Planned Parenthood: "Irreplaceable" and "Lifesaving"?

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Planned Parenthood: “Irreplaceable” and “Life-Saving”?

In its most recent annual report, the Planned Parenthood Federation of America makes two fundamental claims, both of which are directly relevant to the question involving continued government funding for its services, approximately $555 million in the fiscal year ending June 30, 2016.¹ These claims are:

- First, that Planned Parenthood health centers are “an irreplaceable component of our country’s healthcare system”, and;
- Second, that Planned Parenthood provides “lifesaving care.”

These claims would suggest that Planned Parenthood’s services are unique and not easily available from other providers, and that the level and intensity of services have a direct and measurable impact on the likelihood of fatal occurrences (i.e., deaths).

Scope and Scale

Planned Parenthood, by almost any measure, is a large organization with nearly 650 health centers in the U.S. alone and an international presence through Planned Parenthood Global Health Partners in 12 other nations including Ecuador, Guatemala, Nicaragua, and Peru. It has $1.5 billion in net assets and $1.1 billion in current annual revenue. It is popular enough to receive $258 million dollars in annual private contributions and bequests, nearly half as much as it receives from government grants and service reimbursement. It is entrepreneurial enough to spend more than $73 million annually on fundraising. Its 501 (c)(3) affiliates are politically engaged enough to spend $39 million annually on “Public Policy Programs.” And it has its own 501 (c)(4) political arm, the Planned Parenthood Action Fund, and related entities that planned to spend another $30 million in the 2016 election cycle.² With $165.8 million in management expenses annually, the organization is undoubtedly intensely and strategically managed. But what, exactly, does Planned Parenthood do – and are those services “irreplaceable” and “lifesaving”?

¹ Planned Parenthood Annual Report 2016 at p. 28.  See https://www.plannedparenthood.org/uploads/filer_public/18/40/1840b04b-55d3-4c00-959d-118170238/20170526_annualreport_p02_singles.pdf.  The report is for the fiscal year ending June 30, 2016.  The government funding figure includes both federal and state receipts.
² https://www.google.com/search?q=Planned+Parenthood+Action+Fund+%2415+million+2016&oq=Planned+Parenthood+Action+Fund+%2415+million+2016&gs_l=psy-ab.3..4571.5355.0.6251.4.4.0.0.0.0.178.361.2j1.3.0....0...1.1.64.psy-ab..4571.5355.0.6251.4.4.0.0.0.0.178.361.2j1.3.0...0...1.1.64.psy-ab..1.0.0.gel2B1NKFBEm
The Service Profile

In 2015, Planned Parenthood health centers saw 2.4 million patients during 4 million clinical visits and provided 9.5 million services. A service is defined as a “unique clinical interaction” – a term vague enough to be insufficient for any health insurance claim. The largest volume of services (4,266,689, or 44.9% of total services) is for Sexually Transmitted Infection (STI) testing and treatment. According to the annual report, nearly 99% of Planned Parenthood STI services involve testing – not treatment. Of the 4,266,689 services totaled in this category, only 53,396 involved treatments, split nearly half-and-half between genital warts and “other STI prevention and treatments.” STI testing and treatment are prerequisites for surgical abortions and IUD insertions in some populations. The second largest volume of Planned Parenthood’s services (2,808,815 or 30% of total services) is for contraception. Of that group of services, 1,936,360 services, or 68.9%, were for reversible contraception clients as follows: oral pill (41%), IUD and implant (16%), progestin-only injectable (15%), combined hormone ring (5%), combined hormone patch (2%), and other (21%).

The third largest volume category of Planned Parenthood services (1,317,582, or 13% of total services) is for “other women’s health services.” 1,079,836 of those services, or 81.9%, are pregnancy tests, likewise a prerequisite for abortion. There are minuscule numbers of prenatal services and miscarriage care.

Cancer screenings and prevention services (665,234, or 7% of total services) include breast exams (321,700) and pap tests (293,799) and a few other very-low-volume procedures. Abortion services includes 328,348 abortion procedures, or 3.4 % of total services, though as a percentage of revenue, abortion is a much larger component of the group’s work, with estimates ranging from 10 percent of total revenue to as much as one third of its clinic revenue from all sources. “Other services” (108,309, or 1.1% of total services) includes small numbers of primary care services and nominal numbers of adoption referrals and other procedures.

Planned Parenthood centers are largely focused on contraceptive services, sexually transmitted infection testing, and abortions. There is little or no demonstrable capability for definitive diagnosis or a range of treatments for any disease or condition at Planned Parenthood centers. A breast exam, for example, is a valuable service that women should

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3 Ibid., p.7. The report notes that 65% of Planned Parenthood’s contraceptive clients made two or more visits in the single year covered. Clients may receive multiple services (contraception, pregnancy, STI testing) and each of these services is counted separately toward the 9.5 million total (Annual Report, p. 24). The period covered in this summary is from October 1, 2014 to September 30, 2015, not the general time span for the Report itself.

4 Ibid., p. 25.

perform on a regular basis – more frequently, in fact, than the once- or twice-a-year visit made to a family planning provider. But such exams are insufficient for a confirmatory diagnosis of breast cancer. Additional diagnostic testing or technology (e.g., mammogram, biopsy) is required. Planned Parenthood centers can only refer to other providers to make this determination. Planned Parenthood does not maintain the resources to diagnose or treat breast cancer, or any other type of cancer for that matter. The role of Planned Parenthood in the range of diagnostic and treatment activity, which is known as “medical care” or “health services,” is neither wide (covering a range of diseases or conditions) nor deep (having the capacity to move a patient from diagnosis to treatment). With the exception of abortion, Planned Parenthood does not provide any service that is not easily available from alternative providers. Their highest volume service, STI testing, is one of the core activities of local public health departments which outnumber Planned Parenthood clinics by a ratio of 4 to 1 nationally.

**Market Share**

Market share is one of the key metrics in determining the success of an organization. Basically, market share demonstrates what percentage of the market potential (total services provided or products sold) is captured by the organization. Market share is also an objective way to measure reliance of the total market of clients or customers on any provider of goods or services.

For most of the services offered at their centers, Planned Parenthood provides a very tiny fraction of the national annual incidence of those services. For example, in 2015, Planned Parenthood provided 654,218 HIV tests, one of their highest-volume services. However, the Henry J. Kaiser Family Foundation estimates that 16% of Americans between the ages of 18 and 64, or about 45 million people, were tested that year for HIV. This means Planned Parenthood has less than 1.4% of the market share. Similarly, Planned Parenthood provided 293,799 pap tests out of a National Center for Health Statistics-estimated total of 55-60 million in the U.S., also less than 1% market share. The absolute numbers and market shares of the majority of services listed by Planned Parenthood are nominal or non-material as a percentage of national totals.

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There are only two service categories in which Planned Parenthood can be said to provide a meaningful share of the national market. The first is for abortion, where there is no question of the national market domination of Planned Parenthood. In 2015, Planned Parenthood performed more than one third (35.4%) of all the induced abortions in the U.S. To place that national market share into some comparative perspective, consider a few examples of goods and services, U.S. market leaders, and their market shares: automobile sales, General Motors (17.3%)\textsuperscript{10}; LCD televisions, Samsung (21.6%)\textsuperscript{11}; health insurance, United Health Group (12.3%)\textsuperscript{12}; grocery food and beverage chains, Walmart (17.3%)\textsuperscript{13}; life insurance, MetLife Insurance (7.7%)\textsuperscript{14}; and domestic air travel, Southwest Airlines (19.1%)\textsuperscript{15}. The level of market dominance for abortions demonstrated by Planned Parenthood could be taught in business schools as the ultimate example of strategic planning and execution. It is a defining activity.

The second is in the provision of reversible contraceptive services. In 2015, Planned Parenthood provided 8.2% of the 9.7 million prescriptions for the oral pill; 7.0% of the 4.4 million long-acting IUDs and implants; 17.1% of the 1.7 million progestin-only injectables; 5.1% of the 1.9 million hormone rings; and 3.9% of the nearly 1 million hormone patches\textsuperscript{16}. Among the subset of women who are contraceptive clients served at publicly funded clinics, Planned Parenthood claims a 31.9% (1,996,940 out of 6,246,290) market share.\textsuperscript{17} It should be noted that the state of California alone provides 35.6% of all Planned Parenthood contraceptive clients, and that the majority (55.7%) of its contraceptive clients nationally come from only five states: California, New York, Texas, Washington, and Pennsylvania.\textsuperscript{18} This geographically skewed concentration of services suggests that the Planned Parenthood image as the provider of last resort in many communities may be deceptive. In

\textsuperscript{14} Carpenter, William J. “Biggest Life Insurance Companies in the US (PRU, MET),” September 25, 2015, at www.investopedia.com/articles/personal-finance/092915/biggest-life-insurance-companies-us.asp
\textsuperscript{18} Ibid.
fact, Planned Parenthood is most heavily invested in high-population areas which are rich in alternative providers.¹⁹

Summary

Planned Parenthood is unquestionably, and clearly by design, the dominant provider of induced abortions in the U.S.; it is their "raison d'être." Between 2011 and 2016, Planned Parenthood has increased its service-to-unique-client ratios for contraceptive services (+2.1%), STI testing (+19%), and abortions (+25%). During that same period, other Planned Parenthood services were deemphasized as shown by the decline in service-to-client ratios for breast exams (-37%) and pap tests (-37%). As their total client volume has decreased, Planned Parenthood has maintained contraception and STI testing as important support services for their major objective -- abortion. No service Planned Parenthood provides is irreplaceable. Ironically, the elimination of abortion services is the only action Planned Parenthood could take that could be legitimately considered as "lifesaving."

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