

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

JONATHAN BLOEDOW,
Plaintiff/Relator)
)
)
ON BEHALF OF HIMSELF AND)
ON BEHALF OF THE)
UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
)
v.)
)
PLANNED PARENTHOOD OF)
THE GREAT NORTHWEST, INC.)
)
Defendant)
_____)

Case No. 11-CV-1192-MJP

VERIFIED COMPLAINT
FILED IN CAMERA AND
UNDER SEAL PURSUANT
TO 31 U.S.C. § 3730(b)(2)

FILED

LODGED

ENTERED

RECEIVED

JUL 18 2011

AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
DEPUTY

BY

VERIFIED COMPLAINT

COMES NOW the Plaintiff/Relator Jonathan Bloedow, on behalf of himself and on behalf of the United States of America, by and through his undersigned counsel, and, for his complaint, filed in camera and under seal pursuant to 31 U.S.C. § 3730(b)(2), states and alleges as follows:

INTRODUCTION

- Jonathan Bloedow (hereafter “Mr. Bloedow” or “Relator”) brings this action on his own behalf and on behalf of the United States of America against Planned Parenthood of the Great Northwest, Inc. for treble damages and civil penalties arising from false statements, false claims made and presented, and/or excessive Title XIX-Medicaid reimbursements knowingly received and improperly retained by Planned Parenthood of the Great Northwest, Inc. and/or their agents, employees, and co-conspirators in violation of the Federal False Claims Act, 31 U.S.C. § 3729 *et seq.*

2. Mr. Bloedow has, pursuant to the State of Washington's Public Records Act, Chapter 42.56 RCW and in other ways, requested and obtained non-public information about the frauds detailed herein. Such Public Records Act requests were submitted by Mr. Bloedow to, and responded by, agencies of the State of Washington, to wit: the Washington Department of Social and Health Services and its Health and Recovery Services Administration. Mr. Bloedow has, prior to filing this Complaint, voluntarily disclosed to the Government the information on which the allegations or transactions comprising the frauds detailed herein are based. Inasmuch as there has been no public disclosure, as defined in 31 U.S.C. § 3730(e)(4), of the frauds detailed herein and, pursuant to the Federal False Claims Act, 31 U.S.C. § 3730(e)(4)(B), Mr. Bloedow is an "original source" of the frauds detailed herein within the meaning of 31 U.S.C. § 3730(e)(4)(B).
3. The violations of the Federal False Claims Act include various and repeated false, fraudulent, and/or ineligible claims for reimbursement made by and/or receipts by and retention by Planned Parenthood of the Great Northwest, Inc. of monies in excess of allowable amounts of Title XIX-Medicaid funds submitted to and/or received from the United States Government and/or the State of Washington which Planned Parenthood of the Great Northwest, Inc. knew were false, exaggerated and/or ineligible and/or in excess of allowable amounts to receive and retain. In violation of its duty to report known errors resulting in unwarranted and excessive Federal payments, Planned Parenthood of the Great Northwest, Inc. has likewise concealed such errors from the Government in order to keep funds to which Planned Parenthood of the Great Northwest, Inc. was not legally entitled.

4. The Federal False Claims Act, 31 U.S.C. § 3729(a), provides that any person who knowingly presents or causes to be presented a false or fraudulent claim 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; or conspires to commit a violation of the Federal False Claims Act; or has possession, custody, or control of property or money used by the Government and knowingly delivers, or causes to be delivered, less than all of that money or property, or knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government; or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the Government, is liable for actual damages, plus three times the amount of the damages sustained by the Government, plus a civil penalty of not less than \$5,500 and not more than \$11,000 for each such claim submitted or paid. Liability attaches both when a defendant knowingly seeks payment from the Government that is unwarranted and when false records or statements are knowingly created or caused to be used to conceal, avoid, or decrease an obligation to pay or transmit money to the Government.
5. The False Claims Act allows any person having information regarding a false or fraudulent claim against the Government (in this case, Mr. Bloedow) to bring an action for himself as Relator and for the Government and to share in any recovery.
6. The complaint is filed under seal in camera for sixty days (without service on the defendant during that period) to enable the Government to conduct its own investigation without the defendant's knowledge and to determine whether to join the action.

7. Based upon these provisions, for the reasons more specifically stated herein, Mr. Bloedow seeks to recover damages and civil penalties from Planned Parenthood of the Great Northwest, Inc. arising from its presentation to the United States Government and/or to the State of Washington of false records, claims, and statements and/or the knowing receipt and retention by Planned Parenthood of the Great Northwest, Inc. of excess Title XIX-Medicaid reimbursements which should have been returned by Planned Parenthood of the Great Northwest, Inc. to the Government and/or to the State of Washington.

JURISDICTION AND VENUE

8. This Court has jurisdiction over this matter under and pursuant to 31 U.S.C. §§ 3730(b) and 3732(a). This Court also has jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1345 because the United States is a party to this matter and the causes of action set forth herein are founded upon a law of the United States of America.
9. This Court has personal jurisdiction over Planned Parenthood of the Great Northwest, Inc. pursuant to 31 U.S.C. § 3732(a) which provides that “[a]ny action under section 3730 may be brought in any judicial district in which the defendant . . . can be found, resides, transacts business or in which any act proscribed by section 3729 occurred.”
10. Venue is proper in this district pursuant to 31 U.S.C. § 3732(a) because Planned Parenthood of the Great Northwest, Inc. can be found in, resides in, and/or transacts business in the Western District of Washington, and because some of the violations of 31 U.S.C. § 3729 *et seq.* described herein occurred within this judicial district.

PARTIES

11. Mr. Bloedow is an individual residing in Lynnwood, County of Snohomish, State of Washington.
12. Planned Parenthood of the Great Northwest, Inc. is an IRC 501(c)(3) non-profit corporation, incorporated in the State of Washington, with its principal place of business at 2001 E. Madison Street, Seattle, County of King, Washington 98122. In about January 2009, Planned Parenthood of Western Washington, Inc., Planned Parenthood of Alaska, Inc., and Planned Parenthood of Idaho, Inc. combined to form Planned Parenthood of the Great Northwest, Inc. Planned Parenthood of the Great Northwest, Inc., which herein refers to each one of these entities, is hereafter referred to as “Planned Parenthood.”

FACTUAL ALLEGATIONS

13. Mr. Bloedow incorporates by reference herein all prior factual allegations as if fully set forth herein.
14. The Medicaid program (hereafter the “Title XIX-Medicaid program”) is a joint Federal and State of Washington program authorized and funded under Title XIX of the Social Security Act that provides medical assistance to people with low incomes and limited resources.
15. At the Federal level, the Centers for Medicare & Medicaid Services (hereafter “CMS”) administer the Title XIX-Medicaid program.
16. The State of Washington administers its Title XIX-Medicaid program in accordance with a CMS-approved State plan. The State of Washington’s approved Title XIX-Medicaid

program must comply with applicable Federal statutes, regulations, and requirements, including CMS regulations.

17. At all times relevant herein, in the State of Washington, the Washington Department of Social and Health Services (hereafter “DSHS”) and its agency the Health and Recovery Services Administration, formerly called the Medical Assistance Administration or MAA (collectively, hereafter the “Washington HRSA”) was (and is) responsible for the implementation, management and administration of Washington’s Title XIX-Medicaid program pursuant to plans approved by CMS.
18. At all times relevant herein, Planned Parenthood has held itself out as providing family planning services to members of the general public in the State of Washington and elsewhere, including but not limited to the dispensing of Oral Contraceptive Pills (hereafter “OCPs”) and/or Emergency Contraceptive Pills (hereafter “ECPs”) and other contraceptive devices, the testing for and treatment of sexually transmitted diseases, the testing for and counseling about unplanned pregnancies, and a full range of abortion services.
19. From about June 1, 2002 to the present date, as required by the Washington HRSA, Planned Parenthood has, upon information and belief, executed one or more Core Provider Agreements with the Washington HRSA pursuant to which Planned Parenthood has been approved by the Washington HRSA as a family planning provider.
20. Each Core Provider Agreement which was executed by Planned Parenthood required Planned Parenthood to, among other things, be subject to and comply with all applicable Federal and State laws, rules, and regulations, and all program policy provisions, billing instructions, and other written Federal or State of Washington issuances relating to

Washington's family planning programs, to wit: the Reproductive Health Services program, the Family Planning Only Services program, and/or the "TAKE CHARGE" program (herein "Washington's Family Planning Programs").

21. These laws include Title XIX of the Social Security Act, Title XXI of the Social Security Act, the Public Health Services Act, Chapter IV of Title 42 of the Code of Federal Regulations, Chapter 74.09 of the Revised Code of Washington, and Title 388 of the Washington Administrative Code (collectively, hereafter "Applicable Laws"), all of which Applicable Laws were incorporated by reference into Planned Parenthood's Core Provider Agreements.

22. In this regard and by executing the Core Provider Agreements, Planned Parenthood certified and agreed that:

[T]he information provided in support of this agreement is true and accurate and I completely understand that any falsification or concealment of a material fact may be prosecuted under Federal and State Laws. Willful misstatement of any material fact in the enrollment application may result in criminal prosecution. I acknowledge that this is being signed under the penalties of perjury and understand that the department is relying on the accuracy of the information I have presented. I agree to abide by the terms of this Agreement including all applicable federal and state statutes, rules, and policies.

23. Pursuant to its Core Provider Agreements, Planned Parenthood has, among other things, dispensed OCPs and/or ECPs to purportedly eligible recipients in the State of Washington as participants in Washington's Family Planning Programs.

24. At all relevant times herein, OCPs and/or ECPs have been dispensed by Planned Parenthood, pursuant to its Core Provider Agreements, to eligible clients of the Washington's Family Planning Programs from one of its clinics or surgical centers located in, among other communities, the State of Washington communities of Bellevue,

Bremerton, Centralia, Everett, Federal Way, Issaquah, Kent, Kenmore, Lynnwood, Marysville, Oak Harbor, Olympia, Puyallup, Seattle, Shelton, Silverdale, Tacoma and University Place.

25. At all times relevant herein, utilizing a centralized computer network, Planned Parenthood's Seattle, WA administrative office, based upon computerized reports regularly transmitted to it by each of its clinics or surgical centers, submitted charges to and has been reimbursed by the Washington HRSA from Federal and State monies for OCPs and/or ECPs dispensed by Planned Parenthood to eligible clients participating in Washington's Family Planning Programs.
26. At all times relevant herein, the direction and control exercised by Planned Parenthood over its clinics or surgical centers included the establishment and enforcement of policies, procedures, practices, and financial accounting in order to, among other reasons, comply with applicable Core Provider Agreements, the hiring and termination of employees, and the central purchasing and distribution of pharmaceutical supplies, including OCPs and/or ECPs.
27. At all times relevant herein, Planned Parenthood has, pursuant to its Core Provider Agreements with the Washington HRSA, electronically or otherwise submitted claims for reimbursement from Title XIX-Medicaid funds, to the Washington HRSA for OCPs and/or ECPs dispensed at each Planned Parenthood clinic to eligible clients.
28. At all times relevant herein, upon submission of such claims by Planned Parenthood, the Washington HRSA has, with some exceptions, accepted the claims submitted by Planned Parenthood for OCPs and/or ECPs claimed as having been dispensed as valid and has

reimbursed Planned Parenthood for amounts set forth in its claims to the Washington HRSA.

29. At all times relevant herein, Planned Parenthood falsely certified that it has been in compliance with all Applicable Laws and that it has been entitled to retain amounts it has been reimbursed for dispensed ECPs and/or OCPs which amounts, as is set forth in more detail below, Planned Parenthood has known were in excess of the amounts Planned Parenthood was entitled to bill, receive, and/or retain.
30. Information relating to Mr. Bloedow's claims, set forth herein, of false, fraudulent, and/or ineligible claims by Planned Parenthood to the Washington HRSA and to excess and knowingly and wrongfully retained reimbursements to Planned Parenthood by the Washington HRSA and the Title XIX-Medicaid program, including the exact amounts billed to the Washington HRSA for ECPs and/or OCPs dispensed by Planned Parenthood for the relevant time period is within the exclusive control of Planned Parenthood.

ECPs Fraudulently Billed By Planned Parenthood

31. In addition and at all times relevant herein, Planned Parenthood was obligated to comply with the Washington HRSA's "Family Planning Provider Billing Instructions," which, in pertinent part, provided that providers such as Planned Parenthood must comply with WAC 388-530-1425 and that:

Drugs purchased under section 340B of the [federal] Public Health Service (PHS) Act can be dispensed to medical assistance clients only by PHS-qualified health facilities. These medications must be billed using the actual acquisition cost (AAC) of the drug plus the appropriate dispensing fee.

See Washington HRSA's "Family Planning Provider Billing Instructions for Reproductive Health Services, Family Planning Only Services, 'TAKE CHARGE Services'," effective November 2006, pages A.8, B.7-8, and C.29-30.

32. At all times relevant herein, with respect to ECPs dispensed by each Planned Parenthood clinic and billed by Planned Parenthood to the Washington HRSA for reimbursement, Planned Parenthood was required by Applicable Laws, including laws relating to the § 340B Drug Pricing Program, to bill the Washington HRSA at Planned Parenthood's actual acquisition cost (hereafter "AAC") for ECPs *i.e.*, \$6.00 per unit.¹
33. In addition and at all times relevant herein, the Washington HRSA's "Family Planning Provider Billing Instructions for Reproductive Health Services, Family Planning Only Services and "TAKE CHARGE" Services" required Planned Parenthood to bill HRSA Planned Parenthood's AAC for ECPs and not its "usual and customary" fee. *See* Washington HRSA's "Family Planning Provider Billing Instructions for Reproductive Health Services, Family Planning Only Services and "TAKE CHARGE" Services," effective November 2006, pages A.8, B.7, and C.29.
34. Based upon information and documents obtained by Mr. Bloedow pursuant to State of Washington Public Records Act requests and in other ways, Mr. Bloedow determined that Planned Parenthood's "average cost" of ECPs was (and is) \$6.00 per unit.
35. Notwithstanding the foregoing and unbeknownst to the Washington HRSA or other responsible Federal or State Title XIX-Medicaid officials, based upon information and documents obtained by Mr. Bloedow pursuant to State of Washington Public Records Act requests and in other ways, Mr. Bloedow determined that Planned Parenthood

¹ According to documents provided to Mr. Bloedow pursuant to the State of Washington Public Records Act requests, Planned Parenthood has acknowledged that its "average cost" of ECPs is \$6.00 per unit. Upon information and belief, Planned Parenthood's actual acquisition cost, including volume discounts obtained by Planned Parenthood Federation of America and passed on to Planned Parenthood, was substantially below \$6.00 per unit.

systematically, knowingly, and intentionally billed to and has been reimbursed by the Washington HRSA amounts substantially in excess of the \$6.00 per unit AAC of ECPs.²

36. Based upon information and documents obtained by Mr. Bloedow pursuant to State of Washington Public Records Act requests and in other ways, Mr. Bloedow further determined that Planned Parenthood had, during the SFY 2003 through SFY 2009 period, submitted hundreds of separate claims for dispensed ECPs to and been reimbursed by the Washington HRSA a total of \$8,865,490.09 for 532,278 ECP units dispensed during the SFY 2003 through SFY 2009 period (see attached Exhibit A), to wit:

<u>SFY</u>	<u>Procedure Code</u> ³	<u>Units Billed</u>	<u>Average Unit Price Billed</u>	<u>Amount Billed and Received from HRSA</u>
2003	1112J – ECP	25,233	\$20.37	\$ 514,074.00
2004	1112J – ECP	6	\$21.00	\$ 126.00
2005	1112J – ECP	174,582	\$21.04	\$3,673,215.00
2006	1112J – ECP	110,879	\$21.00	\$2,328,390.00
2007	1112J – ECP	94,404	\$13.39	\$1,264,447.09
2008	1112J – ECP	75,046	\$ 8.48	\$ 636,152.48
2009	1112J – ECP	52,128	\$ 8.62	\$ 449,085.52
TOTALS		<u>532,278</u>		<u>\$ 8,865,490.09</u>

37. Based upon the foregoing information and documents, as Planned Parenthood well-knew or should have known, Planned Parenthood, at all times relevant herein, has billed to and been reimbursed by, and, upon information and belief, continues to bill to and be reimbursed by, the Washington HRSA an average price of \$16.66 per unit or a total of

² Pursuant to HRSA’s “Family Planning Provider Billing Instructions for Reproductive Health Services, Family Planning Only Services and ‘TAKE CHARGE Services’” and HRSA’s Prescription Drug Program Billing Instructions, the prescribed dispensing fee is \$11.50 per unit for both OCPs (code S4993) and ECPs (code J3490, formerly code 1112J). These instructions provide that this dispensing fee is to be billed separately as code S9430. The Relator does not have information to suggest that Planned Parenthood did not properly and separately bill for this dispensing fee and, for the purposes of this Complaint, assumes that Planned Parenthood did so properly and separately bill for and was subsequently reimbursed for this dispensing fee.

³ For Washington HRSA billing purposes, a procedure code is assigned to family planning services and supplies. The procedure code for OCPs is S4993. The procedure code for ECPs was formerly 1112J and now is J3490.

\$8,865,490 for 532,278 units dispensed when Planned Parenthood knew or should have known that it should have billed to and been reimbursed by the Washington HRSA Planned Parenthood's AAC of \$6.00 (or less) per unit or a total of \$3,193,668.

38. Upon learning of Planned Parenthood's false, fraudulent, or ineligible claims and/or knowing receipt and retention of excess reimbursements for ECPs dispensed, Mr. Bloedow consulted and conferred with representatives of DSHS and the Washington HRSA about Planned Parenthood's false, fraudulent, or ineligible claims and/or knowing receipt and retention of excess reimbursements for ECPs dispensed.
39. Representatives of DSHS and/or the Washington HRSA confirmed to Mr. Bloedow that Planned Parenthood was obligated by Applicable Laws to bill the Washington HRSA the § 340B Ceiling Price, *i.e.*, the AAC for ECPs dispensed by Planned Parenthood.
40. Following these confirmatory communications with representatives of the Washington HRSA, in about July 2008, Mr. Bloedow sought an explanation from an authorized representative of Planned Parenthood for Planned Parenthood's practice of charging and being reimbursed by the Washington HRSA its "usual and customary", rather than the § 340B Ceiling Price for ECPs dispensed by Planned Parenthood.
41. Planned Parenthood's authorized representative stated to Mr. Bloedow that Planned Parenthood was entitled to and did charge and receive from the Washington HRSA Planned Parenthood's "usual and customary" price for ECPs dispensed by Planned Parenthood rather than the mandated §340B Ceiling Price or AAC for both ECPs and/or OCPs dispensed by Planned Parenthood.
42. This authorized Planned Parenthood official further stated to Mr. Bloedow that Planned Parenthood was entitled to charge to and be reimbursed by the Washington HRSA

Planned Parenthood's "usual and customary" prices for ECPs dispensed by Planned Parenthood rather than to charge and be reimbursed at the mandated § 340B Ceiling Price or AAC for ECPs dispensed by Planned Parenthood so long as the "profits" over and above the §340B Ceiling Price for ECPs dispensed by Planned Parenthood were, as he claimed had been done, reinvested by Planned Parenthood in its facilities.

43. Based upon the foregoing information and documents, Planned Parenthood has submitted hundreds of false claims, the precise number of which is presently unknown, relating to its false, fraudulent, or ineligible claims (or omissions) for reimbursement for ECPs it has dispensed as a consequence of which the United States Government has been damaged in an amount which is presently undetermined but, upon information and belief, is not less than \$5,671,822.
44. Planned Parenthood knew or should have known that its false, fraudulent, or ineligible claims to and reimbursement by the Washington HRSA of Planned Parenthood's "usual and customary" price for ECPs rather than the mandated §340B Ceiling Price, would result in and did, in fact, result in false, fraudulent, or ineligible claims and/or excess reimbursements to Planned Parenthood from the Title XIX-Medicaid program amounting to \$5,671,822 or more.

OCPs Fraudulently Billed By Planned Parenthood

45. With regard to OCPs dispensed to eligible clients participating in Washington's Family Planning Programs by each Planned Parenthood clinic and billed for reimbursement by Planned Parenthood to the Washington HRSA, at all times relevant herein, Applicable Laws required that Planned Parenthood be reimbursed at the lesser of its "usual and customary fee" or HRSA's maximum allowable fee. *See* Washington HRSA's "Family

Planning Provider Billing Instructions for Reproductive Health Services, Family Planning Only Services and “TAKE CHARGE” Services,” effective November 2006, pages A.8-9, B.8, and C.29.

46. At all times relevant herein, such Applicable Laws provided that the Washington HRSA’s maximum allowable fee for OCPs was \$5.00 per unit. *See* Washington HRSA’s “Family Planning Provider Billing Instructions for Reproductive Health Services, Family Planning Only Services and “TAKE CHARGE” Services,” effective November 2006, pages A.8-9, B.8, and C.29 and Billing Schedules for OCPS (code S4993) published by the Washington HRSA.
47. Notwithstanding the foregoing and unbeknownst to the Washington HRSA or other responsible Federal or State Title XIX-Medicaid officials, Mr. Bloedow determined, based upon information and documents obtained by Mr. Bloedow pursuant to State of Washington Public Records Act requests and in other ways, that Planned Parenthood had, during the SFY 2003 through SFY 2009 period, submitted hundreds of separate claims for dispensed OCPs to and had been reimbursed by the Washington HRSA and knowingly retained amounts substantially in excess of the Washington HRSA’s maximum allowable fee of \$5.00 per unit for OCPs.
48. Specifically, Mr. Bloedow determined, based upon information and documents obtained by Mr. Bloedow pursuant to State of Washington Public Records Act requests and in other ways, that Planned Parenthood had, during the SFY 2003 through SFY 2009 period, been knowingly and improperly reimbursed by the Washington HRSA an average price of \$21.01 per unit or a total of a total of \$37,230,727.82 for 1,771,568 OCP units dispensed during the SFY 2003 through SFY 2009 period (see attached Exhibit A) when

it knew or should have known that it should have been reimbursed by the Washington HRSA the maximum allowable fee of \$5.00 per unit or a total of \$8,857,840, to wit:

<u>SFY</u>	<u>Procedure Code⁴</u>	<u>Units Billed</u>	<u>Average Unit Price Billed</u>	<u>Amount Billed and Received from HRSA</u>
2003	S4993 – OCP	218,305	\$20.29	\$4,429,934.00
2004	S4993 – OCP	264,204	\$21.01	\$5,549,953.00
2005	S4993 – OCP	341,005	\$21.02	\$7,168,027.00
2006	S4993 – OCP	339,705	\$21.05	\$7,149,382.00
2007	S4993 – OCP	267,519	\$21.00	\$5,617,749.00
2008	S4993 – OCP	175,776	\$22.49	\$3,954,072.00
2009	S4993 – OCP	165,054	\$20.37	\$3,361,610.82
TOTALS		1,771,568		<u>\$37,230,727.82</u>

49. Upon information and belief, Planned Parenthood, knowing it should be reimbursed by the Washington HRSA at the Washington HRSA’s maximum allowable fee of \$5.00 per unit for OCPs dispensed by Planned Parenthood, has been and continues to be reimbursed by the Washington HRSA at rates and amounts far in excess of the Washington HRSA’s prescribed \$5.00 per unit maximum allowable fee for OCPs dispensed by Planned Parenthood and has knowingly omitted disclosure of, or has actively concealed, these facts from the federal Government and/or the Washington HRSA as a result of which Planned Parenthood has improperly received and retained Title XIX-Medicaid payments from the Washington HRSA for OCPs dispensed by Planned Parenthood far in excess of the amounts that are allowable by Applicable Laws.
50. Based upon the foregoing information and documents, Planned Parenthood, in conspiracy with itself and with others not named herein and at all times relevant herein, has knowingly failed to disclose and/or actively concealed facts which, if known, would have

⁴ For Washington HRSA billing purposes, a procedure code is assigned to family planning services and supplies. The procedure code for OCPs is S4993. The procedure code for ECPs was 1112J and is now J3490.

reduced Title XIX-Medicaid obligations to Planned Parenthood and/or resulted in repayments from Planned Parenthood to the federal Government and/or the Washington HRSA.

51. The federal Government and/or the Washington HRSA, unaware of Planned Parenthood's conspiracies and/or knowing failure to disclose its receipt of excessive reimbursements for OCPs dispensed, has reimbursed, and continues to reimburse, Planned Parenthood for OCPs dispensed at rates and amounts that continue to result in excessive overpayments to Planned Parenthood for dispensed OCPs.
52. Planned Parenthood has knowingly received and retained amounts far in excess of the amounts that it should have received for OCPs dispensed had the Washington HRSA's prescribed maximum allowable fee of \$5.00 per unit for OCPs dispensed been paid to Planned Parenthood.
53. Based upon the foregoing information and documents, Planned Parenthood has knowingly made, used, or caused to be made or used, a false record or statement material to an obligation to pay or transmit money to the federal Government and/or the Washington HRSA and/or has knowingly concealed or knowingly and improperly avoided or decreased an obligation to pay or transmit money to the federal Government and/or to the Washington HRSA, all in violation of 31 U.S.C. § 3729(a)(1)(G).
54. As a consequence of the foregoing, the United States Government has been damaged in an amount which is presently undetermined but, upon information and belief, is not less than \$28,372,888.
55. Upon learning of Planned Parenthood's false, fraudulent, or ineligible claims and/or knowing receipt and retention of excess reimbursements for OCPs dispensed, Mr.

Bloedow consulted and conferred with representatives of DSHS and the Washington HRSA about Planned Parenthood's false, fraudulent, or ineligible claims and/or knowing receipt and retention of excess reimbursements for OCPs dispensed.

56. Representatives of DSHS and/or the Washington HRSA represented to Mr. Bloedow that Planned Parenthood was obligated by Applicable Laws to bill the Washington HRSA the § 340B Ceiling Price, *i.e.*, the AAC for OCPs dispensed by Planned Parenthood clinics.
57. Following these confirmatory communications with representatives of DSHS and/or the Washington HRSA, in about July 2008, during his inquiry about Planned Parenthood's practice of charging its "usual and customary" price, rather than the § 340B Ceiling Price, for ECPs, Mr. Bloedow also sought an explanation from an authorized representative of Planned Parenthood for Planned Parenthood's practice of charging and being reimbursed by the Washington HRSA at its "usual and customary" price and then retaining the excess reimbursements for OCPs dispensed by Planned Parenthood.
58. Planned Parenthood's authorized representative stated to Mr. Bloedow that, as was the case with ECPs dispensed by Planned Parenthood, Planned Parenthood was entitled to and did charge to and receive from the Washington HRSA Planned Parenthood's "usual and customary" price for OCPs dispensed by Planned Parenthood.
59. Planned Parenthood's authorized representative further stated to Mr. Bloedow that Planned Parenthood was entitled to charge to and be reimbursed by the Washington HRSA Planned Parenthood's "usual and customary" prices for OCPs dispensed by Planned Parenthood rather than at the mandated § 340B Ceiling Price or AAC for OCPs

so long as the “profits” over and above the § 340B Ceiling Price for ECPs and OCPs were, as he claimed had been done, reinvested by Planned Parenthood in its facilities.⁵

60. Planned Parenthood knew or should have known that its false, fraudulent, or ineligible claims to and reimbursement by the Washington HRSA of Planned Parenthood’s “usual and customary” price for OCPs rather than at the Washington HRSA prescribed \$5.00 per unit maximum allowable fee would result in and did, in fact, result in false, fraudulent, or ineligible claims and/or excess reimbursements to Planned Parenthood from the Title XIX-Medicaid program which excess reimbursements, amounting to \$28,372,888 or more, were knowingly and wrongfully retained by Planned Parenthood.

FIRST CLAIM FOR RELIEF
Violation of the False Claims Act Re: ECPs,
31 U.S.C. §§ 3729(a)(1)(A), (B), and (G)

61. Mr. Bloedow realleges and incorporates by reference herein all prior factual allegations as if fully set forth herein.
62. From at least June 1, 2003 to the present and continuing, Planned Parenthood, acting through its officers, agents, and employees, combined, conspired, and agreed, together with each other and with others not named herein, to defraud the United States and State of Washington by knowingly submitting and/or causing to be submitted to agencies of the United States and/or the State of Washington, and/or their designated intermediaries, including the Washington HRSA, false, fraudulent, and/or ineligible claims for

⁵ Upon information and belief and at all times relevant herein, based upon information and documents obtained by Mr. Bloedow pursuant to State of Washington Public Records Act requests and in other ways, Mr. Bloedow has determined that Planned Parenthood’s actual acquisition cost (AAC) of OCPs, purchased through a favorable arrangement with Planned Parenthood’s national affiliate Planned Parenthood Federation of America, was \$2.91 per unit. In addition, as is the case with ECPs, Mr. Bloedow does not have information to suggest that Planned Parenthood did not properly and separately bill for the OCP dispensing fee. Mr. Bloedow believes that, notwithstanding the advice of representatives of the Washington HRSA, Planned Parenthood was entitled to be reimbursed for OCPs at the prescribed rate of \$5.00 per unit.

reimbursement for ECPs which Planned Parenthood knew, when submitted or made, were false, fraudulent, and/or ineligible, all in violation of applicable United States and State of Washington laws and regulations and knowingly using, or causing to be made or used, false records and/or statements material to false or fraudulent claims.

63. In violation of the applicable United States and State of Washington laws and regulations, Planned Parenthood engaged in the making of false, fraudulent, and/or ineligible claims to agencies of the United States, the State of Washington, and/or their designated intermediaries, for reimbursement from Title XIX-Medicaid funds for ECPs billed by Planned Parenthood to agencies of the United States, the State of Washington, and/or their designated intermediaries at Planned Parenthood's usual and customary billing rates, rather than at Planned Parenthood's AAC, all as required by applicable Federal and State of Washington laws and regulations.
64. The acts of Planned Parenthood and its officers and employees, as described herein, failed to comply with all applicable United States and State of Washington laws, rules and written policies relating to the Washington Medicaid program, including but not limited to Title XIX of the Social Security Act and relevant State of Washington laws as required of Planned Parenthood.
65. The acts of Planned Parenthood and its officers and employees, as described herein, constituted the knowing presentment of false, fraudulent, and/or ineligible claims 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) and/or conspiracy to commit violations of said provisions in violation of 31 U.S.C. § 3729(a)(1)(C).

66. Through the acts described above and otherwise, Planned Parenthood 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 Planned Parenthood's obligations to repay money to the United States and/or to the State of Washington that Planned Parenthood improperly and/or fraudulently received, in violation of 31 U.S.C. § 3729(a)(1)(G). Planned Parenthood also failed to disclose to the United States and/or to the State of Washington material facts that would have resulted in substantial repayments by Planned Parenthood to the United States and/or to the State of Washington, in violation of 31 U.S.C. § 3729(a)(1)(G).
67. The United States and its fiscal intermediaries, including the State of Washington and, in particular, the Washington HRSA, unaware of the falsity of the records, statements, and claims made or submitted by Planned Parenthood and its agents and employees, paid and continue to pay Planned Parenthood for claims that would not be paid if the truth were known.
68. By reason of Planned Parenthood's false records, statements, claims, and omissions, the United States has been damaged in the amount of many millions of dollars. The precise number of such false claims as well as the precise amount of damage and loss caused the United States is presently undetermined, but, upon information and belief, is not less than \$5,671,822.

WHEREFORE, the Relator respectfully prays for the relief set forth below.

SECOND CLAIM FOR RELIEF
Violation of the False Claims Act Re: OCPs,
31 U.S.C. §§ 3729(a)(1)(A), (B), and (G)

69. The Relator realleges and incorporates by reference herein all prior factual allegations as if fully set forth herein.
70. From at least June 1, 2003 to the present and continuing, Planned Parenthood, acting through its officers, agents, and employees, combined, conspired, and agreed, together with each other and with others not named herein, to defraud the United States and the State of Washington by knowingly receiving and retaining amounts from the Washington HRSA substantially in excess of the amounts which Planned Parenthood was entitled to receive and retain for OCPs dispensed by Planned Parenthood, all in violation of applicable United States and State of Washington laws and regulations.
71. In violation of all applicable United States and State of Washington laws and regulations, Planned Parenthood has knowingly made, used, or caused to be made or used, false records or statements material to an obligation to pay or transmit money to the federal Government and/or the Washington HRSA and/or has knowingly concealed or knowingly and improperly avoided or decreased its obligation to pay or transmit money to the federal Government and/or the Washington HRSA in violation of 31 U.S.C. § 3729(a)(1)(G).
72. The acts of Planned Parenthood and its officers and employees, as described herein, constituted the knowing presentment of false, fraudulent, and/or ineligible claims 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) and/or conspiracy to commit violations of said provisions in violation of 31 U.S.C. § 3729(a)(1)(C).

73. Through the acts described above and otherwise, Planned Parenthood 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 Planned Parenthood's obligations to repay money to the United States and/or to the State of Washington that Planned Parenthood improperly and/or fraudulently received, in violation of 31 U.S.C. § 3729(a)(1)(G).
74. Planned Parenthood also failed to disclose to the United States and/or to the State of Washington material facts that would have resulted in substantial repayments by Planned Parenthood to the United States and/or to the State of Washington, in violation of 31 U.S.C. § 3729(a)(1)(G).
75. The United States and its fiscal intermediaries, including the State of Washington and, in particular, the Washington HRSA, unaware of the falsity of the records, statements, and claims made or submitted by Planned Parenthood and its agents and employees, including the improper receipt and retention of excess reimbursements, paid and continue to pay Planned Parenthood for claims that would not have been paid if the truth were known.
76. By reason of Planned Parenthood's false records, statements, claims, and omissions, the United States has been damaged in the amount of many millions of dollars. The precise number of such false claims as well as the precise amount of damage and loss caused the United States is presently undetermined, but, upon information and belief, is not less than \$28,372,888.

WHEREFORE, the Relator respectfully prays for the relief set forth below.

THIRD CLAIM FOR RELIEF
Conspiracy to Violate the False Claims Act,
31 U.S.C. § 3729(a)(1)(C)

77. The Relator realleges and incorporates by reference herein all prior factual allegations as if fully set forth herein.
78. Through the acts described above and otherwise, Planned Parenthood entered into a conspiracy or conspiracies among themselves and with others to defraud the United States and the Title XIX-Medicaid program by getting false and fraudulent claims allowed or paid. Planned Parenthood has also conspired to omit disclosing or to actively conceal facts which, if known, would have reduced Government obligations to Planned Parenthood or resulted in repayments from Planned Parenthood to Government programs. Planned Parenthood has taken substantial steps or overt acts in furtherance of those conspiracies by knowingly presenting or causing to be presented a false or fraudulent claim for payment or approval; knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim; or conspiring to commit a violation of the Federal False Claims Act; or knowingly making, using, or causing to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property to the Government.
79. By reason of Planned Parenthood's conspiracies and acts taken in furtherance thereof, the United States has been damaged in the amount of many millions of dollars. The precise number of such false claims as well as the precise amount of damage and loss caused the

United States is presently undetermined, but, upon information and belief, amounts to \$34,044,710 or more.

WHEREFORE, the Relator respectfully prays for the relief set forth below.

PRAYER FOR RELIEF

Plaintiff/Relator Jonathan Bloedow respectfully requests that this Honorable Court enter judgment in favor of the United States of America and against Defendant Planned Parenthood of the Great Northwest, Inc. as follows:

(a) That Defendant Planned Parenthood be ordered to cease and desist from further violations of 31 U.S.C. § 3729 *et seq.*

(b) That the Court enter judgment in favor of the United States of America and against Defendant Planned Parenthood in an amount equal to three times the amount of the actual damages the United States has sustained as a result of Defendant's actions, as well as civil penalties of \$11,000 for each violation of 31 U.S.C. § 3729.

(c) That the Relator Jonathan Bloedow be awarded the maximum amounts allowed pursuant to 31 U.S.C. § 3730(d).

(f) That the Relator Jonathan Bloedow be awarded all costs and expenses of this action, including his attorneys' fees.

(g) That this Court award such other and further relief to the United States of America and/or to the Relator Jonathan Bloedow as it deems just and proper.

JURY DEMAND

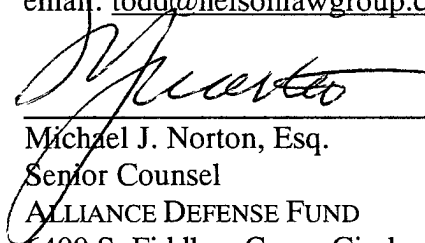
Pursuant to F.R.C.P. 38, the Relator Jonathan Bloedow hereby demands trial by jury of all issues so triable.

DATED this 18th day of July, 2011.

COUNSEL:



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Attorneys for the Plaintiff/Relator
Jonathan Bloedow

SFY03

PROC_CODE	PROC_DESC	UNITS	BILLED	AVG BILLED/UNIT
1112J	EMERGENCY CONTRACEPTIVE PILI	25,233	\$514,074.00	\$20.37
S4993	CONTRACEPTIVE PILLS FOR BC	218,305	\$4,429,934.00	\$20.29

SFY04

PROC_CODE	PROC_DESC	UNITS	BILLED	AVG BILLED/UNIT
1112J	EMERGENCY CONTRACEPTIVE PILI	6	\$126.00	\$21.00
S4993	CONTRACEPTIVE PILLS FOR BC	264,204	\$5,549,953.00	\$21.01

SFY05

PROC_CODE	PROC_DESC	UNITS	BILLED	AVG BILLED/UNIT
1112J	EMERGENCY CONTRACEPTIVE PILI	174,582	\$3,673,215.00	\$21.04
S4993	CONTRACEPTIVE PILLS FOR BC	341,005	\$7,168,027.00	\$21.02

SFY06

PROC_CODE	PROC_DESC	UNITS	BILLED	AVG BILLED/UNIT
1112J	EMERGENCY CONTRACEPTIVE PILI	110,879	\$2,328,390.00	\$21.00
S4993	CONTRACEPTIVE PILLS FOR BC	339,705	\$7,149,382.00	\$21.05

SFY07

PROC_CODE	PROC_DESC	UNITS	BILLED	AVG BILLED/UNIT
1112J	EMERGENCY CONTRACEPTIVE PILLS	94,404	\$1,264,447.09	\$13.39
S4993	CONTRACEPTIVE PILLS FOR BC	267,519	\$5,617,749.00	\$21.00

SFY08

PROC_CODE	PROC_DESC	UNITS	BILLED	AVG BILLED/UNIT
1112J	EMERGENCY CONTRACEPTIVE PILLS	75,046	\$636,152.48	\$8.48
S4993	CONTRACEPTIVE PILLS FOR BC	175,776	\$3,954,072.00	\$22.49

SFY09

PROC_CODE	PROC_DESC	UNITS	BILLED	AVG BILLED/UNIT
1112J	EMERGENCY CONTRACEPTIVE PILLS	52,128	\$449,085.52	\$8.62
S4993	CONTRACEPTIVE PILLS FOR BC	165,054	\$3,361,610.82	\$20.37

EXHIBIT A
PAGE 1 of 1

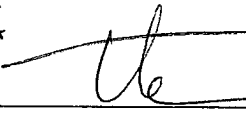
STATE OF WASHINGTON)
)
) ss.
COUNTY OF ~~SNOHOMISH~~ ^{King})

JONATHAN BLOEDOW, the Plaintiff/Relator, upon oath, states that he is over the age of 18 years; has personal knowledge of the facts set forth in the foregoing Verified Complaint and is competent to testify thereto; that he has read the foregoing Verified Complaint, and that, to the best of his knowledge, information, and belief, the facts set forth therein are true and correct.



JONATHAN BLOEDOW

Subscribed and sworn to before me by Jonathan Bloedow this 18th day of July, 2011.
Witness my hand and official seal.

My commission expires: 09.27.14 

Notary Public

