iowa law and regulations and United States law and regulations (what is commonly called the “Hyde Amendment”) prohibit the use of Title XIX-Medicaid funds to pay for or reimburse abortions and all abortion-related services except in limited circumstances. Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, Pub. L. No. 111-8, §§ 507-508, 123 Stat. 750, 802-03 (2009); 42 C.F.R. §§ 50.303, 50.304, 50.306; Iowa Admin. Code r. 441-78.1(17); Iowa Admin. Code r. 441-78.26(4) (“Abortion procedures are covered only when criteria in subrule 78.1(17) are met.”); *see also* Medicaid Enterprise Family Planning Manual, p. 1.
16. To implement and manage the Iowa Medicaid Program pursuant to the CMS-approved plan, the Iowa Department of Human Services formed “Iowa Medicaid Enterprise.” Iowa Medicaid Enterprise has formulated Medicaid policies and procedures compliant with federal and state laws and regulations to receive, process, and reimburse providers, including Defendant Planned Parenthood of the Heartland, for approved charges relating to the provision of services and supplies provided to Title XIX-Medicaid eligible clients.
17. At all times relevant herein, Defendant Planned Parenthood of the Heartland has submitted claims for reimbursement for Title XIX-Medicaid eligible services and supplies to and has been reimbursed for such services and supplies by Iowa Medicaid Enterprise with funds

provided by both the United States of America and the State of Iowa. With the submittal of each reimbursement claim and as a condition of reimbursement, Defendant Planned Parenthood of the Heartland expressly and impliedly certified and represented that it was in compliance with all applicable federal and state laws and regulations relating to Iowa Medicaid Enterprise and its reimbursement claim requirements.

18. As is described in more detail hereinafter, Defendant Planned Parenthood of the Heartland has submitted false or fraudulent reimbursement claims to Iowa Medicaid Enterprise for family planning procedures, services and products, including oral contraceptive pills and birth control patches, knowing that Defendant Planned Parenthood of the Heartland's express and implied representations of compliance with laws and regulations relating to Iowa Medicaid Enterprise were, unbeknownst to Iowa Medicaid Enterprise, false.
19. To implement and manage a Medicaid waiver program pursuant to the CMS-approved plan, the Iowa Department of Human Services also formed Iowa Family Planning Network. The Iowa Family Planning Network Medicaid-waiver program provides for reimbursement to providers, including Defendant Planned Parenthood of the Heartland, for specified services and supplies to clients who have higher incomes relative to the poverty guidelines than those clients who may be covered by Iowa Medicaid Enterprise.
20. At all times relevant herein, Defendant Planned Parenthood of the Heartland has submitted requests for reimbursement for such limited family planning services and supplies to and has been reimbursed by Iowa Family Planning Network with funds provided by both the United States of America and the State of Iowa. With the submittal of each reimbursement claim and as a condition of reimbursement, Defendant Planned Parenthood of the Heartland expressly and impliedly certified and represented that it was in compliance with all applicable federal

and state laws and regulations relating to Iowa Family Planning Network and its reimbursement claim requirements.

21. As is described in more detail hereinafter, Defendant Planned Parenthood of the Heartland has submitted false or fraudulent reimbursement claims to Iowa Family Planning Network for family planning procedures, services and products, including oral contraceptive pills and birth control patches, knowing that Defendant Planned Parenthood of the Heartland's express and implied representations of compliance with laws and regulations relating to Iowa Family Planning Network were, unbeknownst to Iowa Family Planning Network, false.
22. For the purposes of Plaintiff-Relator Thayer's Complaint, clients served by both Iowa Medicaid Enterprise and Iowa Family Planning Network are referred to as "Title XIX-Medicaid eligible clients."
23. Upon submission to Iowa Medicaid Enterprise and/or Iowa Family Planning Network of apparently properly documented claims for reimbursement of approved services and supplies, including contraceptives such as oral contraceptive pills and birth control patches, Defendant Planned Parenthood of the Heartland was thereupon regularly reimbursed by Iowa Medicaid Enterprise and/or Iowa Family Planning Network for such reimbursement claims.
24. At all times relevant herein, Defendant Planned Parenthood of the Heartland has been receiving reimbursements in this manner from Iowa Medicaid Enterprise and/or Iowa Family Planning Network for prescribed family planning procedures, services and supplies, including contraceptives such as oral contraceptive pills and birth control patches, on the assumption that claims for reimbursement submitted by Defendant Planned Parenthood of the Heartland were valid. As is described in detail herein, many such claims for reimbursement were false, fraudulent, and/or ineligible for reimbursement.

25. At all times relevant herein, Defendant Planned Parenthood of the Heartland has participated in the Iowa Medicaid Program, and thus has been reimbursed by Iowa Medicaid Enterprise and/or Iowa Family Planning Network, pursuant to one or more Medicaid Provider Agreements between Defendant Planned Parenthood of the Heartland and the State of Iowa.
26. By executing each such Medicaid Provider Agreement, Defendant Planned Parenthood of the Heartland has expressly and/or impliedly agreed, certified, and represented that, in dispensing family planning procedures, services and products, including oral contraceptive pills and birth control patches, to Title XIX-Medicaid eligible clients and in submitting reimbursement claims to Iowa Medicaid Enterprise and/or Iowa Family Planning, it would “comply with all applicable Federal and State laws, rules and written policies to the Iowa Medicaid program, including but not limited to Title XIX of the Social Security Act (as amended), the Code of Federal Regulations (CFR), the provisions of the Code of Iowa and the rules of the Iowa Department of Human Services and written Department policies, including but not limited to the policies contained in the Iowa Medicaid Provider Manual, and the terms of this Agreement.” Medicaid Provider Agreement, ¶ 2.3.
27. Among other regulations relevant to Plaintiff-Relator Thayer’s Complaint, the State of Iowa has promulgated the Iowa Medicaid Enterprise, Department of Human Services, All Provider Manual with which Defendant Planned Parenthood of the Heartland was, at all times relevant herein, required to comply. The Iowa Medicaid Enterprise, Department of Human Services, All Provider Manual, herein “Iowa All Provider Manual” is incorporated herein by this reference.
28. Pursuant to applicable federal and state law and regulations, including Iowa Administrative Code (herein “IAC”) 441-79.3(249A) and, upon information and belief, Defendant Planned



Parenthood of the Heartland's Medicaid Provider Agreement with the State of Iowa, Defendant Planned Parenthood of the Heartland expressly and impliedly certified and represented, as a condition of reimbursement, that it had maintained and would "maintain clinical and fiscal records necessary to fully disclose the extent of services, care, and supplies furnished to Medicaid members" and further required to maintain "[c]linical records [to] . . . support charges made to the Medicaid program by documenting:

- a. Medical necessity of the services.
- b. The services provided are consistent with the diagnosis of the client's condition.
- c. The services are consistent with professionally recognized standards of care."

Iowa All Provider Manual, March 1, 2008, p. 30.

29. Pursuant to applicable federal and state law and regulations, including the Iowa All Provider Manual, Defendant Planned Parenthood of the Heartland expressly and impliedly certified and represented, as a condition of reimbursement, that it knew that the family planning procedures, services and supplies, including oral contraceptive pills and birth control patches, it provided and that were being reimbursed by Iowa Medicaid Enterprise and/or Iowa Family Planning Network were, at all times relevant herein, required to:

- a. Be consistent with the diagnosis and treatment of the client's condition.
- b. Be in accordance with standards of good medical practice.
- c. Be required to meet the medical need of the client and be for reasons other than the convenience of the client or the client's practitioner or caregiver.
- d. Be the least costly type of service that would reasonably meet the medical need of the client.

- e. Be provided with full knowledge and consent of the client or someone acting in the client's behalf . . . .

Iowa All Provider Manual, p. 20.

30. In addition to the foregoing, Defendant Planned Parenthood of the Heartland expressly and impliedly certified and represented, as a condition of reimbursement, that it knew that the Iowa All Provider Manual provided that, at all times relevant herein, “[p]ayment will not be made for medical care and services:

- a. That are medically unnecessary or unreasonable.
- b. That fail to meet existing standards of professional practice, [or] are currently professionally unacceptable . . . .
- c. That are fraudulently claimed.
- d. That represent abuse or overuse.”

Iowa All Provider Manual, p. 21.

31. As is relevant to Plaintiff-Relator Thayer's Complaint and the dispensing of oral contraceptive pills by Defendant Planned Parenthood of the Heartland, pursuant to Iowa law, “each prescription drug order issued or dispensed in this state must be based on a valid patient-practitioner relationship” and may not be dispensed to a client without a physician's order or prior to a physician's order. Iowa Code § 155A.27; 147.107(7).

32. In addition to the foregoing and as is relevant to Plaintiff-Relator Thayer's Complaint and the dispensing of oral contraceptive pills and birth control patches by Defendant Planned Parenthood of the Heartland, Defendant Planned Parenthood of the Heartland knew that the Iowa All Provider Manual provided that “[p]rescriptions will be reimbursed only if written or approved by the primary physician.” Iowa All Provider Manual, p. 26.

33. In accordance with applicable federal and state laws and regulatory enactments, including the Iowa All Provider manual and Defendant Planned Parenthood of the Heartland's Medicaid Provider Agreement, each time Defendant Planned Parenthood of the Heartland submitted a reimbursement claim to either Iowa Medicaid Enterprise or Iowa Family Planning Network, Defendant Planned Parenthood of the Heartland expressly and impliedly certified and represented, as a condition of reimbursement, that it was in compliance with all such applicable federal and state laws and regulatory enactments, including the Iowa All Provider Manual and Defendant Planned Parenthood of the Heartland's Medicaid Provider Agreement.

**b. Defendant Planned Parenthood of the Heartland and Its Fraudulent Schemes**

34. At all times relevant herein, Defendant Planned Parenthood of the Heartland:

- a. Has held itself out as providing to Title XIX-Medicaid eligible clients and others, among other things, services and supplies, including contraceptives such as oral contraceptive pills and birth control patches, testing and treatment of sexually transmitted illnesses and diseases, testing and counseling for unplanned pregnancies, and a full range of abortion services.
- b. Has, directed by management personnel at its headquarters in Des Moines, Iowa, managed and operated clinics in the Iowa towns of Ames, Ankeny, Bettendorf, Cedar Falls, Creston, Davenport, Des Moines, Ft. Dodge, Iowa City, Knoxville, LeMars, Newton, Red Oak, Rosenfield, Sioux City, Spencer, Storm Lake, and Urbandale.

35. Defendant Planned Parenthood of the Heartland's management and control of these Iowa clinics included, at all times relevant herein, the establishment and enforcement of operational and financial goals and objectives; the provision of services and supplies; the

direction of billing and reimbursement policies, including Title XIX-Medicaid billing and reimbursement policies, and all financial accounting; the oversight of all hiring and termination of employees; and the central purchasing and distribution of supplies such as oral contraceptive pills and birth control patches

36. From her nearly eighteen years of experience with Defendant Planned Parenthood of the Heartland, Plaintiff-Relator Thayer came to know that all such policies and procedures were uniformly imposed by Defendant Planned Parenthood of the Heartland's management at each of Defendant Planned Parenthood of the Heartland's Iowa clinics.

37. In compiling and processing bills for services or supplies rendered to clients at Defendant Planned Parenthood of the Heartland's Iowa clinics, Defendant Planned Parenthood of the Heartland utilized, at all times relevant herein, a centralized computer network located at its Des Moines, Iowa, headquarters office. This centralized computer network linked each of Defendant Planned Parenthood of the Heartland's Iowa clinics to it and provided a centralized electronic client record system. This centralized electronic client record system was, at all times relevant herein, based upon input from each of Defendant Planned Parenthood of the Heartland's Iowa clinics and included information or data relating to each client visit; services or supplies provided to each client during a visit; billing for services or supplies provided to each client, including services or supplies provided to Title XIX-Medicaid eligible clients; and payments received by Defendant Planned Parenthood of the Heartland for services or supplies provided to each client during a visit, including payments received from, or credited to services or supplies provided to each client directly from, the client, private insurance, and/or Iowa Medicaid Enterprise and/or Iowa Family Planning Network.

38. Utilizing its centralized accounting and billing system and data collected from each of Defendant Planned Parenthood of the Heartland Iowa's clinics, Defendant Planned Parenthood of the Heartland, at all times relevant herein, submitted claims for reimbursement from its Des Moines, Iowa, headquarters to the Iowa Medicaid Enterprise and/or to the Iowa Family Planning Network and was regularly reimbursed by Iowa Medicaid Enterprise and/or the Iowa Family Planning Network for such claims.
39. As manager of Defendant Planned Parenthood of the Heartland's Storm Lake, Iowa, clinic and LeMars, Iowa, clinic, in accordance with the directions given to Plaintiff-Relator Thayer by her supervisor Defendant Planned Parenthood of the Heartland Regional Director Todd Buchacker, Plaintiff-Relator Thayer oversaw the input of data into Defendant Planned Parenthood of the Heartland's centralized accounting and billing system.
40. By virtue of her position with Defendant Planned Parenthood of the Heartland as Storm Lake clinic manager, Plaintiff-Relator Thayer had access via her office computer to and frequently did view billing information and records for clients at other Planned Parenthood of the Heartland clinics, in addition to the clinics that Plaintiff-Relator Thayer managed.
41. In this way, Plaintiff-Relator Thayer could and often did view entries in each client billing record, including client case histories, services and supplies provided to clients, test and lab results, staff chart notations called "flags," charges to clients, and payments credited to the client's account, whether made by clients, characterized as "voluntary donations" by Defendant Planned Parenthood of the Heartland, or payments by others, including private insurers, Iowa Medical Enterprise, and Iowa Family Planning Network.
42. In addition to the foregoing, by virtue of her positions with Defendant Planned Parenthood of the Heartland, Plaintiff-Relator Thayer had knowledge of the calculation and submission by

Defendant Planned Parenthood of the Heartland of (a) claims to Iowa Medicaid Enterprise, and (b) claims to Iowa Family Planning Network.

43. In addition and by virtue of her positions with Defendant Planned Parenthood of the Heartland, Plaintiff-Relator Thayer viewed and was thus aware of the amounts and dates of funds received by Defendant Planned Parenthood of the Heartland from Iowa Medicaid Enterprise and/or Iowa Family Planning Network and/or from other sources, including for Title XIX-Medicaid eligible clients, as reimbursements for services and supplies that were purportedly rendered by Defendant Planned Parenthood of the Heartland to such Title XIX-Medicaid eligible clients.
44. In this manner and based upon other observations and communications, Plaintiff-Relator Thayer became aware of the false and fraudulent billing practices and schemes of Defendant Planned Parenthood of the Heartland as described herein.
45. From at least January 1, 1999, to, upon information and belief, the present and continuing, Defendant Planned Parenthood of the Heartland, acting through its officers, agents, and employees, including Defendant Planned Parenthood of the Heartland CEO Jill June and Defendant Planned Parenthood of the Heartland Regional Director Todd Buchacker, defrauded the United States and the State of Iowa by knowingly submitting and/or causing to be submitted to agencies of the United States, the State of Iowa, and/or their designated fiscal intermediaries, including Iowa Medicaid Enterprise and/or Iowa Family Planning Network, false, fraudulent, and/or ineligible claims for reimbursement that Defendant Planned Parenthood of the Heartland knew or reasonably should have known were false, fraudulent, and/or ineligible when made and knowingly used, or caused to be made or used, false records

and/or statements material to such false or fraudulent claims, all in violation of applicable United States and State of Iowa laws and regulations.

46. In billing procedures and services to the Title XIX-Medicaid Program, Defendant Planned Parenthood of the Heartland used the prescribed CPT or Current Procedural Terminology codes to bill for procedures, services, and supplies approved for Title XIX-Medicaid Program reimbursement. Pursuant to the CPT system, a different code is assigned to every procedure, service, and supply to identify each procedure, service, or supply in lieu of a lengthy written description of each such procedure, service, or supply.

47. In violation of such applicable United States and State of Iowa laws and regulations, Defendant Planned Parenthood of the Heartland, at all times relevant herein, engaged in the following fraudulent schemes that are detailed herein, to wit:

a. The making, in violation of the applicable United States and State of Iowa laws and regulations, of false, fraudulent, and/or ineligible Title XIX-Medicaid claims to, and which claims were subsequently reimbursed by, agencies of the United States, the State of Iowa, and/or their designated fiscal intermediaries, including Iowa Medicaid Enterprise and/or Iowa Family Planning Network, for contraceptives such as oral contraceptive pills (herein "OCPs") and birth control patches. As is relevant to this complaint, OCPs were:

i. dispensed by Defendant Planned Parenthood of the Heartland to clients without a valid patient-practitioner relationship, without or prior to a physician's order, or without or prior to the order of any other authorized practitioner;

- ii. dispensed by Defendant Planned Parenthood of the Heartland to clients at levels not medically reasonable or necessary and/or in amounts constituting “abuse or overuse” and/or in amounts not consistent with professionally recognized standards of care and practice;
  - iii. dispensed by Defendant Planned Parenthood of the Heartland to clients without any comprehensive examination by an authorized doctor or practitioner having been performed;
  - iv. in many cases, never delivered to the intended client; and
  - v. billed by Defendant Planned Parenthood of the Heartland at much higher than the allowed rate.
- b. The making, in violation of applicable United States and State of Iowa laws and regulations, of false, fraudulent, and/or ineligible Title XIX-Medicaid claims for reimbursement to, and which claims were subsequently reimbursed by, agencies of the United States, the State of Iowa, and/or their designated fiscal intermediaries, including Iowa Medicaid Enterprise and/or Iowa Family Planning Network, fragmented services and supplies provided in connection with non-reimbursable abortions in violation of such laws;
- c. The collection, from Title XIX-Medicaid eligible clients, of fees characterized by Defendant Planned Parenthood of the Heartland as “voluntary donations” for Title XIX-Medicaid services and supplies that were intended to be fully covered by the United States, the State of Iowa, and/or their fiscal intermediaries, including Iowa Medicaid Enterprise and/or Iowa Family Planning Network, without accepting such fees as full settlement of all such services and supplies and without accounting to



these agencies for the fees received by Defendant Planned Parenthood of the Heartland from such Title XIX-Medicaid eligible clients.

**FIRST CLAIM FOR RELIEF**  
**(Fraudulent Billing of Title XIX-Medicaid for OCPs and Birth Control Patches, in**  
**Violation of**  
**31 U.S.C. § 3729(a)(1)(A)-(C) and (G); IOWA CODE ANN. § 685.2(1)(a)-(c) and (g)**

48. Plaintiff-Relator Thayer hereby incorporates and realleges as fully as if set forth herein all prior allegations.
49. In early 2006, upon instructions from Defendant Planned Parenthood of the Heartland CEO Jill June, Defendant Planned Parenthood of the Heartland Vice President of Health Services & Education Penny Dickey, Defendant Planned Parenthood of the Heartland Regional Director Todd Buchacker, and other Des Moines-based managers of Defendant Planned Parenthood of the Heartland, each of the Defendant Planned Parenthood of the Heartland clinics was instructed to and did implement a new OCP and birth control patch distribution program that Defendant Planned Parenthood of the Heartland called its “C-Mail Program.”
50. At about the time of its new C-Mail Program, Defendant Planned Parenthood of the Heartland changed the policy whereby, at a client’s initial visit to a Defendant Planned Parenthood of the Heartland clinic, the client was provided with a comprehensive medical exam by a qualified healthcare practitioner. After this policy change, a client was provided only with a HOPE examination, i.e., a Hormonal Option Without Pelvic Exam, and then prescribed, without the prior approval of a doctor or any other qualified healthcare practitioner, a three-menstrual-cycle supply of OCPs (i.e., eighty-four birth control pills).<sup>1</sup> In addition, Defendant Planned Parenthood of the Heartland changed the procedure whereby,

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<sup>1</sup> A menstrual-cycle supply of OCPs consists of twenty-eight (28) pills.

near the end of the time when the supply of the initial three-menstrual-cycle dosage was scheduled to have been exhausted, the client was required to return to one of Defendant Planned Parenthood of the Heartland's clinics for a follow-up examination by a qualified healthcare practitioner before the client could be prescribed additional three-cycle supplies of OCPs every sixty-three days, to Defendant Planned Parenthood of the Heartland's C-Mail Program.

51. A HOPE examination consisted of a visit to a Defendant Planned Parenthood of the Heartland clinic during which the client, without the involvement of a physician or other qualified practitioner, and with the assistance of a non-medical employee of Defendant Planned Parenthood of the Heartland, completed a simple form and had her blood pressure checked.
52. Except for the performance of abortions, doctors were rarely present at any of Defendant Planned Parenthood of the Heartland's clinics.
53. In order to save on costs, Defendant Planned Parenthood of the Heartland over time reduced the number of full-time qualified practitioners on staff, resulting in a qualified practitioner typically covering multiple clinics. As a result, it was frequently the case that no qualified practitioner was present at a particular Defendant Planned Parenthood of the Heartland clinic at a time when a client initially appeared at a clinic.
54. As a result and as qualified practitioners were increasingly required by Defendant Planned Parenthood of the Heartland to cover more than one clinic, it was, on those occasions, the case that, upon instructions from management of Defendant Planned Parenthood of the Heartland, contraceptives such as oral contraceptive pills and birth control patches were dispensed to Title XIX-Medicaid eligible clients by unqualified clinic personnel and later,

often days after the contraceptives such as oral contraceptive pills and birth control patches had been dispensed to such clients, the disbursement of contraceptives such as oral contraceptive pills and birth control patches was approved by a qualified practitioner.

55. As implemented in early 2006, the C-Mail Program was a voluntary program in that clients were enabled to “opt in” to the program. However, many of Defendant Planned Parenthood of the Heartland’s clients declined to participate in the C-Mail Program, in many cases because these clients, for personal reasons, did not want OCPs or birth control patches to be mailed to their homes or to their college dormitories.

56. During this voluntary stage of the C-Mail Program, Defendant Planned Parenthood of the Heartland observed that many clients who had agreed to receive OCPs via the C-Mail Program did not return to Defendant Planned Parenthood of the Heartland after three months to either pick up more contraceptive supplies or for any kind of follow-up examination, thus effectively discontinuing the use of OCPs or birth control patches.

57. Inasmuch as Defendant Planned Parenthood of the Heartland was experiencing revenue shortfalls, Defendant Planned Parenthood of the Heartland’s management, including CEO Jill June, tasked its Health Services Management Team (“HSMT Team”), made up of, among others, Defendant Planned Parenthood of the Heartland CEO Jill June; Defendant Planned Parenthood of the Heartland Vice President of Health Services & Education Penny Dickey; and Defendant Planned Parenthood of the Heartland’s Regional Directors Todd Buchacker, Deb Lord, Jennifer Warren-Ulrick, and Sherri Sperlich to develop programs to enhance revenue to Defendant Planned Parenthood of the Heartland to cover this shortfall.

58. Defendant Planned Parenthood of the Heartland’s HSMT Team and other Defendant Planned Parenthood of the Heartland management representatives determined that, following

implementation of the original “opt-in” C-Mail Program, most clients would use OCPs for only four to seven menstrual cycles and that Defendant Planned Parenthood of the Heartland could increase its revenues by converting the voluntary “opt-in” C-Mail Program to a mandatory program whereby clients were supplied OCPs and birth control patches for a full year, i.e., for at least twelve menstrual cycles.

59. As a consideration for this decision, Defendant Planned Parenthood of the Heartland determined that (i) its cost for a one-menstrual-cycle supply (i.e., twenty-eight [28] pills) of Ortho Tri-Cyclen Lo OCPs was \$2.98; (ii) it billed Iowa Medicaid Enterprise and/or Iowa Family Planning Network a total of \$35.00 for each one-menstrual-cycle supply of Ortho Tri-Cyclen Lo OCPs; and (iii) it was reimbursed \$26.32 by Iowa Medicaid Enterprise and/or Iowa Family Planning Network for each one-menstrual-cycle supply of Ortho Tri-Cyclen Lo OCPs. Thus, Defendant Planned Parenthood of the Heartland management concluded it could dramatically increase its revenues by converting the theretofore voluntary or “opt-in” C-Mail Program to a mandatory program, eliminate the follow-up examination, and thereupon mail each client at least a twelve-menstrual-cycle supply of OCPs in three-month increments.

60. Based upon these recommendations by Defendant Planned Parenthood of the Heartland’s HSMT Team and other management representatives of Defendant Planned Parenthood of the Heartland, in about mid-2006, Defendant Planned Parenthood of the Heartland converted the original “opt-in” C-Mail Program to a mandatory “opt-out” program.

61. Thereafter, usually without informing the client that the client could affirmatively decline to participate in its C-Mail Program, each client was, at the time of the initial examination, prescribed OCPs for one full year or at least twelve menstrual cycles, given OCPs to cover

the first three menstrual cycles, and thereafter automatically mailed an additional three-menstrual-cycle supply of OCPs every sixty-three (63) days for a total of at least twelve menstrual cycles of OCPs.

62. Upon instructions from Defendant Planned Parenthood of the Heartland CEO Jill June, Defendant Planned Parenthood of the Heartland Vice President of Health Services & Education Penny Dickey, Defendant Planned Parenthood of the Heartland Regional Director Todd Buchacker, and other Des Moines-based managers of Defendant Planned Parenthood of the Heartland, on and after mid-2006, each of Defendant Planned Parenthood of the Heartland's Iowa clinics:

- a. Did not provide comprehensive examinations by a doctor or other qualified practitioner to Title XIX-Medicaid eligible clients;
- b. Required all Title XIX-Medicaid eligible clients to sign a form whereby Defendant Planned Parenthood of the Heartland was enabled to mail OCPs to the address given by the client at the time of the initial examination;
- c. Provided the client with a three-menstrual-cycle supply of OCPs (i.e., 84 OCPs); and
- d. Thereafter, mailed, via the U.S. Postal Service, an additional three-menstrual-cycle supply of OCPs approximately every three months for a total of at least twelve menstrual cycles.

63. In these cases, OCPs were dispensed to Title XIX-Medicaid eligible clients without the approval of a primary physician as required by State of Iowa law and regulations.

64. Usually, OCPs were dispensed to Title XIX-Medicaid eligible clients without the client having been provided with any kind of examination, comprehensive or otherwise, by a doctor or qualified practitioner.

65. Usually, sometimes days after the first three-menstrual-cycle supply of OCPs was dispensed to a client by an unqualified staff person, an Advanced Registered Nurse Practitioner (“ARNP”) associated with Defendant Planned Parenthood of the Heartland and who had never seen or examined the client would appear at the Defendant Planned Parenthood of the Heartland clinic that had dispensed the OCPs and sign off on all OCP prescriptions that had previously been dispensed to clients since the last visit by the ARNP.
66. In about mid-2008, Defendant Planned Parenthood of the Heartland modified the C-Mail Program by transferring responsibility for mailing OCPs to clients from each of its clinics to its Des Moines, Iowa, headquarters office. Thereafter, specific Defendant Planned Parenthood of the Heartland clinics had even less contact with such Title XIX-Medicaid eligible clients.
67. As a result and after such automatic enrollment in Defendant Planned Parenthood of the Heartland’s C-Mail Program, Defendant Planned Parenthood of the Heartland mailed each client, usually without any periodic or intervening examination, a three-menstrual-cycle supply of OCPs (i.e., a total of eighty-four [84] OCPs, since each OCP package provides for twenty-eight days per menstrual cycle) every sixty-three (63) days for at least one full year.<sup>2</sup>

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<sup>2</sup> In general, Medicaid regulations restrict the dispensing of prescriptions for more than thirty (30) days, but the regulations make an exception for contraceptive prescriptions, which are allowed to be dispensed or filled for up to ninety (90) days at a time. In the case of the OCPs prescribed by Defendant Planned Parenthood of the Heartland, the prescription consisted of a three-menstrual-cycle supply of OCPs, i.e., eighty-four (84) birth control pills. Until on or before January 1, 2011, Iowa Medicaid regulations provided that the soonest a prescription for a contraceptive can be refilled is “after 75% of the previous supply is used.” *See Iowa Medicaid Enterprise, Prescribed Drugs Provider Manual*, p. 7. On or before January 1, 2011, this was changed to restrict refills to only when 85% of the previous supply was used. The 85% rule remains in effect.

68. In light of a favorable arrangement with the manufacturer, the OCP prescribed by Defendant Planned Parenthood of the Heartland for most clients was Ortho Tri-Cyclen Lo. To those clients who were prescribed OCPs rather than patches, Defendant Planned Parenthood of the Heartland dispensed a three-menstrual-cycle supply of Ortho Tri-Cyclen Lo OCPs and then mailed a three-menstrual-cycle supply of Ortho Tri-Cyclen Lo OCPs (i.e., eighty-four [84] Ortho Tri-Cyclen Lo OCPs) to each client every sixty-three (63) days. In this manner, Defendant Planned Parenthood of the Heartland created a medically unnecessary surplus of at least 120.96 doses (approximately a four-month supply) of Ortho Tri-Cyclen Lo OCPs for each client each year, resulting in overcharges to the Iowa Medicaid Enterprise and/or Iowa Family Planning Network of at least \$113.70 per client.<sup>3</sup> Despite its knowledge that due to its own prior early automatic refills a client had a growing surplus of OCPs, such that including these excess OCPs the client had not yet reached the required percentage to permit a refill, Planned Parenthood of the Heartland continued to refill client OCPs and bill them to Medicaid.

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<sup>3</sup> Once clients were enrolled in its C-Mail Program, without any interim client examination, Planned Parenthood of the Heartland automatically mailed an eighty-four-day (84-day) supply of OCPs every sixty-three (63) days for at least one full year, or nearly six times each year. To the extent clients even received these mailed OCPs, this scheme resulted in the accumulation by each client of a surplus of unused OCPs by the end of each year totaling nearly 121 OCPs (an 84-day supply of OCPs was mailed to clients 5.79 times per year; an 84-day supply of OCPs should have been mailed to clients no more than 4.35 times per year; the result was an over-prescription of 1.44 84-day supplies of OCPs, or a total of 120.96 OCPs). As Planned Parenthood of the Heartland was reimbursed by Iowa Medicaid Enterprise and/or Iowa Family Planning Network at the rate of ninety-four (94) cents per OCP, medically unnecessary and/or fraudulent claims by Planned Parenthood each year amounted to \$113.70 per client per year (120.96 OCPs x \$0.94/OCP = \$113.70).

69. Planned Parenthood of the Heartland knew or reasonably should have known that the growing excess of OCPs for each client that were dispersed as a result of its scheme were often sold or given to other women by its clients. On information and belief, these recipients of surplus OCPs were often juveniles and/or persons who had received no medical evaluation, creating a public health risk.
70. Moreover, contrary to acceptable medical practices and Iowa law, most clients were neither examined by a physician or other qualified practitioner at the initial client examination or at any time thereafter for at least one year or more, if at all, after the initial OCP prescription was dispensed to a client.
71. If clients ever received any examination at all, even after receiving and using OCPs for one full year or more, in many cases it was only a HOPE examination; not a standard comprehensive follow-up medical examination. The client would then be issued another OCP prescription for a full year.
72. In addition to the foregoing, knowing that many clients discontinued taking contraceptives such as oral contraceptive pills and birth control patches after a short while, Defendant Planned Parenthood of the Heartland did not contact clients to confirm that clients wanted and/or needed OCP prescriptions to be refilled and mailed. Instead, Defendant Planned Parenthood of the Heartland continued to mail OCPs to clients for a full year and to bill Iowa Medicaid Enterprise and/or Iowa Family Planning Network for each shipment of OCPs mailed to a client.
73. In many cases, clients had moved from the address to which Defendant Planned Parenthood of the Heartland was mailing OCPs, without providing Defendant Planned Parenthood of the Heartland with a forwarding address. In these cases, OCPs mailed by Defendant Planned



Parenthood of the Heartland to these clients were returned by the U.S. Postal Service to Defendant Planned Parenthood of the Heartland.

74. Notwithstanding these facts, Defendant Planned Parenthood of the Heartland did not credit or otherwise make an adjustment to its billings to or reimbursements received from Iowa Medicaid Enterprise and/or Iowa Family Planning Network.
75. In fact, Defendant Planned Parenthood of the Heartland instructed its staff to return OCPs that had been returned to Defendant Planned Parenthood of the Heartland in the mail to its inventory of OCPs and to reship such returned OCPs to future clients, thereby effectively billing Iowa Medicaid Enterprise and/or Iowa Family Planning Network at least twice for the same OCPs.
76. In addition to the foregoing and on a number of occasions, clients complained to Defendant Planned Parenthood of the Heartland, including to Plaintiff-Relator Thayer when she managed Defendant Planned Parenthood of the Heartland's clinics, that these clients had requested that Defendant Planned Parenthood of the Heartland cease mailing OCPs to them. Some of these clients reported that the unsolicited delivery of OCPs to a client's home or dormitory caused severe strain on the client's relationships.
77. Notwithstanding such requests from clients, Defendant Planned Parenthood of the Heartland continued to mail such clients a three-menstrual-cycle supply of OCPs every sixty-three (63) days for at least one full year from the date of the initial client examination.
78. As a way to expand its now-mandatory C-Mail Program, Defendant Planned Parenthood of the Heartland conducted competitions among its clinics to increase the number of Title XIX-Medicaid eligible women enrolled in its C-Mail Program.

79. By using each Defendant Planned Parenthood of the Heartland clinic's then-current C-Mail Program enrollee numbers as a baseline, Defendant Planned Parenthood of the Heartland established a percentage-increase goal from this baseline number and established a total goal of 7,667 Title XIX-Medicaid eligible women to be enrolled in its mandatory C-Mail Program by October 31, 2008.
80. As of August 31, 2008, Defendant Planned Parenthood of the Heartland had enrolled 6,600 Title XIX-Medicaid eligible women in its C-Mail Program.
81. On information and belief, by December 31, 2008, at least 7,000 Title XIX-Medicaid eligible women were enrolled in Defendant Planned Parenthood of the Heartland's now-mandatory C-Mail Program.
82. Upon further information and belief, the number of Title XIX-Medicaid eligible women enrolled in Defendant Planned Parenthood of the Heartland's mandatory C-Mail Program has continued to increase each calendar year and, in fact, Defendant Planned Parenthood of the Heartland has accelerated the frequency of the refills of OCPs to Title XIX-Medicaid eligible women even as Iowa Medicaid rules have been amended to further restrict the frequency of refills.
83. On several occasions, physicians in the Iowa area, upon becoming aware of Defendant Planned Parenthood of the Heartland's practice of dispensing birth control without a comprehensive examination of the client, objected to Defendant Planned Parenthood of the Heartland or to others about this practice and stated that this practice was below the medical standard of care.

84. Defendant Planned Parenthood of the Heartland justified its practice by contending that OCPs would soon be available over-the-counter and that Defendant Planned Parenthood of the Heartland therefore considered it acceptable to dispense OCPs in this manner.
85. Defendant Planned Parenthood of the Heartland knew or should have known that its mandatory C-Mail Program would result in the prescription of medically unnecessary OCPs and thus would result in false, fraudulent, or ineligible claims and/or overcharges by Defendant Planned Parenthood of the Heartland to Iowa Medicaid Enterprise and/or Iowa Family Planning Network of at least \$113.70 per client per year.
86. From mid-2006 through and after December 31, 2008, Defendant Planned Parenthood of the Heartland submitted claims to Iowa Medicaid Enterprise and/or Iowa Family Planning Network for OCPs Defendant Planned Parenthood of the Heartland had dispensed to clients it had arbitrarily enrolled in its mandatory C-Mail Program totaling at least \$3,316,320 per year, as a result of which Defendant Planned Parenthood of the Heartland has submitted false, fraudulent, or ineligible claims to Iowa Medicaid Enterprise and/or Iowa Family Planning Network of \$824,768.78 or more per year.
87. Much of the information relating to the above-pleaded false, fraudulent, or ineligible claims and/or reports, including the exact dates of the initial client visits, the identity and qualifications of the person initially seeing the client, whether or not a client was examined again after the initial visit, the exact dates that OCPs were initially dispensed to a client, the exact dates OCPs were mailed to a client, and the amount actually billed to Iowa Medicaid Enterprise and/or Iowa Family Planning Network and/or reimbursed by Iowa Medicaid Enterprise and/or Iowa Family Planning Network to Defendant Planned Parenthood of the

Heartland for such dispensed OCPs is within the exclusive control of Defendant Planned Parenthood of the Heartland.

88. The acts of Defendant Planned Parenthood of the Heartland and its officers and employees, as described herein, failed:

- a. To comply with all applicable United States and State of Iowa laws, rules, and written policies relating to the Iowa Medicaid program, including but not limited to Title XIX of the Social Security Act and relevant Iowa laws, all as required by Defendant Planned Parenthood of the Heartland's State of Iowa Medicaid Provider Agreement and by these laws which laws, rules, and written policies Defendant Planned Parenthood of the Heartland expressly and impliedly certified and represented that, as a condition of reimbursement, it was in compliance with at the time it submitted a reimbursement claim to either Iowa Medicaid Enterprise or Iowa Family Planning Network.
- b. To comply with applicable United States and State of Iowa laws, rules, and written policies, including, without limitation, that the services or medical prescriptions for which Defendant Planned Parenthood of the Heartland billed the United States and/or the State of Iowa were:
  - i. Provided pursuant to a valid patient-practitioner relationship.
  - ii. Medically necessary.
  - iii. Consistent with the diagnosis of the client's condition.
  - iv. Consistent with professionally recognized standards of care.
  - v. Consistent with the treatment of the client's condition.
  - vi. In accordance with standards of good medical practice.

- vii. Met the medical need of the client and were for reasons other than the convenience of the client or the client's practitioner or caregiver.
- viii. Were the least costly type of service that would reasonably meet the medical need of the client.
- ix. Were provided with the full knowledge and consent of the client or someone acting on the client's behalf.

89. In fact, and contrary to applicable United States and State of Iowa laws, rules, and written policies relating to the State of Iowa Medicaid Program, including but not limited to Title XIX of the Social Security Act and relevant Iowa laws and notwithstanding the fact that Defendant Planned Parenthood of the Heartland had expressly and impliedly certified and represented that, as a condition of reimbursement, it was in compliance with such laws, rules, and written policies each time it submitted a reimbursement claim to either Iowa Medicaid Enterprise or Iowa Family Planning Network, the acts of Defendant Planned Parenthood of the Heartland and its officers and employees, as described herein, resulted in the dispensing of OCPs that:

- a. Were medically unnecessary and/or unreasonable.
- b. Failed to meet existing standards of professional practice.
- c. Were professionally unacceptable.
- d. Resulted in false, fraudulent, and/or ineligible Title XIX-Medicaid claims by Defendant Planned Parenthood of the Heartland.
- e. Represented abuse or overuse.
- f. Resulted in the distribution to clients of OCPs that were not written or approved by any doctor or qualified practitioner.

90. As is described herein, Defendant Planned Parenthood of the Heartland regularly and routinely engaged in a pattern and practice of knowingly submitting false, fraudulent, or ineligible claims to Iowa Medicaid Enterprise and/or Iowa Family Planning Network for OCPs that were dispensed to Title XIX-Medicaid eligible clients without a doctor's order or before a qualified practitioner had approved the order; that were issued without the client having been examined by a doctor or qualified practitioner; that were issued without the contemporaneous approval of a qualified practitioner; and that, in some cases, were not in fact delivered to the client.
91. The acts of Defendant Planned Parenthood of the Heartland and its officers and employees, as described herein, constitute the knowing presentment of false, fraudulent, or ineligible claims to Iowa Medicaid Enterprise and/or Iowa Family Planning Network for payment or approval, and/or the knowing making and/or using of false records or statements material to false or fraudulent claims in violation of 31 U.S.C. § 3729(a)(1)(A) and (B) respectively and IOWA CODE ANN. § 685.2(1)(a)-(b), and/or conspiracy to commit violations of said provisions in violation of 31 U.S.C. § 3729(a)(1)(C) and IOWA CODE ANN. § 685.2(1)(c).
92. Through the acts described above and otherwise, Defendant Planned Parenthood of the Heartland and its agents and employees knowingly made, used, and/or caused to be made or used false records and statements to conceal, avoid, and/or decrease Defendant Planned Parenthood of the Heartland's obligations to repay money to the United States and/or to the State of Iowa that Defendant Planned Parenthood of the Heartland improperly and/or fraudulently received, in violation of 31 U.S.C. § 3729(a)(1)(G) and IOWA CODE ANN. § 685.2(1)(g). Defendant Planned Parenthood of the Heartland also failed to disclose to the United States and/or to the State of Iowa material facts that would have resulted in

substantial repayments by Defendant Planned Parenthood of the Heartland to the United States and/or to the State of Iowa, in violation of 31 U.S.C. § 3729(a)(1)(G) and IOWA CODE ANN. § 685.2(1)(g).

93. The United States and its fiscal intermediaries, including the State of Iowa and, in particular, Iowa Medicaid Enterprise and/or Iowa Family Planning Network, unaware of the falsity of the records, statements, and claims made or submitted by Defendant Planned Parenthood of the Heartland and its agents and employees, paid and continue to pay Defendant Planned Parenthood of the Heartland for claims that would not be paid if the truth were known.
94. By reason of Defendant Planned Parenthood of the Heartland's false records, statements, claims, and omissions, the United States and/or the State of Iowa have been damaged in the amount of many thousands of dollars. The precise number of such false claims as well as the precise amount of damage and loss caused the United States and the State of Iowa is presently undetermined, but, upon information and belief, is estimated to consist of 182,385 false records, statements, claims, and omissions with a value of \$14,401,119.60 relating to the automatic, mandatory enrollment of clients in Defendant Planned Parenthood of the Heartland's C-Mail program, and 45,360 false records, statements, claims, and omissions with a value of \$3,711,459.51 relating to the overprescription and oversupply of OCPs by Defendant Planned Parenthood of the Heartland.

**SECOND CLAIM FOR RELIEF**  
**(Fraudulent Billing of Title XIX-Medicaid for Medical Services and Supplies Relating to Abortions in Violation of 31 U.S.C. § 3729(a)(1)(A)-(C) and (G); IOWA CODE ANN. § 685.2(1)(a)-(c) and (g))**

95. Plaintiff-Relator Thayer hereby incorporates and realleges as fully as if set forth herein all prior allegations.

96. As is known to Plaintiff-Relator Thayer by virtue of her former positions with Defendant Planned Parenthood of the Heartland, Defendant Planned Parenthood of the Heartland provides surgical abortion services at several of its Iowa clinics and provides medication abortions (under certain, frequently occurring circumstances termed “Telemed Abortions”) at many of its Iowa clinics. Other services and supplies are also provided at such clinics in connection with and contemporaneous with such abortions.
97. Pursuant to Iowa law and regulations and United States law and regulations (what is commonly called the “Hyde Amendment”), except in limited circumstances, Title XIX-Medicaid funds may not be used to pay for or reimburse abortions or any abortion-related services. Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, Pub. L. No. 111-8, §§ 507-508, 123 Stat. 750, 802-03 (2009); 42 C.F.R. §§ 50.303, 50.304, 50.306; Iowa Admin. Code r. 441-78.1(17); Iowa Admin. Code r. 441-78.26(4) (“Abortion procedures are covered only when criteria in subrule 78.1(17) are met.”); *see also* Medicaid Enterprise Family Planning Manual, p. 1.
98. Despite the aforementioned prohibitions, as is known to Plaintiff-Relator Thayer by virtue of her former positions with Defendant Planned Parenthood of the Heartland, Defendant Planned Parenthood of the Heartland has, on a regular basis and at all times relevant herein, sought reimbursement of Title XIX-Medicaid funds from Iowa Medicaid Enterprise and/or Iowa Family Planning Network for services and supplies rendered as part of the provision of abortions, including, without limitation, office visits, ultrasounds, Rh factor tests, lab work, general counseling, and abortion aftercare, all of which were, when provided, integral to and/or related to surgical and medical/Telemed abortion procedures and thus not properly reimbursable pursuant to the Title XIX-Medicaid Program.



99. As is known to Plaintiff-Relator Thayer by virtue of her past positions with Defendant Planned Parenthood of the Heartland, in a practice commonly referred to as “fragmentation,” Defendant Planned Parenthood of the Heartland knowingly and intentionally separated out charges for services and products rendered in connection with such abortions, including, without limitation, office visits, ultrasounds, Rh factor tests, lab work, general counseling, and abortion aftercare, and submitted such separate “fragmented” charges as claims for Title XIX-Medicaid reimbursement to Iowa Medicaid Enterprise and/or Iowa Family Planning Network.

100. In anticipation of the receipt of reimbursements for such separate “fragmented” charges from Iowa Medicaid Enterprise and/or Iowa Family Planning Network, Defendant Planned Parenthood of the Heartland then reduced the usual and customary charges to clients to whom abortions had been provided by Defendant Planned Parenthood of the Heartland. As a result, contrary to the specific prohibitions and requirements of the Title XIX-Medicaid program and Iowa law, abortions provided by Defendant Planned Parenthood of the Heartland were subsidized with public funds.

101. By failing to identify the aforementioned procedures and services as associated with the performance of abortions and by billing Iowa Medicaid Enterprise and/or Iowa Family Planning Network for such aforementioned procedures and services, Defendant Planned Parenthood of the Heartland has been knowingly and fraudulently able to obtain reimbursement from the United States and/or the State of Iowa for abortion-related services, save for the actual abortion procedure itself, provided by Defendant Planned Parenthood of the Heartland in conjunction with all or nearly all of the abortions performed by Defendant Planned Parenthood of the Heartland at its clinics.

102. The unbundling or fragmentation scheme was applied systematically to virtually every client who received an abortion at one of Defendant Planned Parenthood of the Heartland's clinics. Each abortion was associated with a minimum of three abortion-related procedures or services, and often several more. Although the procedures done in connection with abortions performed by Defendant Planned Parenthood of the Heartland varied from client to client, every client would have a pregnancy test, an Rh factor test, and an ultrasound. In addition, multiple types of medication were typically dispensed. All of these services, procedures, and supplies were improperly "unbundled" or "fragmented" and illegally billed to the Title XIX-Medicaid program.
103. The "fragmentation" of abortion-related services and the billing of abortion-related procedures in violation of the Title XIX-Medicaid program and related regulations and other United States and State of Iowa laws and regulations was done knowingly and systematically by Defendant Planned Parenthood of the Heartland to financially subsidize abortions as a method of family planning.
104. The acts of Defendant Planned Parenthood of the Heartland and its officers and employees, as described herein, constituted the knowing presentment of and/or causation of the presentment of false or fraudulent claims to the United States and/or Iowa for payment or approval, and/or the knowing making and/or using of false records or statements material to false or fraudulent claims in violation of 31 U.S.C. § 3729(a)(1)(A) and (B) respectively and IOWA CODE ANN. § 685.2(1)(a)-(b) and/or conspiracy to commit violations of said provisions in violation of 31 U.S.C. § 3729(a)(1)(C) and IOWA CODE ANN. § 685.2(1)(c).
105. Through the acts described above and otherwise, Defendant Planned Parenthood of the Heartland and its agents and employees knowingly made or used and/or caused to be made or

used false records and statements to the United States and/or Iowa to conceal, avoid, and/or decrease Defendant Planned Parenthood of the Heartland's obligations to repay monies to the United States and/or Iowa that Defendant Planned Parenthood of the Heartland improperly and/or fraudulently had received, in violation of 31 U.S.C. § 3729(a)(1)(G) and IOWA CODE ANN. § 685.2(1)(g). Defendant Planned Parenthood of the Heartland also failed to disclose to the United States and/or to Iowa material facts that would have resulted in substantial repayments by Defendant Planned Parenthood of the Heartland to the United States and/or Iowa, in violation of 31 U.S.C. § 3729(a)(1)(G) and IOWA CODE ANN. § 685.2(1)(g).

106. The United States and its fiscal intermediaries, including Iowa's Department of Human Services, Iowa Medicaid Enterprise, and/or Iowa Family Planning Network, unaware of the falsity of the records, statements, and/or claims made or submitted to the United States and/or the State of Iowa by Defendant Planned Parenthood of the Heartland and its agents and employees, paid and continue to pay Defendant Planned Parenthood of the Heartland for claims that would not have been paid or be paid if the truth were known.

107. By reason of Defendant Planned Parenthood of the Heartland's false records, statements, claims, and omissions, the United States and Iowa have been damaged in the amount of many millions of dollars in Title XIX-Medicaid funds. The precise number of such false claims is presently undetermined, but, upon information and belief primarily derived from Planned Parenthood of Greater Iowa's own annual reports, a minimum of 21,724 abortions were performed during the time period in question, from Planned Parenthood of Greater Iowa's fiscal year 2005 through its fiscal year 2009. The fragmentation scheme was applied systematically to virtually every patient, and each abortion would be associated with a minimum of three fragmented procedures, and often several more.

**THIRD CLAIM FOR RELIEF**  
**(Fraudulent Billing of Title XIX-Medicaid re: Fees for Services Collected from Title XIX Medicaid Clients in Violation of 31 U.S.C. § 3729(a)(1)(A)-(C) and (G); IOWA CODE ANN. § 685.2(1)(a)-(c) and (g))**

108. Plaintiff-Relator Thayer hereby incorporates and realleges as fully as if set forth herein all prior allegations.
109. From about January 1, 2006, to the present and, upon information and belief, continuing to this date, as is known to Plaintiff-Relator Thayer by virtue of her former positions with Defendant Planned Parenthood of the Heartland, Defendant Planned Parenthood of the Heartland, through its officers, agents, and employees, including Defendant Planned Parenthood of the Heartland CEO Jill June, in conspiracy with each other and with others not named herein, defrauded the United States and the State of Iowa by knowingly submitting and/or causing to be submitted to agencies of the United States, the State of Iowa, and/or their designated intermediaries, including Iowa Medicaid Enterprise and/or Iowa Family Planning Network, inflated, false, and fraudulent claims for Title XIX-Medicaid reimbursement for family planning services that Defendant Planned Parenthood of the Heartland knew were inflated, false, and fraudulent by the amounts of the “donations” solicited and received from Title XIX-Medicaid eligible clients.
110. Such inflated, false, and fraudulent claims for reimbursement resulted from Defendant Planned Parenthood of the Heartland’s practice of insisting that Title XIX-Medicaid eligible clients, at the time services were rendered, pay a portion of such client’s bill, which payment was tallied and strongly suggested by Defendant Planned Parenthood of the Heartland to be fifty percent of the bill for services rendered to the particular client, without informing such clients that the entire amount of the bill for family planning services rendered would be fully reimbursed by Title XIX-Medicaid funds and programs.

111. Defendant Planned Parenthood of the Heartland, through its officers, agents, and employees, including Defendant Planned Parenthood of the Heartland CEO Jill June, trained its clinic staff to inform each client of the total amount of the bill for family planning services rendered during a clinic visit, then insist that the client pay Defendant Planned Parenthood of the Heartland to offset the services rendered during the client's visit, the suggested amount of which payment was fifty percent of the amount of the bill. Thereupon, at the instruction of Defendant Planned Parenthood of the Heartland and its officers, including Defendant Planned Parenthood of the Heartland CEO Jill June, each client was asked, "How much are you planning to pay today?" Most clients made payments to Defendant Planned Parenthood of the Heartland of at least \$10, either during a visit or later by mail.

112. As was frequently viewed by Plaintiff-Relator Thayer, these payments were entered into Defendant Planned Parenthood of the Heartland's computer billing system by each clinic.

113. During the course of the foregoing conspiracy and scheme, Defendant Planned Parenthood of the Heartland improperly collected hundreds of thousands of dollars from Title XIX-Medicaid eligible clients; but did not report to the United States, the State of Iowa, and/or their designated fiscal intermediaries, including Iowa Medicaid Enterprise and/or Iowa Family Planning Network, any of these amounts collected from Title XIX-Medicaid eligible clients.

114. All such amounts as were collected by Defendant Planned Parenthood of the Heartland from Title XIX-Medicaid eligible clients should have been reported to the United States, the State of Iowa, and/or their designated fiscal intermediaries, including Iowa Medicaid Enterprise and/or Iowa Family Planning Network, either in full payment for such services or as offsets to or reductions of the amount of the bill for such services as were rendered to such

Title XIX-Medicaid eligible clients by Defendant Planned Parenthood of the Heartland and for which Defendant Planned Parenthood of the Heartland sought reimbursement from such agencies.

115. Instead, Defendant Planned Parenthood of the Heartland retained all such amounts as were collected and used such funds for purposes unrelated to the provisions of Title XIX-Medicaid services to such clients.

116. Information relating to the above-pleaded inflated, false, and fraudulent claims and/or reports, including the Title XIX-Medicaid eligible clients from whom such amounts were collected, the amounts collected from such Title XIX-Medicaid eligible clients, the dates on which such amounts were collected, and the actual use of the funds collected from such Title XIX-Medicaid eligible clients is within the exclusive control of Defendant Planned Parenthood of the Heartland.

117. By reason of Defendant Planned Parenthood of the Heartland's false records, statements, claims, and omissions, the United States and/or Iowa have been damaged in the amount of many thousands of dollars. The precise number of such false claims as well as the precise amount of damage and loss caused the United States and the State of Iowa is presently undetermined, but, upon information and belief, is estimated to consist of at least 250,000 false records, statements, claims, and omissions with a value of \$2,500,000 or more.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff-Relator Susan Thayer respectfully requests that this Honorable Court enter judgment against Defendant Planned Parenthood of the Heartland, as follows:

1. That Defendant Planned Parenthood of the Heartland cease and desist from violating 31 U.S.C. § 3729 *et seq.* and IOWA CODE ANN. § 685.2(1)(a)-(c) and (g).

2. That the Court enter judgment against Defendant Planned Parenthood of the Heartland and in favor of the United States in an amount equal to three times the amount of actual damages the United States has sustained as a result of the Defendant's actions and a civil penalty of up to \$11,000 for each false claim, all in violation of 31 U.S.C. § 3729.

3. That the Court enter judgment against Defendant Planned Parenthood of the Heartland and in favor of the State of Iowa in an amount equal to three times the amount of actual damages the State of Iowa has sustained as a result of the Defendant's actions and a civil penalty of up to \$11,000 for each false claim, all in violation of IOWA CODE ANN. § 685.2(1)(a)-(c).

4. That the Court enter an award against Defendant Planned Parenthood of the Heartland and in favor of Plaintiff-Relator Thayer for her fees; costs; witness fees, including expert witness fees; and expenses incurred, as provided by statute.

5. That Plaintiff-Relator Thayer be awarded the maximum amounts allowed pursuant to 31 U.S.C. § 3730(d) and IOWA CODE ANN. § 685.3(4).

6. That this Court award such other and further relief to the United States of America and/or to the State of Iowa and/or to Plaintiff-Relator Thayer as it deems just and proper.

#### **JURY DEMAND**

Pursuant to FED. R. CIV. P. 38, Plaintiff-Relator Thayer hereby demands trial by jury of all issues so triable.

DATED this 5<sup>th</sup> day of November, 2014.

Counsel for Plaintiff-Relator Thayer:

s/ Michael J. Norton

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CERTIFICATE OF SERVICE

I, Michael J. Norton, hereby certify that on the 5<sup>th</sup> day of November, 2014, I caused the foregoing Third Amended Complaint to be electronically filed with the Clerk of the Court using the Court's CM/ECF system which will send notification of such filing to all attorneys of record.

s/ Michael J. Norton