



# **Preliminary Report to Congress The Planned Parenthood – Afaxys Connection**

How Planned Parenthood Makes Money from Contraceptive Sales to Federally Qualified Health Centers and Other Public Family Planning Centers

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# The Planned Parenthood – Afaxys Connection Executive Summary

A private company named Afaxys, Inc. was formed in 2008 and is actively increasing its market share in providing contraceptive supplies to the public health sector.

Afaxys is essentially part of the Planned Parenthood empire.

At least one internal Planned Parenthood document refers to Afaxys as “a Planned Parenthood affiliated company.”

The company was cofounded by a group of individuals that includes many current and former Planned Parenthood executives. Its primary founder and CEO, Ronda Dean, was vice president at Planned Parenthood Federation of America. Its board of directors includes current CEOs of at least three Planned Parenthood affiliates.

At least some Planned Parenthood affiliates have provided start-up funds to Afaxys and have received company stock in return.

Afaxys markets its own contraceptive products at a profit. In addition, it enters into agreements with other pharmaceutical companies to establish contracts with members of the public health facilities. Since Afaxys is not a nonprofit, there is a profit motive behind its operations.

## **Why should members of Congress care about this?**

Members of Congress should care because this is NOT an effort for Planned Parenthood to enter the free-market business of contraceptive sales, but a concerted effort to make more money from the American taxpayer. The only customers to be served by Planned Parenthood are “public health providers.”

Afaxys itself defines its customers as family planning clinics; college and university health clinics; community health centers; and city, county, and state facilities. The common denominator of all these groups is access to taxpayer money.

As Congress moves to shut off all direct funding of Planned Parenthood for the next year, we urge members of Congress to launch a full investigation of Afaxys and all Planned Parenthood’s “affiliated companies” and end its indirect access to taxpayer funds.

# The Planned Parenthood – Afaxys Connection

How Planned Parenthood Makes Money from Contraceptive Sales to Federally Qualified Health Centers and Other Public Family Planning Centers

## Narrative

When doing research on the affordability of birth control and the impact of defunding Planned Parenthood, we came across a 2015 [announcement](#) of what was referred to as the ABC Alliance. The announcement was about a partnership between a company called Afaxys, Inc. and Bayer HealthCare. The stated purpose of the ABC Alliance is to make Mirena, “an IUD indicated to prevent pregnancy for up to five years,” and Skyla, “an IUD indicated to prevent pregnancy for up to three years,” more widely accessible to women served by the public health providers.

The announcement contained the following statement from Ronda Dean, president and CEO of Afaxys: “Affordable access to IUDs has long challenged the public health sector. Afaxys is looking forward to working with Bayer to expand contraceptive options available to public health family planning providers in the United States. . . . Afaxys is always seeking opportunities to broaden contraceptive offerings to public health customers, including 340B program participants and public health providers that do not participate in the 340B program, so our partnership with Bayer is an extension of this promise to our customers.”

## Who or what is Afaxys?

The announcement also contained the following description of Afaxys:

Afaxys, Inc. is a mission driven, socially conscious business enterprise dedicated to serving the women's healthcare needs of public health providers and their patients. An emerging leader in the public health sector, Afaxys manages the supply needs of public health providers, ensuring customers receive affordable, reliable access to the products and services they need to care for patients. Since 2008, Afaxys has operated a Group Purchasing Organization, which negotiates favorable pricing across a broad base of healthcare products and services so its customers have access to best-in-class suppliers and service providers. In 2013, Afaxys launched its pharmaceutical division, Afaxys Pharmaceuticals, bringing a strong portfolio of quality FDA-approved branded and generic oral contraceptives to the public health sector market. The Company has an expanding portfolio of quality FDA-approved pharmaceuticals, which are available exclusively through the public health sector, including public health clinics, college and university health centers, community health centers, non-retail prescribers, as well as city, county, state and federal facilities, at prices intended to be consistently lower than those currently on the market. To learn more, visit [afaxys.com](http://afaxys.com).

Afaxys' current product list can be found on its [website](#).

## **Okay, that's what Afaxys does, but who is it?**

According to Planned Parenthood of Western Pennsylvania, **Afaxys** is a “Planned Parenthood affiliated company.”<sup>1</sup>

A quick look at some of the people involved in the creation and running of the company gives credence to that claim:

- Ronda Dean worked for three years as vice president of Planned Parenthood Federation of America and left in 2008 to become cofounder, president, and CEO of Afaxys.<sup>2</sup>
- Christine Charbonneau, CEO of Planned Parenthood of the Great Northwest, was a cofounder of Afaxys, and is chair of Afaxys’ board of directors.<sup>3</sup>
- Sarah Stoesz was CEO of Planned Parenthood Minnesota, North Dakota, South Dakota, and is a cofounder of Afaxys.<sup>4</sup>
- Linda Williams, CEO of Planned Parenthood Mar Monte, has been a board member of Afaxys since 2009.<sup>5</sup>
- Don Boychuk formerly held CAO, COO, and CFO positions at Planned Parenthood Minnesota, North Dakota, South Dakota (2005-2014) and left in 2014 to become the national account manager at Afaxys Pharmaceuticals.<sup>6</sup>
- Lori Carpentier, president and CEO of Planned Parenthood of Michigan, served first as a member and now chair of 416 Holdings, Inc.—the parent company for Afaxys Pharmaceuticals.<sup>7</sup>

Afaxys, Inc. is a private company. As such, its financial information is not readily available to the public. However, through our initial research, we were able to confirm the following:

- Afaxys’ website says its Group Purchasing Organization is the nation’s biggest non-acute supply chain that makes \$130 million in contract purchases annually.<sup>8</sup>
- Planned Parenthood Orange and San Bernardino Counties (CA) stated that Afaxys issued \$5,890,000 Series A preferred stock in December 2010. As of June 2016, PPOSBC holds 4.2% (\$250,000) of that stock.<sup>9</sup>

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1 Strategic Plan for Planned Parenthood of Western Pennsylvania 2013-2016, approved by the board of directors November 14, 2012.

2 [huffingtonpost.com/erin-mckelle/afaxys-ceo-ronda-dean-is-empowering-girls-during-teen-pregnancy-prevention-month-and-all-year-long\\_b\\_7244964.html](http://huffingtonpost.com/erin-mckelle/afaxys-ceo-ronda-dean-is-empowering-girls-during-teen-pregnancy-prevention-month-and-all-year-long_b_7244964.html)

3 [webcache.googleusercontent.com/search?q=cache:okkFgrd6B-4J:https://www.plannedparenthood.org/files/3114/0519/6251/Focus\\_Fall\\_2013\\_Web.pdf+&cd=2&hl=en&ct=clnk&gl=us](http://webcache.googleusercontent.com/search?q=cache:okkFgrd6B-4J:https://www.plannedparenthood.org/files/3114/0519/6251/Focus_Fall_2013_Web.pdf+&cd=2&hl=en&ct=clnk&gl=us)

4 [plannedparenthood.org/planned-parenthood-minnesota-north-dakota-south-dakota/newsroom/planned-parenthood-ceo-named-health-care-executive-of-the-year-by-minnesota-business-magazine](http://plannedparenthood.org/planned-parenthood-minnesota-north-dakota-south-dakota/newsroom/planned-parenthood-ceo-named-health-care-executive-of-the-year-by-minnesota-business-magazine)

5 [linkedin.com/in/linda-williams-a0538014/](http://linkedin.com/in/linda-williams-a0538014/)

6 [linkedin.com/in/donboychuk/](http://linkedin.com/in/donboychuk/)

7 [miplannedparenthood.org/about-us/our-team/lori-carpentier/](http://miplannedparenthood.org/about-us/our-team/lori-carpentier/)

8 [gpo.afaxys.com/](http://gpo.afaxys.com/)

9 Planned Parenthood Orange and San Bernardino Counties, Inc. “Financial Statements, Supplemental Schedules, and Additional Information, June 30, 2016”

- Planned Parenthood of Central Florida invested \$25,000 in Afaxys.<sup>10</sup>
- Planned Parenthood Federation of America reported \$148,179 revenue received from Afaxys in 2010.<sup>11</sup>
- The David and Lucille Packard Foundation listed in its 2012 Federal Form 990-PF that it had assets of \$5,000,000 in “416 Holdings (Afaxys).”<sup>12</sup> This appears to be a low-interest loan.<sup>13</sup>

## **Anecdotal stories**

1. We found this concerned post on REDDIT:

*I went into Planned Parenthood today to get another pack of my birth control, and the receptionist handed me a different brand. I've been on Sronyx (Levonorgestrel 0.1 mg, Ethinyl Estradiol 0.02mg tablets) for six months now and I've been getting my supplies from them this whole time. But, today when I went in they handed me Aubra for my next month's supply.*

*I told them Aubra is not the one that I usually take, but they sent me home saying that it's the same doses just a different brand name.*

Although it is not uncommon for generic drugs from different manufacturers to be used, it is interesting to note that Sronyx is from Watson Pharmaceuticals, Inc. and Aubra is an Afaxys product. Is this a case of Planned Parenthood pushing its own brand to increase profits?

2. Former Planned Parenthood employees have told us that, in teaching about the handling of contraception sales, Planned Parenthood instructors point out that three of the contraceptives (Aubra, Chateal, and Lyza) were “made by Planned Parenthood.” All these products are manufactured by Afaxys.

## **Continuing research**

Having discovered the Planned Parenthood – Afaxys connection and verifying that it does exist and is apparently operating to give Planned Parenthood investors and executives the inside track on future taxpayer monies, we are moving forward with our research.

Our approach is to:

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10 Planned Parenthood of Central Florida, Federal Form 990, 2015, Schedule D, Part VII

11 Planned Parenthood Federation of America, Federal Form 990, 2010, Part VIII, Line 11c

12 The David and Lucille Packard Foundation, 2012 Federal Form 990-PF, Statement 17, Other Assets

13 [rhsupplies.org/uploads/tx\\_rhscpublications/F4D\\_Dossier\\_of\\_Investors\\_and\\_Estimated\\_Appetite\\_18Sept2015.pdf](http://rhsupplies.org/uploads/tx_rhscpublications/F4D_Dossier_of_Investors_and_Estimated_Appetite_18Sept2015.pdf)

1. Bring this Afaxys-PP relationship to the attention of those making decisions on the spending of taxpayer monies. This includes federal-level decision makers (Congress and the Executive Branch), state-level legislators and health departments, and local public health administrators.

As has been demonstrated on many occasions, there is a large segment of the American population that is opposed to having any taxpayer money going to Planned Parenthood or any of its affiliated organizations and companies.

2. Encourage other public and private entities (e.g., Congress) to conduct their own investigation into this apparently incestuous Afaxys-PP relationship to remedy such problems as they uncover.
3. Continue our own investigation on this and other similar activities of Planned Parenthood in an effort to root out the ever-increasing flow of taxpayer money to Planned Parenthood and provide the needed documented facts to public sector decision makers.

As research continues, these key areas need further study:

1. Who are all the investors in Afaxys, Inc. and its parent organization, 416 Holdings, Inc.?
2. How do these investors plan to profit from their association with Afaxys?
3. Since Afaxys Pharmaceutical's primary business is with public health providers (i.e., tax-funded groups), can its financial data be made public?
4. How much indirect taxpayer funding is funneled to Planned Parenthood interests through Afaxys?

We will release future reports as we complete them.