

Threats to Planned Parenthood's Medicaid Funding

The Planned Parenthood Federation of America is one of the country's largest nonprofit organizations. The Federation consists of 85 independent affiliates and 820 health centers spread across all fifty states and the District of Columbia. The nonprofit and its affiliates serve over five million clients each year. Planned Parenthood provides health care services and educational programs that enhance understanding of individual and societal implications of human sexuality.

Planned Parenthood provides many services while pursuing the organization's charitable purpose. In 2010, the organization provided approximately eleven million services for their clients. These services included 4,009,549 contraceptive services (35% of total), 3,955,926 sexually transmitted disease services (35%), 1,830,811 cancer related services (16%), 1,178,369 pregnancy or prenatal services (10%), 332,278 abortion services (3%), and 76,977 other services (1%).

Though abortion services only account for three percent of the services that Planned Parenthood provides, pro-life groups have lobbied federal and state governments to stop funding the organization. Government health services grants and reimbursements currently account for about 46 percent of Planned Parenthood's revenue. Another 31 percent of the revenue is from non-government health services revenue, 21 percent is from private contributions and bequests, and the final two percent is from other sources. A portion of the 46 percent that comes from government reimbursements is from the Medicaid program.

Over the last year and a half certain states have begun to propose and enact legislation to cut off Medicaid funding for Planned Parenthood. Because Medicaid is jointly funded by the federal and state governments and managed by the states, state legislatures have seen an opportunity to limit the reach of Planned Parenthood within their jurisdiction. In total, fourteen states have attempted to enact legislation that would limit Medicaid funding for Planned Parenthood. These states include Indiana, Arizona, Oklahoma, Texas, Kansas, Tennessee, Wisconsin, and North Carolina.

Though such threats to an organization's funding are not unique to Planned Parenthood, they are uncommon for most nonprofits. However, Planned Parenthood has grown used to fighting for their practices and funding throughout their history. In each instance where a state has enacted legislation to cut off Medicaid funding, Planned Parenthood has sued for an injunction. Each of these cases is at a different stage and courts have had differing views on the applicability of such laws.

Planned Parenthood has argued that such laws interfere with women's rights to choose their health care provider. They fear that these laws will prohibit many low-income women from receiving health services that they need. The most recent developments have come from Arizona, Indiana, and Texas. On October 19, 2012, a U.S. District Court in Arizona issued a temporary injunction on Arizona's law that would limit Medicaid funding to Planned Parenthood. On October 23, 2012, the U.S. Seventh

Circuit Court of Appeals blocked enforcement of a similar law in Indiana. The court agreed that such a law would interfere with women's rights to choose their health care provider. The states cannot interfere with that right if they wish to continue to receive federal Medicaid funds.

The court battle has proceeded even further between Planned Parenthood and lawmakers in Texas. Much like in the other states the courts had declared that Texas could not restrict payments to Planned Parenthood if they wish to continue receiving federal Medicaid funds. The state responded by proposing a new Women's Health Program. The previous program was 90 percent federally funded; however, the new program will not be supported by any federal funds. The new program is set to be launched November 1, 2012, and Planned Parenthood is not an accepted provider under the plan. The Texas Women's Health Program currently serves approximately 150,000 low-income women. More than half of these women have utilized Planned Parenthood programs in the past. Under the new Texas Women's Health Program these women will not be able to use Planned Parenthood services. Planned Parenthood plans to continue the fight at a hearing set for November 8, 2012. They plan to argue that the program violates Texas state law because it requires the state to pass up federal funds.

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