



ABORTION | Business is booming at Planned Parenthood as smaller abortion centers close. Have pro-life laws in red states accelerated this trend?

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The interior of the new 14,000-square-foot Planned Parenthood in Queens looks like an Apple Store mixed with a spa and a frozen yogurt establishment. Pink and orange recessed cove lights run along the tops of the white curved walls. The sunlight-filled lobby offers Wi-Fi, and waiting clients lounge in modern furniture. In the glass-enclosed stairwells leading to waiting rooms, brightly colored words like “compassion” and “empowerment” dot the walls, repeated in several languages. The building stands on a quiet tree-lined residential street, sans protesters and three subway stops from Manhattan.

“They have a pager-based waiting system too (like Shake Shack for healthcare!),” reads a Google review of the center from Mieko Gavia.

At the ribbon cutting last year, Planned Parenthood for America president Cecile Richards called the \$9 million facility the “North Star” of the organization. (The city of New York footed about \$737,000 of the cost, and the state provided another \$250,000.) The facility should handle 17,500 clients a year, and will likely accelerate the 26 percent increase in patients Planned Parenthood of New York City has seen since 2008.

But all is not well for abortionists in New York. As Planned Parenthood has expanded, its smaller competitors have disappeared. Operation Rescue—the only organization that seems to have a detailed record of closures in blue states—reports that 12 abortion centers in New York have ceased operations or merged with other offices since 2013.

New York is a microcosm of this nationwide trend: Even as the number of abortions in the United States has declined, Planned Parenthood carries out a larger share of abortions in the nation than it did before. It is consolidating—it has fewer facilities—but business is growing.

Planned Parenthood is performing 70,000 more abortions than it did in 2004 according to the organization’s own numbers, and its share of the abortion market has increased from 20 percent to 32 percent over that time. The taxpayer-funded organization, meanwhile, has built at least 19

centers that each cover over 10,000 square feet since 2004, according to a report from Americans United for Life.

But in the last five years red states have passed restrictions on abortion centers, so how is Planned Parenthood's business growing? It's possible that the state regulations requiring abortion centers to meet ambulatory surgical center (ASC) standards shut down smaller competitors and drove more business to Planned Parenthood. This is a common trend following regulations in other industries.

“The public perception is that the regulated industry hates the regulations,” said the Cato Institute's Michael Cannon, who studies healthcare markets and was one of the architects of the *King v. Burwell* challenge to Obamacare. “But in fact, part of the regulated industry usually likes the regulations, because the regulations create a barrier to competition. ... It's certainly plausible that larger abortion clinics would have benefited, who may have seen increased revenues.” However, he added, Planned Parenthood might have genuinely opposed the regulations because they conflict with the organization's mission of spreading access to abortion.

With the Supreme Court ruling against Texas' abortion regulations in June, Planned Parenthood may have won victories on both the political and business fronts. The Supreme Court ruled the Texas regulations, which required centers to meet ASC standards and to have admitting privileges at a nearby hospital, were an unconstitutional “burden” on women's access to abortion because they forced abortion facilities to close.

Planned Parenthood publicly opposed the regulations but didn't join the independent abortion centers as plaintiffs in that case, *Whole Woman's Health v. Hellerstedt*. Planned Parenthood has five big facilities in the state that already meet the ASC requirements. One in Houston is 75,000 square feet, calling to mind the 2011 satirical article from *The Onion* titled, “Planned Parenthood Opens \$8 Billion Abortionplex.” Still, the ruling was a setback to the group's pro-life opponents. The abortion giant won on a business front, too. Even after the Supreme Court ruling in their favor, a number of the smaller independent abortion centers do not plan to reopen—including some of the *Whole Woman's Health* plaintiffs in the Supreme Court case.

So the ASC requirements may have merely accelerated an ongoing industry trend: consolidation to these big facilities. Amy Hagstrom Miller, the founder of Whole Woman's Health, complained to *The Wall Street Journal* in 2008 that Planned Parenthood was “not unlike other big national chains” and put “local independent businesses in a tough situation.”

‘No matter how wonderful the abortion facility is, that baby is still gonna die. ... The other side doesn't want the focus on the baby. ... We win when the focus is on the baby.’ —*Barbara Holt, North Carolina Right to Life president*

Though Planned Parenthood has railed against the ASC requirements, it has not challenged those requirements in court. When Planned Parenthood sued Wisconsin, Alabama, Arizona, and Ohio, it challenged regulations like the admitting privileges requirement and state defunding, but not the ASC requirement. Planned Parenthood did not return a request for comment on why it never challenged the ASC requirement in court.

Some of the smaller, independent abortion centers have complained publicly about Planned Parenthood cutting into their business by opening facilities near existing independent facilities. In 2010 the Cedar River Clinics (previously known as the Feminist Women's Health Center) in Yakima, Wash., closed after 30 years of business—and five years after Planned Parenthood had opened a facility nearby.

In the announcement of the closure, the Cedar River founders said they saw a theme: A “small local grassroots clinic closes when the national chain Wal-Mart-like giant, Planned Parenthood, starts offering the same type of services in the same community.” The founders called it a “canary-in-the-coal-mine” moment for smaller abortion centers.

“In starting to provide abortion, they [Planned Parenthood] were NOT responding to a local need. Their actions did NOT expand access,” said founder Beverly Whipple in a statement. Abortion Care Network is an organization representing independent abortion centers. The director at the time, Charlotte Taft, told the local newspaper, the *Yakima Herald-Republic*, “You end up with an independent provider trying to figure how to compete against a name everybody knows.”

Recognizing these trends, Justice Samuel Alito, in his dissent (joined by Chief Justice John Roberts and Justice Clarence Thomas) from the *Whole Woman's Health* decision, chastised the Supreme Court for neglecting to gather any evidence about why abortion facilities closed in Texas.

Was it because of the state regulations, or because of business trends, or the removal of state funding, or because of abortionist retirements? The number of ASC facilities providing abortions went up 50 percent in Texas after the passage of the restrictions (from six to nine), and five of those were Planned Parenthood facilities.

WHEN PRO-LIFE LAWYERS AND ACTIVISTS were working on abortion center regulations in states around the country over the last five years, they discussed the possibility that the regulations might divert business to larger organizations like Planned Parenthood. Pro-life organizations disagreed on the right legislative approach.

Americans United for Life (AUL), which helped craft the abortion center regulation policy that ended up in state legislatures, thought the new regulations were worth the potential risk of sending business to Planned Parenthood.

“There was an understanding that certain providers might have a competitive advantage under those regulations because they were doing a better job of complying with commonsense health and safety standards,” said Denise Burke, AUL's vice president of legal affairs, who worked on some of these laws. “But that wasn't a deterrent. If there were substandard clinics out there, they shouldn't be operating.”

When North Carolina passed a package of abortion regulations in 2013, Barbara Holt, the head of North Carolina Right to Life, recalled disagreements about the abortion center regulation

approach. She thought it was a strategic mistake, not necessarily because the regulations might benefit Planned Parenthood but because she felt the focus should remain on protecting babies. In arguments with pro-life legislators and other pro-life groups at the time, she said the ban on partial-birth abortion, for example, opened people's eyes to what abortion is and increased the number of pro-lifers around the country.

"No matter how wonderful the abortion facility is, that baby is still gonna die," Holt said. "The other side doesn't want the focus on the baby. ... We win when the focus is on the baby."

The final North Carolina law required higher health and safety standards at abortion centers, but also banned sex-selective abortion. After Gov. Pat McCrory signed the bill into law, the fury of the abortion industry and protesters focused on the health standards regulations. Pro-abortion protesters held a vigil outside the governor's mansion and said the new regulations would close most of the abortion centers in the state and restrict women's access to abortion, which McCrory denied. Holt was disappointed that the health regulations "overshadowed" the other measures like the ban on sex-selective abortion.

In the end, a combination of factors is likely driving Planned Parenthood's growth in the abortion market. Smaller abortion facilities are closing everywhere, not just in red states with abortion regulations. And the number of abortions is declining everywhere, even in New York City, forcing consolidation.

"Planned Parenthood seems to be popping up and taking the place of these other abortion facilities that seem to have some problems," Holt said. "But they're still killing babies, even if it's in a sterile environment."

Number of abortions by Planned Parenthood in 2004: 255,015

Number of abortions by Planned Parenthood in 2015: 323,999

Planned Parenthood market share in 2004: 20%

Planned Parenthood market share in 2015: 32%