

1 **Kathleen E. Brody – 026331**
2 **Molly Brizgys – 029216**
3 **ACLU FOUNDATION OF ARIZONA**
4 3707 North 7th Street, Suite 235
5 Phoenix, Arizona 85014
6 Telephone: (602) 650-1854
7 Email: kbrody@acluaz.org
8 Email: mbrizgys@acluaz.org

9 **Joshua A. Block****
10 **Leslie Cooper****
11 **AMERICAN CIVIL LIBERTIES UNION FOUNDATION**
12 125 Broad Street, Floor 18
13 New York, New York 10004
14 Telephone: (212) 549-2650
15 E-Mail: jblock@aclu.org
16 E-Mail: lcooper@aclu.org
17 ****Admitted Pro hac vice**

18 **James Burr Shields - 011711**
19 **Heather A. Macre - 026625**
20 **Natalie B. Virden - 031609**
21 **AIKEN SCHENK HAWKINS & RICCIARDI P.C.**
22 2390 East Camelback Road, Suite 400
23 Phoenix, Arizona 85016
24 Telephone: (602) 248-8203
25 E-Mail: burr@aikenschenk.com
26 E-Mail: ham@aikenschenk.com
27 E-Mail: nbv@aikenschenk.com

28 *Attorneys for Plaintiff Russell B. Toomey*

1 **IN THE UNITED STATES DISTRICT COURT**
2 **FOR THE DISTRICT OF ARIZONA**

3
4 **Russell B. Toomey,**

5 Plaintiff,

6 v.

7 **State of Arizona; Arizona Board of**
8 **Regents, d/b/a University of Arizona,** a
9 governmental body of the State of Arizona;
10 **Ron Shoopman,** in his official capacity as
11 chair of the Arizona Board Of Regents;
12 **Larry Penley,** in his official capacity as
13 Member of the Arizona Board of Regents;
14 **Ram Krishna,** in his official capacity as
15 Secretary of the Arizona Board of Regents;
16 **Bill Ridenour,** in his official capacity as
17 Treasurer of the Arizona Board of Regents;
18 **Lyndel Manson,** in her official capacity as
19 Member of the Arizona Board of Regents;
20 **Karrin Taylor Robson,** in her official
21 capacity as Member of the Arizona Board of
22 Regents; **Jay Heiler,** in his official capacity
23 as Member of the Arizona Board of
24 Regents; **Fred Duval,** in his official
25 capacity as Member of the Arizona Board of
26 Regents; **Andy Tobin,** in his official
27 capacity as Director of the Arizona
28 Department of Administration; **Paul**
 Shannon, in his official capacity as Acting
 Assistant Director of the Benefits Services
 Division of the Arizona Department of
 Administration,

 Defendants.

Case No. 4:19-cv-00035-TUC-RM (LAB)

**OBJECTION TO REPORT AND
RECOMMENDATION (DOC. 46)**

1 Plaintiff, Dr. Russell Toomey, respectfully submits this Objection to the portion of
2 the Magistrate Judge’s Report & Recommendation regarding dismissal of his claims for
3 sex discrimination under Title VII. (Doc. 46, pp. 5-8).

4
5 **I. Under *Price Waterhouse*, the “Gender Reassignment Exclusion” Facially**
6 **Discriminates Based on Sex.**

7 As explained in Dr. Toomey’s Response to the State Defendants’ Motion to
8 Dismiss, (Doc. 39, pp. 5-6), sex discrimination under Title VII includes discrimination
9 based on a person’s gender nonconformity. The Supreme Court held in *Price Waterhouse*
10 *v. Hopkins*, 490 U.S. 228, 251 (1989) (plurality), that “assuming or insisting that
11 [individual men and women] match[] the stereotype associated with their group” is
12 discrimination because of sex under Title VII. The plaintiff in *Price Waterhouse*, Ann
13 Hopkins, was a female senior manager who was advised that if she wanted to become a
14 partner in the firm she should be less “macho,” take “a course in charm school,” “walk
15 more femininely, talk more femininely, dress more femininely, wear make-up, have her
16 hair styled, and wear jewelry.” *Id.* at 235. The Supreme Court held that discriminating
17 against Ms. Hopkins on these grounds was discrimination because of sex.
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21 In *Schwenk v. Hartford*, 204 F.3d 1187 (9th Cir. 2000), the Ninth Circuit applied
22 *Price Waterhouse* to discrimination against a transgender prisoner. The plaintiff in
23 *Schwenk* was a transgender woman who was attacked by a male prison guard. The
24 defendant argued that that the attack “occurred because of Schwenk’s transsexuality,”
25 which—according to the defendant, “is not an element of gender but rather constitutes
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1 gender dysphoria, a psychiatric illness.” *Id.* at 1195. The Ninth Circuit rejected that
2 distinction. The Ninth Circuit explained that transgender individuals are people “whose
3 outward behavior and inward identity do not meet social definitions” associated with the
4 sex assigned to them at birth, *id.* at 1201, and “[d]iscrimination because one fails to act in
5 the way expected of a man or woman is forbidden under” *Price Waterhouse* as sex
6 discrimination, *id.* at 1202.
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8
9 Applying the Supreme Court’s decision in *Price Waterhouse* and the Ninth Circuit
10 decision in *Schwenk*, district courts within this Circuit have consistently recognized that
11 discrimination based on a person’s transgender or transitioning status inherently constitutes
12 “sex” discrimination under Title VII and other civil rights statutes. *See Prescott v. Rady*
13 *Children’s Hosp.-San Diego*, 265 F. Supp. 3d 1090, 1099 (S.D. Cal. 2017) (concluding
14 based on *Schwenk* that “discrimination on the basis of transgender identity is discrimination
15 on the basis of sex”); *Roberts v. Clark Cty. Sch. Dist.*, 215 F. Supp. 3d 1001, 1014 (D. Nev.
16 2016) (concluding based on *Schwenk* that “gender-identity discrimination is actionable
17 under Title VII”); *Norsworthy v. Beard*, 87 F. Supp. 3d 1104, 1119 (N.D. Cal. 2015)
18 (concluding based on *Schwenk* that “discrimination against transgender individuals is a
19 form of gender-based discrimination subject to intermediate scrutiny”); *see also Stockman*
20 *v. Trump*, No. EDCV171799JGBKKX, 2017 WL 9732572, at *15 (C.D. Cal. Dec. 22,
21 2017) (reasoning that *Schwenk* “strongly suggested that discrimination on the basis of one’s
22 transgender status is equivalent to sex-based discrimination”). Judge Berzon has
23 interpreted *Schwenk* the same way. *See Latta v. Otter*, 771 F.3d 456, 495 n.12 (9th Cir.
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1 2014) (Berzon, J., concurring) (citing *Schwenk* for the proposition that “discrimination on
2 the basis of transgender status is also gender discrimination”).

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4 Outside this Circuit, the Sixth, Seventh, and Eleventh Circuits have similarly held
5 that discrimination against transgender or transitioning individuals is inherently sex
6 discrimination under *Price Waterhouse*. “By definition, a transgender individual does not
7 conform to the sex-based stereotypes of the sex that he or she was assigned at birth.”
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9 *Whitaker v. Kenosha Unified Sch. Dist. No. 1 Bd. of Educ.*, 858 F.3d 1034, 1048 (7th Cir.
10 2017); accord *EEOC v. R.G. & G.R. Harris Funeral Homes, Inc.*, 884 F.3d 560, 577 (6th
11 Cir. 2018), *petition for cert granted*, 139 S. Ct. 1599 (Apr. 22, 2019); *Glenn v. Brumby*,
12 663 F.3d 1312, 1316 (11th Cir. 2011). And “transitioning status constitutes an inherently
13 gender non-conforming trait.” *Harris Funeral Homes*, 884 F.3d at 577; accord *Glenn*, 663
14 F.3d at 1314 (firing employee because of her “intended gender transition” is sex
15 discrimination). “[D]iscriminating on the basis that an individual was going to, had, or was
16 in the process of changing their sex—or the most pronounced physical characteristics of
17 their sex—is still discrimination based on sex.” *Flack v. Wis. Dep’t of Health Servs.*, 328
18 F. Supp. 3d 931, 949 (W.D. Wis. 2018); cf. *Kastl v. Maricopa Cty. Cmty. Coll. Dist.*, No.
19 02-1531, 2004 WL 2008954, at *2 (D. Ariz. June 3, 2004) (“[N]either a woman with male
20 genitalia nor a man with stereotypically female anatomy, such as breasts, may be deprived
21 of a benefit or privilege of employment by reason of that nonconforming trait.”).

22 Applying these principles, courts across the country have recognized that insurance
23 and health care policies that categorically exclude coverage for transition-related
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1 healthcare facially discriminate on the basis of “sex” under Title VII and other civil rights
2 statutes. *See Boyden v. Conlin*, 17-cv-264-WMC, 2018 WL 4473347 (W.D. Wis. Sept. 18,
3 2018) (exclusion in State employee health plan discriminated based on sex under Title VII
4 and Equal Protection Clause); *Tovar v. Essentia Health*, No. CV 16-100 (DWF/LIB), 2018
5 WL 4516949, at *3 (D. Minn. Sept. 20, 2018) (plaintiff stated valid claim that exclusion in
6 insurance plan discriminated based on sex in violation of Section 1557 of the Affordable
7 Care Act); *Flack*, 2018 WL 3574875, at *12-*16 (plaintiffs granted preliminary injunction
8 on claims that exclusion in Wisconsin Medicaid statute discriminated based on sex in
9 violation of Section 1557 of the Affordable Care Act and the Equal Protection Clause);
10 *Norsworthy*, 87 F. Supp. 3d at 1118-21 (plaintiff stated valid claim that exclusion in prison
11 healthcare policy constituted sex discrimination in violation of Equal Protection Clause).

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16 Like the exclusions at issue in other cases, the “gender reassignment surgery”
17 exclusion at issue in Arizona’s State employee health plan targets transition-related surgery
18 precisely because the healthcare is being provided for a gender non-conforming purpose of
19 gender transition. Dr. Toomey’s hysterectomy would be covered if it were medically
20 necessary treatment for other medical conditions, but because his hysterectomy is for the
21 gender-nonconforming purpose of gender transition, the “gender reassignment surgery”
22 provision categorically excludes it from coverage regardless of medical necessity. By
23 categorically excluding coverage on this basis, State Defendants are impermissibly
24 “insisting that [employees’ anatomy] match[] the stereotype associated with their” sex
25 assigned at birth, *Price Waterhouse*, 490 U.S. at 251, and “imposing . . . stereotypical
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1 notions of how sexual organs and gender identity ought to align,” *Harris Funeral Homes*,
2 884 F.3d at 576. As another district court explained, “the Exclusion entrenches the belief
3 that transgender individuals must preserve the genitalia and other physical attributes of
4 their natal sex over not just personal preference, but specific medical and psychological
5 recommendations to the contrary.” *Boyden*, 2018 WL 4473347, at *13.
6

7 For all these reasons, Dr. Toomey has stated a valid claim for sex discrimination
8 under Title VII.
9

10 **II. The Magistrate Judge Mischaracterized *Schwenk* and Misapplied**
11 ***Manhart*’s “But For” Test.**

12 In recommending that the Title VII claim be dismissed, the Magistrate Judge did
13 not discuss or distinguish any of foregoing cases. Ignoring *Price Waterhouse* entirely, the
14 Magistrate Judge re-characterized *Schwenk* as “a straightforward application of” *City of*
15 *Los Angeles, Dep’t of Water & Power v. Manhart*, 435 U.S. 702 (1978). (Doc. 46, p.8).
16 In *Manhart*, the Supreme Court held that a discriminatory life insurance policy violated
17 Title VII because it did “not pass the simple test of whether the evidence shows treatment
18 of a person in a manner which but for that person’s sex would be different.” *Id.* at 711
19 (internal quotation marks omitted). The Magistrate Judge reasoned that the prison guard’s
20 attack in *Schwenk* was sex discrimination under *Manhart*’s “simple test” because “[t]he
21 evidence presented at summary judgment suggested that [the guard] was attracted to males
22 who displayed feminine characteristics. If *Schwenk* were female (that is, if the sex assigned
23 to her at birth was female) rather than male and displayed the same feminine appearance
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1 and demeanor that Schwenk displayed, then the attack would not have occurred.” (Doc.
2 46, p. 8). By contrast, the Magistrate Judge reasoned, Dr. Toomey could *not* show “that the
3 Plan exclusion would not apply if his sex [assigned at birth] were different.” (*Id.* at 6).

4
5 The conclusion was fundamentally flawed in at least three respects.

6 *First*, the Magistrate Judge’s re-characterization of *Schwenk* rests on a mistaken
7 factual premise. The Magistrate Judge assumed that “[if] Schwenk were female (that is, if
8 the sex assigned to her at birth was female) rather than male and displayed the same
9 feminine appearance and demeanor that Schwenk displayed, then the attack would not have
10 occurred.” (*Id.* at 8). But Schwenk “was incarcerated in the *all-male* Washington State
11 Penitentiary.” *Schwenk*, 204 F.3d at 1193 (emphasis added). The prison guard was
12 attracted to the plaintiff’s “assumption of a feminine rather than a typically masculine
13 appearance or demeanor,” and he offered “to bring her make-up and ‘girl stuff’ from
14 outside the prison in order to enhance the femininity of her appearance.” *Id.* at 1202.
15 Nothing in the *Schwenk* opinion supports the Magistrate Judge’s assumption that the prison
16 guard preferred to sexually assault transgender women instead of cisgender women if given
17 the opportunity. To the contrary, the court cited to psychological literature indicating that
18 “prison rapists strongly resist the characterization of their activities as homosexual. Instead,
19 they conceive their sexual partners as female members of the prison social order.” *Id.* at
20 1203 n.14.

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22 *Second*, the Ninth Circuit in *Schwenk* never cited to *Manhart* or purported to be a
23 straightforward application of the *Manhart* test. Instead, the Ninth Circuit grounded its
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1 analysis in *Price Waterhouse* and its protections from discrimination based on gender
2 nonconformity. But in applying *Schwenk*, the Magistrate Judge focused exclusively on
3 *Manhart* without discussing *Price Waterhouse* at all. As a result, the Magistrate Judge
4 never addressed the overwhelming number of cases both inside and outside the Ninth
5 Circuit holding that discrimination against transgender individuals is inherently
6 discrimination based on gender conformity under *Price Waterhouse*. The Magistrate Judge
7 also never addressed cases applying that principle in the specific context of insurance
8 exclusions like the one at issue in this case.
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10
11 *Third*, despite the Magistrate Judge's assumption to the contrary, Dr. Toomey *can*
12 show that he was treated in a manner that but for his sex assigned at birth would have been
13 different.¹ Dr. Toomey requires a hysterectomy as medically necessary treatment to align
14 his body with his male identity. Because Dr. Toomey was assigned a female sex at birth,
15 his surgery is categorically excluded from coverage as "gender reassignment surgery"
16 without regard to medical necessity. By contrast, the exclusion would not apply to a man
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21 ¹ The Magistrate Judge appeared to equate "sex" under Title VII with sex assigned at birth.
22 But *Schwenk* explicitly rejected that "narrow" definition of the term. *Schwenk* explained
23 that under *Price Waterhouse* the term "sex" in Title VII includes characteristics
24 sometimes referred to as "gender," such as masculinity, femininity, and "sexual identity."
25 *Schwenk*, 204 F.3d at 1201-02. Other courts have increasingly recognized that the
26 ordinary definition of the term "sex" in 1964 and today recognized, includes both
27 physical attributes of sex, as well as cultural and behavioral ones. See *G.G. ex rel. Grimm*
28 *v. Gloucester Cty. Sch. Bd.*, 822 F.3d 709, 722 (4th Cir. 2016) (collecting dictionary
definitions), *vacated and remanded on other grounds*, 137 S. Ct. 1239 (2017); *Fabian v.*
Hosp. Cent. Of Conn., 172 F. Supp. 3d 509, 526 (D. Conn. 2016) (same); "sex, n. 4a,"
OED Online, Oxford University Press (defining sex as "a social or cultural phenomenon,
and its manifestations" and collecting definitions dating back to 1651). In this case, Dr.
Toomey has established sex discrimination even under the Magistrate Judge's narrow
definition of the term.

1 with male sex assigned at birth who was born with a uterus and fallopian tubes as a result
2 of Persistent Mullerian Duct Syndrome (“PMDS”).² Cf. *Flack*, 328 F. Supp. 3d at 948
3 (explaining that exclusion of transition related care from Wisconsin’s Medicaid program
4 discriminated based on sex assigned at birth because “if a natal female were born without
5 a vagina, she could have surgery to create one, which would be covered by Wisconsin
6 Medicaid if deemed medically necessary” but “a natal male suffering from gender
7 dysphoria would be denied the same medically necessary procedure because of her sex”).
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10 More generally, Dr. Toomey’s sex assigned at birth is part of what makes him
11 transgender. The Magistrate Judge reasoned that “[t]here will be times when discrimination
12 against a transgender individual does violate Title VII, but only where the plaintiff presents
13 evidence showing that the discriminatory behavior would not occur if the plaintiff’s sex
14 were different.” (Doc. 46, p. 6). But that is a false distinction. A transgender individual is
15 a person whose gender identity is different from their sex assigned at birth. Discrimination
16 based on transgender status is *always* discrimination that would not occur but for the
17 person’s sex assigned at birth because, if the person’s sex assigned at birth were different,
18 the person would not be transgender. See *Harris Funeral Homes*, 884 F.3d at 578
19 (“Because an employer cannot discriminate against an employee for being transgender
20 without considering that employee’s [sex assigned at birth], discrimination on the basis of
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27 ² National Inst. of Health, *Genetic & Rare Disease Center: Persistent Mullerian duct*
28 *syndrome*, at <https://rarediseases.info.nih.gov/diseases/8435/persistent-mullerian-duct-syndrome>.

1 transgender status necessarily entails discrimination on the basis of sex [assigned at
 2 birth].”). By discriminating against Dr. Toomey based on his transgender status,
 3 Defendants are necessarily treating him in a manner that, but for his sex assigned at birth,
 4 would be different.
 5

6 **III. Conclusion**

7 Whether Dr. Toomey’s Title VII claims are analyzed under *Price Waterhouse* as
 8 discrimination based on gender nonconformity or analyzed under *Manhart* as
 9 discrimination that would not occur but for a person’s sex assigned at birth, Dr. Toomey
 10 has stated a valid claim for sex discrimination and State Defendant’s Motion to Dismiss
 11 should be denied in its entirety.
 12

13 DATED this 2nd day of July, 2019.
 14

15 **ACLU FOUNDATION OF ARIZONA**

16 By /s/ Kathleen E. Brody
 17

18 Kathleen E. Brody
 19 Molly Brizgys
 20 3707 North 7th Street, Suite 235
 21 Phoenix, Arizona 85014

22 **AMERICAN CIVIL LIBERTIES UNION FOUNDATION**

23 Joshua A. Block
 24 (*pro hac vice* granted)
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 27 125 Broad Street, Floor 18
 28 New York, New York 10004

AIKEN SCHENK HAWKINS & RICCIARDI P.C.

James Burr Shields
Heather A. Macre
Natalie B. Virden
2390 East Camelback Road, Suite 400
Phoenix, Arizona 85016

Attorneys for Plaintiff Russell B. Toomey

CERTIFICATE OF SERVICE

I hereby certify that on 2nd day of July, 2019, I electronically transmitted the attached document to the Clerk's Office using the CM/ECF System for filing and a copy was electronically transmitted to the following:

C. Christine Burns christine@burnsbarton.com

Kathryn Hackett King kate@burnsbarton.com

Sarah N. O'Keefe

BURNSBARTON PLC

2201 E. Camelback Rd., Suite 360

Phoenix, AZ 85016

Attorneys for Defendants State of Arizona,

Gilbert Davidson, and Paul Shannon

Paul F. Eckstein PEckstein@perkinscoie.com

Austin C. Yost AYost@perkinscoie.com

Perkins Coie LLP

2901 N. Central Ave., Suite 2000

Phoenix, AZ 85012-2788

DocketPHX@perkinscoie.com

Attorneys for Defendants Arizona Board of Regents,

d/b/a University of Arizona; Ron Shoopman; Larry Penley;

Ram Krishna; Bill Ridenour; Lyndel Manson;Karrin

Taylor Robson; Jay Heiler; and Fred Duval

/s/ Sonora Rose