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Health, Education, and
Human Services Division

B-280020

May 22, 1998

The Honorable Christopher H. Smith
The Honorable Joseph R. Pitts
House of Representatives

Subject: Family Planning: Federal Funds Provided to Planned Parenthood Organizations

This letter responds to your request that we identify for the Planned Parenthood Federation of America, the International Planned Parenthood Federation, and the Alan Guttmacher Institute (1) the amount of federal funding that supports these organizations, (2) federal agencies that receive and disburse the funds, and (3) congressional committees with jurisdiction to authorize or appropriate these funds.

In summary, we found that the Planned Parenthood Federation of America and its affiliates, the International Planned Parenthood Federation and its associations, and the Alan Guttmacher Institute received federal government support that ranged approximately \$158 million to \$163 million annually during fiscal years 1994 through 1996. (See table 1.) The Department of Health and Human Services (HHS) and the Agency for International Development (AID) were the major sources of these federal funds.

Table 1: Federal Funds Supporting Planned Parenthood Federation of America and Its Affiliates, International Planned Parenthood Federation and Its Associations, and the Alan Guttmacher Institute, Fiscal Years 1994 Through 1996

Organization	Amount of Federal Funding		
	FY 1994	FY 1995	FY 1996
Planned Parenthood Federation of America and affiliates	\$120,766,981	\$120,021,137	\$123,052,455
International Planned Parenthood Federation and associations	40,629,056	42,082,056	34,407,884
Alan Guttmacher Institute	866,213	1,245,702	1,001,383
Total	\$162,262,250	\$163,348,895	\$158,461,722

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Four committees in the Senate and three committees in the House of Representatives hold jurisdiction over the authorization of these activities, and three subcommittees of the Committee on Appropriations of each house hold jurisdiction over appropriations of these funds.¹

This correspondence is based on data collected from and discussions with officials from HHS, the Department of Commerce, AID, Planned Parenthood Federation of America, International Planned Parenthood Federation, and the Alan Guttmacher Institute. As we indicated to your staff, we did not independently verify financial data provided by federal agencies and Planned Parenthood organizations; however, Planned Parenthood organizations provided independently audited financial statements and reports. We carried out our work between March and May 1998 in accordance with generally accepted government auditing standards.

BACKGROUND

The Planned Parenthood Federation of America and its 137 affiliates, with 900 local health centers, provide reproductive medical care, emphasizing family planning counseling and birth control education. Planned Parenthood Federation of America affiliates are independent, separately incorporated organizations with their own boards of directors and financial autonomy. In 1996, Planned Parenthood affiliates provided reproductive health care to 3.3 million women and men and educational services to an additional 1.6 million individuals. Affiliates and their clinics provide family planning counseling and birth control services, pregnancy testing, abortions, cancer screening, HIV testing, screening and treatment for sexually transmitted diseases, prenatal and well-baby care, and other reproductive health care services.

The International Planned Parenthood Federation is a nonprofit, nongovernmental family health care organization, headquartered in London and registered as a charity in the United Kingdom. The International Planned Parenthood Federation has six regional offices and 127 affiliated family planning associations and operates in 160 countries. These organizations provide family planning and reproductive health services, including maternal care and screening and treatment for sexually transmitted infections. The International Planned Parenthood Federation is supported by financial contributions from more than 25 governments and by donations from private foundations and individuals.

¹These committees are the Senate Committees on Appropriations; Commerce, Science, and Transportation; Finance; Foreign Relations; and Labor and Human Resources and the House Committees on Appropriations; Commerce; International Relations; and Ways and Means.

The Alan Guttmacher Institute was originally a division of the Planned Parenthood Federation of America and became an independent not-for-profit corporation in 1977; it remains a special affiliate of the Planned Parenthood Federation of America. The Alan Guttmacher Institute conducts reproductive health and family planning research, policy analysis, and public education nationally and internationally and publishes journals about family planning and reproductive health.

FEDERAL FUNDS FOR DOMESTIC ACTIVITY OF PLANNED PARENTHOOD ORGANIZATIONS

During fiscal years 1994 through 1996, federal programs provided approximately \$120 million to \$123 million annually in grants and reimbursements for domestic activities to the Planned Parenthood Federation of America and its affiliates and to the Alan Guttmacher Institute. (See table 2.) HHS provided almost all of this funding, primarily through grants to states, which, in turn, disbursed the funds to these Planned Parenthood affiliates.

Table 2: Federal Funds Supporting Domestic Activity of Planned Parenthood Organizations for Fiscal Years 1994 Through 1996, by Federal Program or Activity and Authority

Administering agency	Authorizing congressional committees ^a		Expenditures		
	House	Senate	FY 1994 ^b	FY 1995	FY 1996
Family Planning Grants (Public Health Service Act, title X)					
HHS, Office of Population Affairs	Commerce	Labor and Human Resources	\$41,925,130 ^c	\$44,186,489 ^d	\$46,420,985 ^e
Medicaid (Social Security Act, title XIX)					
HHS, Health Care Financing Administration	Ways and Means; Commerce	Finance	50,539,553	44,502,561	42,288,034
Social Services Block Grants (Social Security Act, title XX)					
HHS, Administration for Children and Families	Ways and Means	Finance	16,376,517	18,652,056	19,440,886
Maternal and Child Health Services Block Grants (Social Security Act, title V)					
HHS, Health Resources and Services Administration	Ways and Means; Commerce	Finance; Labor and Human Resources	7,050,446	7,436,635	7,510,448
Research Project Grants (Public Health Service Act, title IV)^f					
HHS, National Institutes of Health	Commerce	Labor and Human Resources	240,659	248,245	168,021
Telecommunications Information and Infrastructure Assistance Grants (Communications Act of 1934, section 392)					
Department of Commerce, National Telecommunications and Information Administration	Commerce	Commerce, Science, and Transportation	0	8,579	155,763
Additional federal payments to Planned Parenthood affiliates ^g					
			3,553,789 ^h	5,044,192	6,615,812
Total			\$119,686,094	\$120,078,757	\$122,599,949

(Table notes on next page.)

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Note: The latest annual financial reports available are for fiscal years ending in 1996.

^aThe Senate and House Committees on Appropriations through their Subcommittees on Labor, Health and Human Services, and Education and on Commerce, Justice, State, and the Judiciary have jurisdiction over legislation appropriating funds for these programs or activities.

^bPlanned Parenthood Federation of America changed from a December 31 fiscal year end to a June 30 fiscal year end after 1992. Therefore, fiscal year 1994 expenditures cover an 18-month period for Planned Parenthood Federation of America and a 12-month period for the affiliates and the Alan Guttmacher Institute.

^cIncludes \$227,801 expended by Alan Guttmacher Institute.

^dIncludes \$584,737 expended by Alan Guttmacher Institute.

^eIncludes \$444,095 expended by Alan Guttmacher Institute.

^fAll expenditures under this activity by Alan Guttmacher Institute.

^gOther federal payments to Planned Parenthood affiliates include federal grants and reimbursements that fund other health care, AIDS, and nutrition services.

^hIncludes \$1,241 expended by Alan Guttmacher Institute.

Source: GAO analysis of independently audited annual financial reports prepared in compliance with Office of Management and Budget Circular A-133.

Title X of the Public Health Service Act authorizes grants for voluntary family planning services, primarily for low-income women. In fiscal year 1996, title X grants accounted for 38 percent of all domestic federal grants and reimbursements to the Planned Parenthood Federation of America and its affiliates and the Alan Guttmacher Institute. Title X also provides funding for training nurse practitioners and for health services research about family planning services.² Title X grantees include state and territorial health departments, local health departments, hospitals, and organizations such as Planned Parenthood affiliates. Grantees can dispense title X funds to other agencies to provide services or to support clinics. Although there are no matching requirements for grants, regulations specify that no clinic may be fully supported by title X funds. Federal law also prohibits the use of title X funds in programs where abortion is a method of family planning.

²During fiscal years 1994 through 1996, the Planned Parenthood Federation of America and an affiliate received such training grants, ranging in total from \$660,000 to \$694,070 annually. During the same years, the Alan Guttmacher Institute received a research grant ranging from \$460,000 to \$521,720 annually.

Title XIX of the Social Security Act authorizes Medicaid grants to the states and requires state Medicaid programs to cover family planning services. The Health Care Financing Administration (HCFA) pays 90 percent and states pay 10 percent of Medicaid's reimbursements for family planning services and supplies. This payment formula applies only to family planning services and supplies, defined as services intended to increase or decrease family size. Any other covered Medicaid service provided by Planned Parenthood centers, including abortion when permitted under law, is reimbursed under standard federal-state payment formulas.³ HCFA's most recently published state data show that in fiscal year 1996, Medicaid reimbursed \$500 million (0.4 percent of Medicaid payments for claims) to private physicians, nurse practitioners, migrant and community health centers, public health clinics, and hospital clinics for family planning services. States do not report services provided by Planned Parenthood affiliates separately from other providers.

Title V and title XX of the Social Security Act authorize the Maternal and Child Health Services Block Grant (MCHBG) and the Social Services Block Grant (SSBG). MCHBG and SSBG funds are distributed by formula to state and territorial health and social service agencies; federal MCHBG funds are matched by state funds. Each state determines the use of the combined funds and its federal SSBG funds. Under either block grant, state agencies may fund family planning activities directly or purchase them from Planned Parenthood affiliates or others. The most recent SSBG data show that in fiscal year 1995, states used \$32.7 million—1.1 percent—of state SSBG funds for family planning services.

Title IV and section 301 of the Public Health Service Act authorize the National Institutes of Health to award research project grants. Between fiscal years 1994 and 1996, the National Institute for Child Health and Human Development's Center for Population Research, Demographic, and Behavioral Science Branch awarded two research project grants to the Alan Guttmacher Institute to study contraceptive effectiveness and women's prenatal behaviors.

Under section 392 of the Communications Act of 1934, which authorizes the Telecommunications and Information Infrastructure Assistance Program in the Department of Commerce, the National Telecommunications and Information Administration through its Office of Telecommunications and Information Applications awarded in 1994 a matching grant to the Planned Parenthood Federation of America for developing a computerized information system for collecting and exchanging data on reproductive health care.

³Except for family planning services and services provided through Indian Health Service facilities, the federal portion of payments for Medicaid services is set annually for each state by a formula and may range from 50 to 83 percent.

FEDERAL FUNDS FOR INTERNATIONAL ACTIVITY OF PLANNED PARENTHOOD ORGANIZATIONS

For fiscal years 1994 through 1996, the International Planned Parenthood Federation and its regions and affiliated family planning associations and the Alan Guttmacher Institute received annual financial support for international activities from AID totaling approximately from \$36 million to \$43 million. (See table 3.)

Table 3: AID Funds Supporting International Activity of Planned Parenthood Organizations, Fiscal Years 1994 Through 1997

Recipient	Obligations ^a			
	FY 1994	FY 1995	FY 1996	FY 1997
International Planned Parenthood Federation and its regions				
International Planned Parenthood Federation grants	\$11,617,000	\$9,000,000	\$7,000,000	\$7,146,000
Western Hemisphere region cooperative agreement	9,273,000	14,556,000	7,397,000	0
Contraceptive shipments (value ascribed by AID)	3,183,157	2,814,056	3,239,884	1,313,632
International Planned Parenthood family planning associations				
Bilateral assistance	12,103,899	11,260,000	10,865,000	^b
Subprojects with cooperating agencies	4,452,000	4,452,000	5,906,000	^b
Family Planning International Assistance ^c	1,550,588	775,362	1,064,622	^b
Alan Guttmacher Institute	396,512	412,720	389,267	350,631
Total	\$42,576,156	\$43,270,138	\$35,861,773	^b

Note: The Senate Foreign Relations Committee and the House Committee on International Relations have jurisdiction over authorization of AID activities. The Senate and House Committees on Appropriations through their Subcommittees on Foreign Operations have jurisdiction over legislation appropriating funds for these activities.

^aInternational Planned Parenthood family planning association and Family Planning International Assistance amounts are expenditures.

^bFiscal year 1997 data are not yet available.

^cFamily Planning International Assistance is the international services division of Planned Parenthood Federation of America. Expenditures include value of contraceptive shipments.

Sources: AID's Office of Population and GAO analysis of independently audited annual financial reports prepared in compliance with Office of Management and Budget Circular A-133.

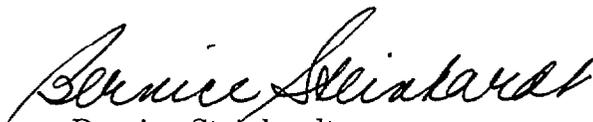
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AID provides assistance through direct grants and other mechanisms, such as cooperative agreements. A cooperative agreement is a grant under which substantial involvement is anticipated between AID and the recipient—called a cooperating agency—during performance of a funded activity. AID missions fund some International Planned Parenthood family planning associations directly. AID's cooperating agencies may also support some International Planned Parenthood family planning associations through subgrants.

AID grants to the International Planned Parenthood Federation are used to introduce, expand, and improve family planning and reproductive health information and services through its affiliated network of indigenous family planning associations. AID's cooperative agreement with the International Planned Parenthood Federation's Western Hemisphere region was used to improve and expand family planning services in Latin America and the Caribbean and to incorporate AIDS and other sexually transmitted infection prevention services into family planning programs. In addition, two AID missions had a contract and a grant directly with Family Planning International Assistance, the international service division of Planned Parenthood Federation of America, to supply contraceptive commodities to Nigeria and to initiate a family planning and birth spacing program in Cambodia.

The Alan Guttmacher Institute receives, through a subagreement, funding from AID for publishing an international journal in English, French, and Spanish about family planning and reproductive health issues.

Officials from AID, Planned Parenthood Federation of America, and the Alan Guttmacher Institute reviewed this correspondence, generally agreed with the information contained in it, and provided technical comments, which we incorporated where appropriate. Major contributors to this letter were Marcia G. Crosse and Richard C. Weston. Please contact me at (202) 512-7119 if you have any questions.



Bernice Steinhardt
Director of Health Services Quality
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