



Home > Health Care

September 05, 2012 07:00 AM

## Planned Parenthood settles with state on Medicaid payments

ANDREW L. WANG

TWEET

SHARE

SHARE

EMAIL

### REPRINTS

(Crain's) — Planned Parenthood of Illinois has agreed to pay the state \$367,000 to settle a dispute over alleged overbilling of the Medicaid program by the non-profit's medical director.

Dr. Caroline Hoke, an obstetrician-gynecologist and the organization's medical director since 2007, had been under threat of termination from the state Medicaid program since 2010, when the inspector general of the Department of Healthcare and Family Services sought to recover allegedly improper payments.

Dr. Hoke was the fourth-highest billing physician in the state Medicaid program in 2009-11, receiving \$3.9 million, despite not receiving any payment for much of 2010 and all of 2011, [according to a Crain's analysis of Medicaid reimbursement records](#).

The settlement comes about a week after the mother of a Planned Parenthood patient filed a wrongful-death lawsuit against the organization, alleging that negligence during an abortion contributed to her daughter's death.

In the Medicaid case, the agency alleged that Dr. Hoke overbilled the state an estimated \$430,380.02, mostly for services that were not documented, according to records in a DHFS administrative proceeding against Dr. Hoke.

The inspector general contested Dr. Hoke's billings between 2006 and 2007, when she worked at Planned Parenthood of Illinois locations and at Erie Family Health Center. The West Side clinic separately agreed to pay the state \$20,000 to settle its portion of the dispute.

With the settlement, neither Planned Parenthood of Illinois nor Erie admits any wrongdoing or responsibility for the overbilling.

More than 80 percent of the amount being paid back to DHFS was for "recordkeeping matters related to billing for birth control," Planned Parenthood said in a statement.

The dispute centered on what constitutes adequate record keeping, Planned Parenthood said in a statement. The questioned reimbursement requests came while the organization was in the midst of converting to electronic records, but the inspector general reviewed only paper files.

"While we believe our documentation of the contested items was in compliance with Medicaid guidance as we understood it for the 2006 to 2007 time period, we decided to agree to certain reimbursements to resolve the issue, rather than devote additional resources to this matter," Planned Parenthood of Illinois CEO Carole Brite said in the statement.

The settlement agreement was signed Tuesday, a state spokesman said.

"This was a routine case brought by the (department's inspector general), and it was handled in the same manner as dozens of other cases," the spokesman wrote in an email. "As in all cases, we are committed to reaching a fair outcome that protects the taxpayers."

Erie President and CEO Dr. Lee Francis confirmed the amount in the settlement.

"We are proud of our history of the highest quality of care for our patients and of our strong billing controls," he added.

During the administrative proceeding, Dr. Hoke continued to provide services to Planned Parenthood of Illinois' Medicaid patients, though those services have not been reimbursed since May 2010, when the inspector general put a stop on payment. The organization gets about 40 percent of its patient service revenue from Medicaid, according to filings in Dr. Hoke's case.

Planned Parenthood of Illinois booked just over \$17 million in patient revenue in fiscal 2011, according to its tax returns.

The wrongful-death suit, filed in Cook County Circuit Court, does not identify the doctor who performed the abortion on Tonya Reaves at a downtown Planned Parenthood clinic July 20.

The suit also names as a defendant Northwestern Memorial Hospital, where Ms. Reaves was later taken for medical care after the procedure. Another defendant is the father of Ms. Reaves' son, who pushed Ms. Reaves down a flight of stairs about five days before the abortion, the complaint alleges. Injuries sustained in the fall contributed to Ms. Reaves death, according to the suit.

## RECOMMENDED FOR YOU



Investment firm backs Chicago health investor's insurance startup



UChicago Medicine gets \$10 million for cancer research



CommonSpirit posts operating loss as patient volumes plummet



Sponsored Content: Yes, You Need a Nurse to Screen Your Employees for COVID-19

## SIGN UP FOR NEWSLETTERS

- Morning 10 - *Need-to-know stories from Crain's and around the web. Monday-Friday at 7 a.m.*
- Today's Crain's - *A roundup of the day's important business news. Monday-Friday around 3 p.m.*

- Breaking News Alerts - *Up-to-the-minute info on what's happening in Chicago business right now.*
- Health Pulse Chicago - *Your source for actionable, exclusive and inside news and data on the health care industry. Monday, Wednesday and Friday at 5:30 a.m.*
- People on the Move - *Highlights prominent personalities, job changes and executive appointments. Thursday.*
- Chicago Real Estate Report - *The best source in Chicago for exclusive commercial real estate news. Monday-Thursdays.*
- Chicago Residential Real Estate Report - *Scoops on Chicago's residential real estate industry. Tuesday-Thursday.*

EMAIL ADDRESS

SUBMIT

## GET OUR NEWSLETTERS

Staying current is easy with Crain's news delivered straight to your inbox, free of charge.

Email Address

SIGN UP NOW

## SUBSCRIBE TODAY

Get the best business coverage in Chicago, from breaking news to razor-sharp analysis, in print and online.

SUBSCRIBE NOW

## CONNECT WITH US



**CRAIN'S** CHICAGO BUSINESS

CONTACT US

150 N. Michigan Ave.  
Chicago, IL 60601  
E-mail our editor  
(312) 649-5200

[More contacts](#)

[Customer service](#)

### RESOURCES

[About Us](#)

[Classified Advertising](#)


[Crain's Chicago jobs](#)

[Staff](#)

[Advertise with Us](#)

[Reprints](#)

[Media Kit](#)

[Ad Choices](#) 

[Sitemap](#)

### AWARDS

[Special reports](#)

### LEGAL

[Terms and Conditions](#)

[Privacy Policy](#)

[Privacy Request](#)

# CRAIN

Copyright © 1996-2020. Crain Communications, Inc. All Rights Reserved.