

Case Nos. 19-15072, 19-15118, 19-15150

---

**IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT**

---

THE STATE OF CALIFORNIA, *et al.*,

*Plaintiffs-Appellees,*

v.

ALEX M. AZAR II in his official capacity as Acting Secretary of the U.S.  
Department of Health and Human Services, *et al.*,

*Defendants-Appellants,*

and

THE LITTLE SISTERS OF THE POOR JEANNE JUGAN RESIDENCE, and  
MARCH FOR LIFE EDUCATION AND DEFENSE FUND

*Intervenors-Defendants-Appellants,*

---

Appeal from the United States District Court,  
Northern District of California

**BRIEF OF AMICUS CURIAE RELIGIOUS SISTERS OF MERCY IN  
SUPPORT OF APPELLANTS**

---

DANIEL L. CHEN  
GIBSON, DUNN & CRUTCHER LLP  
555 Mission Street  
San Francisco, California 94105  
Telephone: (415) 393-8200  
Facsimile: (415) 393-8306  
dchen@gibsondunn.com

PAUL COLLINS  
ROBERT E. DUNN  
GIBSON, DUNN & CRUTCHER LLP  
1881 Page Mill Road  
Palo Alto, California 94304-1211  
pcollins@gibsondunn.com  
rdunn@gibsondunn.com  
Telephone: (650) 849-5384  
Facsimile: (650) 849-5084

*Counsel for amicus curiae*

---

## TABLE OF CONTENTS

INTEREST OF <i>AMICUS CURIAE</i> .....	1
SUMMARY OF ARGUMENT .....	4
ARGUMENT .....	7
I.    The Prior Version of the Contraception Mandate Unlawfully Disregarded the Catholic Church’s Essential Unity and Suppressed Its Rich Diversity of Religious Expression.....	9
A.    The Prior Regulations Arbitrarily Discriminated Between “Churches” and Religious Institutes .....	9
B.    This Discriminatory Treatment Pressured Religious Institutes to Abandon Their Unique Mission Within the Catholic Church .....	12
II.    The Prior Regulations Violated the Establishment Clause by Conferring a Benefit Based on Perceived Religious Intensity.....	19
III.    The Prior Regulations Violated the Free Exercise Clause’s Requirement of Neutrality.....	23
CONCLUSION.....	25

## TABLE OF AUTHORITIES

	<u>Page(s)</u>
<b>Cases</b>	
<i>California v. Dep’t of Health and Human Servs.</i> , 2019 WL 178555 (N.D. Cal. Jan. 13, 2019).....	8
<i>Church of the Lukumi Babalu Aye, Inc. v. City of Hialeah</i> , 508 U.S. 520 (1993).....	6
<i>Colo. Christian Univ. v. Weaver</i> , 534 F.3d 1245 (10th Cir. 2008) .....	21, 22
<i>Columbia Union Coll. v. Clarke</i> , 159 F.3d 151 (4th Cir. 1998) .....	22
<i>Corp. of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints v. Amos</i> , 483 U.S. 327 (1987).....	15
<i>Hosanna-Tabor Evangelical Lutheran Church &amp; Sch. v. EEOC</i> , 565 U.S. 171 (2012).....	5, 9, 14, 15, 18
<i>Lamb’s Chapel v. Center Moriches Union Free School Dist.</i> , 508 U.S. 384 (1993).....	20
<i>Lyng v. Nw. Indian Cemetery Protective Ass’n</i> , 485 U.S. 439 (1988).....	15
<i>McDaniel v. Paty</i> , 435 U.S. 618 (1978).....	20
<i>Mitchell v. Helms</i> , 530 U.S. 793 (2000).....	6, 19, 20
<i>Priests for Life v. U.S. Dep’t of Health and Human Servs.</i> , 772 F.3d 229 (D.C. Cir. 2014).....	10, 12
<i>Rosenberger v. Rector and Visitors of Univ. of Va.</i> , 515 U.S. 819 (1995).....	20
<i>Spencer v. World Vision, Inc.</i> , 633 F.3d 723 (9th Cir. 2011) .....	6, 21
<i>Sw. Voter Registration Educ. Project v. Shelley</i> , 344 F.3d 914 (9th Cir. 2003) .....	8

**TABLE OF AUTHORITIES**

(continued)

	<u>Page(s)</u>
<i>Trinity Lutheran Church of Columbia, Inc. v. Comer</i> , 137 S. Ct. 2012 (2017).....	14, 20
<i>Univ. of Great Falls v. NLRB</i> , 278 F.3d 1335 (D.C. Cir. 2002).....	21
<i>Widmar v. Vincent</i> , 454 U.S. 263 (1981).....	20
<i>Zubik v. Burwell</i> , 136 S. Ct. 1557 (2016).....	3, 4
<b>Statutes</b>	
26 U.S.C. § 4980D(b)(1) .....	3
26 U.S.C. § 4980H(c)(1) .....	3
26 U.S.C. § 6033 .....	9, 10, 19
<b>Other Authorities</b>	
Br. for the United States as <i>Amicus Curiae</i> , <i>Spencer v. World Vision, Inc.</i> , No. 08-35532, 2008 WL 5549423 (9th Cir. 2008) .....	20, 21
Pope John Paul II, <i>Apostolic Exhortation: Redemptionis Donum</i> (Mar. 25, 1984), available at <a href="https://goo.gl/KGzq6x">https://goo.gl/KGzq6x</a> .....	17
Sacred Congregation for Bishops, <i>Directives for the Mutual Relations Between Bishops and Religious in the Church</i> , available at <a href="http://goo.gl/vRsjln">http://goo.gl/vRsjln</a> .....	13, 17
United States Catholic Conference, Inc.--Libreria Editrice Vaticana, <i>Catechism of the Catholic Church</i> (2d ed.1994) .....	2, 12, 13, 14, 15, 16
United States Conference of Catholic Bishops, <i>Annual Filing Requirements for Catholic Organizations</i> (Mar. 1, 2015), available at <a href="http://goo.gl/3M7y0I">http://goo.gl/3M7y0I</a> .....	11
United States Conference of Catholic Bishops, <i>Bishops and Dioceses</i> (Jan. 2018), available at <a href="http://www.usccb.org/about/bishops-and-dioceses">http://www.usccb.org/about/bishops-and-dioceses</a> .....	13, 14

**TABLE OF AUTHORITIES**  
(continued)

	<u>Page(s)</u>
<b>Regulations</b>	
26 C.F.R. § 1.6033-2 (2015).....	10, 11
45 C.F.R. § 147.130 (2015).....	2
45 C.F.R. § 147.131 (2015).....	2, 10, 11, 19
82 Fed. Reg. 47,792 (Oct. 13, 2017) .....	3, 7
82 Fed. Reg. 47,838 (Oct. 13, 2017) .....	3
83 Fed. Reg. 57,536 (Nov. 15, 2018) .....	3, 7
83 Fed. Reg. 57,592 (Nov. 15, 2018) .....	3

### **INTEREST OF *AMICUS CURIAE***

*Amicus curiae* Religious Sisters of Mercy of Alma, Michigan (“Religious Sisters”) is a Catholic religious institute with convents across the country, including in Maryland, Minnesota, and Washington.<sup>1</sup> The goal of the Institute is the praise and worship of the Triune God for the boundless mercy which has been revealed to us through the works of creation, redemption, and sanctification. The service of the Institute to the Catholic Church includes comprehensive health care, understood as the care of the entire person—spiritual, intellectual, physical, and emotional. The sisters express their love and devotion to God through the religious activity of providing care for others, which includes numerous activities, such as teaching and health care. These activities are of the nature of and essential to the religious institute. To advance its mission, Religious Sisters established Sacred Heart Mercy Health Care (“SMHC”), which operates two health care clinics in the United States. The sisters work in these clinics and also teach and work for various dioceses around the country.

Religious Sisters, following the authoritative teaching of the Catholic Church (the “Church”), believes that use of artificial contraception and abortion are grave

---

<sup>1</sup> This brief was prepared in whole by counsel in consultation with *amicus curiae*, but neither counsel nor any other person contributed money intended to fund preparing or submitting this brief. No party’s counsel authored this brief in whole or in part. All parties have consented to the filing of this brief.

moral evils.<sup>2</sup> Yet, before the 2017 Religious Exemption Interim Final Rule (“Religious Exemption IFR” or “IFR”) and the 2018 Religious Exemption Final Rule were issued, HHS’s regulations did not exempt Religious Sisters from the contraception mandate. As a result, before HHS issued the Religious Exemption IFR, Religious Sisters was required to implement the contraception mandate either by providing contraceptive coverage to its female employees, 45 C.F.R. § 147.130(a)(1)(iv) (2015), or by self-certifying that it was a religious organization that had religious objections to providing contraceptive coverage, *id.* § 147.131(c)(1). Such self-certification—which HHS called an “accommodation”—would have obligated Religious Sisters’ insurer to provide contraceptive coverage through its own health plans. *Id.* § 147.131(c)(2)(i)(B).

Religious Sisters believes that implementing the mandate in either way would make it complicit with the provision of contraceptive coverage, in direct contravention of its religious beliefs. But if Religious Sisters refused to comply—*i.e.*, by declining to provide contraceptive coverage or submit the self-certification

---

<sup>2</sup> See United States Catholic Conference, Inc.—Libreria Editrice Vaticana, *Catechism of the Catholic Church* ¶ 2370 (2d ed. 1994) (“Catechism”). Catholic teaching deems ““every action which, whether in anticipation of the conjugal act, or in its accomplishment, or in the development of its natural consequences, proposes, whether as an end or as a means, to render procreation impossible,”” to be ““intrinsically evil.”” *Id.* (citation omitted). The Church also teaches that “[h]uman life must be respected and protected absolutely from the moment of conception. From the first moment of his existence, a human being must be recognized as having the rights of a person—among which is the inviolable right of every innocent being to life.” *Id.* ¶ 2270.

to HHS—it would have been subjected to punitive fines that would have crippled its ability to carry out the faith-based activities so fundamental to the expression of its religious beliefs. *See* 26 U.S.C. §§ 4980D(b)(1), 4980H(c)(1).

In 2015, the Supreme Court granted certiorari in several cases to decide whether the so-called “accommodation” violated the Religious Freedom Restoration Act of 1993 (“RFRA”). The court declined to decide the RFRA question, instead remanding the cases to afford the parties another opportunity to come to an agreement. *Zubik v. Burwell*, 136 S. Ct. 1557, 1560 (2016). On October 6, 2017, the government issued two new interim final rules addressing the concerns of religious non-profits. *See* 82 Fed. Reg. 47,792 (Oct. 13, 2017); 82 Fed. Reg. 47,838 (Oct. 13, 2017). The government promulgated final rules a year later. *See* 83 Fed. Reg. 57,536 (Nov. 15, 2018) (religious exemption); 83 Fed. Reg. 57,592 (Nov. 15, 2018) (moral exemption). The Religious Exemption Final Rule—which is applicable to Religious Sisters—keeps the contraceptive mandate in place but extends the religious exemption “to protect religious beliefs for certain entities and individuals with religious objections to contraception whose plans are subject to a mandate of contraceptive coverage.” 83 Fed. Reg. at 57,540 (making the “accommodation process . . . optional”). By extending the religious exemption to religious non-profits, the Final Rule allows Religious Sisters to live out its unique spiritual calling without the threat of crippling monetary sanctions.

Plaintiff States’ request for a nationwide injunction, if successful, would force Religious Sisters to violate their deeply held religious beliefs. Religious Sisters thus

files this *amicus* brief to explain the constitutional problems inherent in the contraceptive mandate and HHS’s prior implementing regulations, and to describe the burden the old regulations imposed on Catholic religious institutes in particular. This context is important in evaluating the district court’s decision to enjoin the Religious Exemption Final Rule, which alleviated that burden and protected Religious Sisters’ First Amendment rights.

### **SUMMARY OF ARGUMENT**

HHS’s prior regulations categorically exempted “churches” and their “integrated auxiliaries” from the mandate, while requiring other religious non-profit organizations, such as Religious Sisters, to implement the mandate. Under the so-called “accommodation,” religious non-profit organizations either had to include contraceptive coverage in their health plans or file a form that would have resulted in the provision of contraceptive coverage through their health plans. *See, e.g.*, Br. for the Pet’rs at 1–2, *Zubik v. Burwell*, 136 S. Ct. 1557 (2016) (No. 14-1418) (explaining how the “accommodation” operated and the religious objections to it). If they refused to comply, they were subject to crippling fines. This discriminatory scheme would have exempted a church even if it operated a child care center or assisted living facility, while denying such an exemption to a Catholic order of religious sisters operating similar facilities. Similarly, a church that hired hundreds of individuals who did not share the church’s religious objection to contraception would have been exempt from the mandate, but a religious order that hired mostly

Catholic employees that shared the order’s objection to the mandate would not have been exempt.

The application of HHS’s facially discriminatory regulations created significant Free Exercise and Establishment Clause problems. As the Supreme Court held in *Hosanna-Tabor Evangelical Lutheran Church & Sch. v. EEOC*, 565 U.S. 171, 190 (2012), the Free Exercise Clause absolutely forbids “government interference with an internal church decision that affects the faith and mission of the church itself.” Yet HHS’s arbitrary preference for dioceses over religious institutes violated the essential unity of the Catholic Church—allowing only one manifestation of the Church to follow its religious tenets without sanction.

Furthermore, by punishing religious institutes for following the authoritative teaching of the Church, HHS’s regulations threatened to force ministries like Religious Sisters to close their doors and retreat from the public sphere. But diversity of religious expression is one of the defining features of the Catholic Church, and limiting the types of public ministries that could operate in conformity with the Church’s moral teaching would reshape and flatten Catholic religious expression. HHS’s prior regulations thus constituted “government interference with an internal church decision . . . affect[ing] the life and mission of the church itself”—which the First Amendment prohibits. *Hosanna-Tabor*, 565 U.S. at 190.

Additionally, the Free Exercise Clause requires courts to apply strict scrutiny

to laws burdening religious exercise when those laws are not “neutral and of general applicability.” *Church of the Lukumi Babalu Aye, Inc. v. City of Hialeah*, 508 U.S. 520, 531–32 (1993). The “minimum requirement of neutrality is that a law not discriminate on its face,” *id.* at 533, but HHS’s implementing regulations facially discriminated between different types of religious organizations. As a result, the contraceptive mandate and its attendant regulations—which unquestionably burdened religious exercise by sanctioning religious entities that refused to implement the mandate—violated the Free Exercise Clause.

The regulations also ran afoul of the Establishment Clause because they had the effect of conferring an advantage on those religious organizations that HHS perceived to be more intensely religious—i.e., organizations that engaged primarily in worship and prayer and that predominantly hired people who shared their religious convictions—while disadvantaging those organizations that engaged in broader religious ministries. *See Mitchell v. Helms*, 530 U.S. 793, 828 (2000) (plurality opinion) (noting the Court’s consistent rejection of laws “discriminating in the distribution of public benefits based upon religious status or sincerity”) (citations omitted); *Spencer v. World Vision, Inc.*, 633 F.3d 723, 724 (9th Cir. 2011) (per curiam) (holding that Title VII’s exemption for religious employers could not be limited to “churches”).

The Religious Exemption Final Rule avoids these constitutional defects by

providing a true exemption to Religious Sisters and other religious non-profit organizations, and by ending the arbitrary discrimination between “churches” and other religious non-profit organizations like Religious Sisters. Because the Final Rule is necessary to vindicate the First Amendment rights of Religious Sisters and those similarly situated, the district court’s order enjoining the Final Rule should be reversed.

## **ARGUMENT**

The “accommodation” available to Religious Sisters prior to the Religious Exemption IFR forced Religious Sisters to facilitate contraceptive coverage to its employees in violation of its sincerely held religious beliefs. The government now agrees that the so-called “accommodation” violated RFRA because (1) it imposed a substantial burden on religious exercise by forcing religious non-profits to either violate their religious beliefs or pay crippling fines; (2) this substantial burden was not justified by any compelling government interest in requiring religious non-profits to implement the contraceptive mandate; and (3) HHS had not utilized the least restrictive means to further any such interest it might have had. 82 Fed. Reg. at 47,806 (“[W]e now believe that requiring . . . compliance [with the accommodation] led to the violation of RFRA in many instances.”); *see also* 83 Fed. Reg. at 57,546 (“The Departments now reaffirm the conclusion set forth in the Religious IFR, that requiring certain religiously objecting entities or individuals to

choose between the Mandate, the accommodation, or incurring penalties for noncompliance imposes a substantial burden on religious exercise[.]”).

But HHS’s prior regulations did more than just violate RFRA; they also violated the First Amendment by facially discriminating among “churches” and other religious non-profit organizations like Religious Sisters. The Religious Exemption Final Rule—which extends the exemption equally to all non-profit organizations with sincere religious objections to the contraception mandate—resolved these constitutional problems by placing Religious Sisters and other religious non-profits on equal footing with churches. In its preliminary injunction order, the district court asserted that RFRA did not require the Government to promulgate the Religious Exemption Final Rule. *California v. Dep’t of Health and Human Servs.*, 2019 WL 178555, at \*14-18 (N.D. Cal. Jan. 13, 2019). But the promulgation of the Religious Exemption Final Rule was not only supported by RFRA; it was compelled by the First Amendment, which prohibits the government from interfering with matters of church governance or discriminating among religious groups. The district court thus abused its discretion by reviving the constitutional problems remedied by the Final Rule. *See Sw. Voter Registration Educ. Project v. Shelley*, 344 F.3d 914, 918 (9th Cir. 2003) (en banc) (“[A] district court abuses its discretion when it makes an error of law.”).

**I. The Prior Version of the Contraception Mandate Unlawfully Disregarded the Catholic Church’s Essential Unity and Suppressed Its Rich Diversity of Religious Expression.**

In *Hosanna-Tabor*, the Supreme Court held that the First Amendment prohibits “government interference with [ ] internal church decision[s] that affect[ ] the faith and mission of the [C]hurch itself.” 565 U.S. at 190. HHS’s prior regulations effected precisely such “interference” with the Church’s internal governance by arbitrarily preferring dioceses over religious institutes—even though both serve the same faith-based function. This impermissible distinction represented a dangerous assault on the essential unity of the Church and threatened to stamp out the diversity of religious expression that is a hallmark of Catholicism in the United States.

**A. The Prior Regulations Arbitrarily Discriminated Between “Churches” and Religious Institutes**

Although HHS’s prior regulations required religious institutes to implement the contraception mandate either by providing contraceptive coverage or submitting the self-certification to HHS, the regulations categorically exempted “churches” and their “integrated auxiliaries” from complying with the mandate. As a result of this arbitrary distinction, Catholic religious institutes, such as Religious Sisters, were forced to implement the mandate, while Catholic dioceses were not.

It is undisputed that a Catholic diocese is considered a “church” under the Internal Revenue Code (“IRC”), 26 U.S.C. § 6033(a)(3)(A)(i), and thus qualified for

the exemption under HHS's prior regulations, which defined "religious employer" as "an organization that is organized and operates as a nonprofit entity and is referred to in section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986[.]" 45 C.F.R. § 147.131(a) (2015). A Catholic diocese was thus "categorically exempt from the requirement to include coverage for contraceptive services for its employees[.]" *Priests for Life v. U.S. Dep't of Health and Human Servs.*, 772 F.3d 229, 239 (D.C. Cir. 2014), *vacated and remanded sub nom. Zubik v. Burwell*, 136 S. Ct. 1557 (2016). A diocese was entitled to this exemption even when its employees worked in schools, hospitals, retreat centers, or any other facility owned and operated by the diocese, and regardless of whether they adhered to the religious tenets of the Catholic Church.

Catholic religious institutes, by contrast, have not historically been recognized as "churches" or "conventions or associations of churches." 26 U.S.C. § 6033(a)(3)(A)(i).<sup>3</sup> And although the Tax Code exempts the "exclusively religious activities of any religious order" from the filing requirement, *id.* § 6033(a)(3)(A)(iii),

---

<sup>3</sup> Some religious institutes may qualify as "integrated auxiliaries" of a church, 26 U.S.C. § 6033(a)(3)(A)(i), and thus would qualify for the exemption to the contraception mandate. However, religious institutes that operate schools, hospitals, retreat centers, elder care homes, etc. are unlikely to satisfy the IRS's "internally supported" test and thus are unlikely to be considered "integrated auxiliaries." 26 C.F.R. § 1.6033-2(h)(1) (2015) ("[T]he term integrated auxiliary of a church means an organization that is—. . . (iii) Internally supported.").

the government has taken a cramped view of “religious activity,” which does not include the operation of schools and hospitals. *See* United States Conference of Catholic Bishops, *Annual Filing Requirements for Catholic Organizations* at 11 (Mar. 1, 2015) (“The filing exemption for the exclusively religious activities of any religious order is limited to the internal matters of the religious order to the exclusion of its charitable ministries.”), *available at* <http://goo.gl/3M7y0I>. Consequently, under the prior regulations, religious institutes (*i.e.*, “religious orders”) were not considered “religious employers” when they hired individuals to work in schools, hospitals, and retreat centers that they owned and operated, 45 C.F.R. § 147.131(a) (2015), and thus they did not qualify for the categorical exemption to the contraception mandate. To avoid crushing penalties, religious institutes were thus required to implement the contraception mandate, thereby participating in the provision of contraceptive coverage (including abortifacients) to their employees.

In short, under prior regulations, Catholic dioceses were entitled to the exemption with respect to employees working in diocesan schools and hospitals, but Catholic religious institutes that operated schools and hospitals pursuant to the same religious tenets were not entitled to the same exemption as to their employees. *See* 26 C.F.R. § 1.6033-2(g)(1)(ii) (2015); 45 C.F.R. § 147.131(a) (2015). This anomalous treatment persisted even when religious institutes arranged for health insurance coverage for their employees through plans sponsored by a local diocese.

For example, in *Priests for Life*, certain religious non-profits affiliated with the Roman Catholic Archdiocese of Washington provided health insurance to their employees by participating in the Archdiocese's self-insured church plan. 772 F.3d at 240. The D.C. Circuit nevertheless found it "undisputed that, under the government's regulations, each [religious non-profit] is eligible for the accommodation, but not the exemption extended to houses of worship." *Id.* Thus, even when a diocese and a religious institute insured their employees *through the exact same plan*, the religious institute was required to implement the mandate by taking affirmative steps to ensure that employees working in its schools and hospitals were provided with contraceptive coverage, even though the diocese was exempt from that requirement as to employees working in *its* schools and hospitals.

**B. This Discriminatory Treatment Pressured Religious Institutes to Abandon Their Unique Mission Within the Catholic Church**

1. The *Catechism*, a compendium of Catholic doctrine, declares that "[u]nity is of the essence of the Church[.]" *Catechism* ¶ 813. The *Catechism* further provides that the visible sign of the Church's unity is the Pope, *id.* ¶ 882, while the "individual *bishops* are the visible source and foundation of unity in their own particular Churches," *id.* ¶ 886 (emphasis in original). Catholic doctrine teaches that these "particular churches," called "diocese[s]," are communities "of the Christian

faithful in communion of faith and sacraments with their bishop ordained in apostolic succession.” *Id.* ¶ 833.<sup>4</sup>

It is also bedrock Catholic doctrine that religious institutes are ecclesiastically and spiritually united with the bishops. *Id.* ¶ 927 (“All religious, whether exempt or not, take their place among the collaborators of the diocesan bishop in his pastoral duty.”); *see also* Sacred Congregation for Bishops, *Directives for the Mutual Relations Between Bishops and Religious in the Church* (hereafter “*Directives*”) ¶ 8, Vatican (May 14, 1978) (reflecting on the “ecclesial dimension” of the religious life—“namely the unquestionable bond of religious life with the life and holiness of the Church”), *available at* <http://goo.gl/vRsjln>. According to the Church, “[i]t would be a serious mistake to make the two realities—religious life and ecclesial structures—*independent* one of the other, or to oppose one to the other as if they could subsist as two distant entities, one charismatic, the other institutional.” *Id.* ¶ 34. Religious institutes thus perform their various ministries—including education and health care—in communion with their local bishops. *See id.* ¶ 8.

---

<sup>4</sup> There are nearly two hundred archdioceses/dioceses in the United States. *See* United States Conference of Catholic Bishops, *Bishops and Dioceses* (Jan. 2018), *available at* <http://www.usccb.org/about/bishops-and-dioceses>. An archdiocese is presided over by an archbishop, and a diocese is presided over by a bishop. Within these dioceses are thousands of local parishes where individual Catholics worship and serve God together.

HHS's prior regulations violated this essential unity and drove a wedge between dioceses and religious institutes. Under the "accommodation," religious institutes were treated as less Catholic than the dioceses—as if they were less bound by the teaching of the Church or somehow free from the authority of the bishops. The regulations were thus as religiously offensive as would be a regulation that exempted archdioceses but not ordinary dioceses, or a regulation that exempted Latin Catholic Dioceses but not Eastern Catholic Dioceses.<sup>5</sup>

By imposing financial penalties on religious institutes but not dioceses, the prior regulations pressured the Church to transfer its social services ministries from religious institutes to dioceses, thereby intruding upon the Church's constitutionally protected "right to shape its own faith and mission." *Hosanna-Tabor*, 565 U.S. at 188 ; *see also Trinity Lutheran Church of Columbia, Inc. v. Comer*, 137 S. Ct. 2012, 2022 (2017) ("[T]he Free Exercise Clause protects against 'indirect coercion or penalties on the free exercise of religion, not just outright prohibitions.'") (quoting

---

<sup>5</sup> The Church recognizes several different "liturgical traditions or rites" that have developed over the centuries. *Catechism* ¶ 1203. The most common rite in the United States is the Latin rite, but there are many Catholic dioceses that belong to various Eastern rites, including "the Byzantine, Alexandrian or Coptic, Syriac, Armenian, Maronite and Chaldean rites." *Id.* Although each rite expresses the Catholic faith in its own unique way, the "Church holds all lawfully recognized rites to be of equal right and dignity[.]" *Id.* There are currently 145 Latin Catholic dioceses, 33 Latin Catholic archdioceses, 16 Eastern Catholic dioceses, and 2 Eastern Catholic archdioceses. *See U.S. Conference of Catholics Bishops, Bishops and Dioceses*, <http://www.usccb.org/about/bishops-and-dioceses>.

*Lyng v. Nw. Indian Cemetery Protective Ass'n.*, 485 U.S. 439, 450 (1988)); *Corp. of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints v. Amos*, 483 U.S. 327, 336 (1987) (pressuring an organization to “predict which of its activities a secular court will consider religious” would impose a “significant burden” and “affect the way an organization carried out what it understood to be its religious mission”).

In short, the prior regulations—which allowed the government to dissect unified ecclesiastical bodies such as the Catholic Church and decide which aspects of that body could follow the Church’s religious tenets without sanctions and which could not—violated the Free Exercise Clause. HHS’s new Religious Exemption Final Rule remedied this constitutional defect.

2. The prior regulations also flouted *Hosanna-Tabor*’s prohibition against “government interference with an internal church decision” because they threatened to suppress one of the Catholic Church’s most unique features—the diverse expression of religious devotion and public service embodied in its many different religious institutes. 565 U.S. at 190. The Catholic Church has, “[f]rom the beginning, . . . been marked by a great *diversity*,” and the Church has long recognized many “different gifts, offices, conditions, and ways of life” as legitimate expressions of the Catholic faith. *Catechism* ¶ 814 (“The great richness of such diversity is not

opposed to the Church's unity."); *id.* ¶ 873 ("[I]n the church there is diversity of ministry but unity of mission." (quotation omitted)).

One aspect of this diversity can be seen in the many Catholics, including Religious Sisters, that have consecrated themselves to what the Church teaches is a special form of Christian devotion called "religious life," which is "[l]ived within institutes canonically erected by the Church[.]"<sup>6</sup> *Id.* ¶ 925. Catholic doctrine teaches that "[r]eligious life in its various forms is called to signify the very charity of God in the language of our time." *Id.* ¶ 926.

Religious Sisters, for example, strives to show God's love by educating the young and caring for the sick and aging. As Pope John Paul II explained in his 1984 *Apostolic Exhortation*:

This consecration determines your place in the vast community of the Church, the People of God. And at the same time this consecration introduces into the universal mission of this people a special source of spiritual and supernatural energy: *a particular style of life, witness and apostolate*, in fidelity to the mission of your institute and to its identity and spiritual heritage. The universal mission of the People of God is rooted in the messianic mission of Christ Himself—Prophet, Priest and King—a mission in which all share in different ways. The form of sharing proper to "consecrated" persons corresponds to your manner of being rooted in Christ. The depth and power of this being rooted in Christ is decided precisely by religious profession.

---

<sup>6</sup> Those who have taken religious vows and joined a religious institute—such as nuns, sisters, brothers, etc.—are typically referred to simply as "religious" in Catholic literature. Similarly, the "religious life" in Catholic terminology refers to the unique vocation of the religious.

Pope John Paul II, *Apostolic Exhortation: Redemptionis Donum* ¶ 7 (Mar. 25, 1984) (emphasis added), *available at* <https://goo.gl/KGzq6x>.

Catholic religious institutes pursue these public ministries in unique ways as they reflect the spirituality of their founders. The Church blesses these unique and authentic expressions of Catholic faith by giving religious institutes special freedom to manage their own ministries under the supervision of the local bishops. *Directives* ¶ 22. For example, “Catholic schools conducted by religious are . . . subject to the local ordinaries as regards their general policy and supervision without prejudice, however, to the right of the religious to manage them.” *Id.* ¶ 44.

3. Pursuant to this limited autonomy, religious institutes, including Religious Sisters, have managed their own ministries for decades in unity with the local bishops. Yet if they did not comply with HHS’s contraception mandate or so-called “accommodation,” these religious institutes would have been subjected to substantial fines that would have significantly raised the cost of operating their ministries. Because a diocese was not similarly penalized for non-compliance, HHS’s regulations made it less expensive for a diocese to manage the same types of ministries—schools, hospitals, retreat centers, etc.—that religious institutes also managed. The regulations thus placed significant financial pressure on a religious institute such as Religious Sisters to transfer control of its facilities to the local diocese. Putting all schools, hospitals, and other ministries under the direct control

of the bishop, although perhaps allowing the ministries to survive for a time, would have prevented the religious institutes from fully living out their unique calling.

By denying religious institutes such as Religious Sisters a full exemption from the morally and religiously objectionable contraception mandate—and thereby discriminating against their public ministries—HHS’s previous regulations threatened the vibrant diversity of the Catholic Church in the United States. Those regulations coerced religious institutes to choose between reorganizing themselves—in ways inimical to their religious beliefs—or facing ruinous fines. This pressure to conform to the government’s idealized conception of a religious organization violated the Supreme Court’s admonition that the government cannot interfere with any “internal church decision that affects the faith and mission of the church itself.” *Hosanna-Tabor*, 565 U.S. at 190.

Ultimately, the financial sanctions imposed by prior regulations would have squeezed Catholic religious institutes out of the public square, relegating them to the narrow realm of “exclusively religious” activity. The Religious Exemption Final Rule avoids these constitutional problems by offering a true exemption to religious institutes like Religious Sisters and eliminating the impermissible distinction between Catholic dioceses and Catholic religious institutes. HHS did not act unlawfully by ending its unconstitutional assault on Catholic religious life.

## II. The Prior Regulations Violated the Establishment Clause by Conferring a Benefit Based on Perceived Religious Intensity

The prior regulations exempted from the mandate the religious organizations that HHS perceived to be more intensely religious—*i.e.*, those engaged primarily in worship and prayer, and that ostensibly hired more co-religionists than other religious non-profits—while disadvantaging those organizations that engaged in broader religious ministries.<sup>7</sup> Whereas “churches” and their “integrated auxiliaries” were allowed to practice their faith freely, Religious Sisters and other religious organizations were forced to choose between violating their faith and incurring significant penalties. Thus, through its exemption and accommodation scheme, HHS granted the religious beliefs of churches greater dignity than the religious beliefs of other faith-based organizations, including Religious Sisters.

---

<sup>7</sup> HHS’s distinction failed to account for the fact that religious organizations like Religious Sisters view educating children “with the heart and mind of Christ” and caring for the elderly as religious activities that flow directly from their expression of the love of God. *See, e.g.*, James 1:27, *The New American Bible* 2063 (Oxford Univ. Press 2011) (“Religion that is pure and undefiled before God and the Father is this: to care for orphans and widows in their affliction[.]”). Nevertheless, because the government did not view these activities as “exclusively religious,” 26 U.S.C. § 6033(a)(3)(A)(iii), it denied the exemption to religious non-profits that perform them, 45 C.F.R. § 147.131(a). As the Supreme Court has recognized, “it is most bizarre” to “reserve special hostility for those who take their religion seriously, who think that their religion should affect the whole of their lives[.]” *Mitchell*, 530 U.S. at 827–28.

The Supreme Court has previously disavowed legal distinctions based on the government's perception of whether an organization is "pervasively sectarian." *See Mitchell v. Helms*, 530 U.S. 793, 828 (2000) (plurality opinion) (warning that such distinctions are "not only unnecessary but also offensive"). As *Mitchell* explained, "application of the 'pervasively sectarian' factor collides with [the Court's] decisions that have prohibited governments from discriminating in the distribution of public benefits based upon religious status or sincerity." *Id.* (citing *Rosenberger v. Rector and Visitors of Univ. of Va.*, 515 U.S. 819 (1995); *Lamb's Chapel v. Center Moriches Union Free School Dist.*, 508 U.S. 384 (1993); *Widmar v. Vincent*, 454 U.S. 263 (1981)); *see also Trinity Lutheran*, 137 S. Ct. at 2022 (the government cannot "'condition the availability of [government] benefits upon a recipient's willingness to surrender his religiously impelled status'" (quoting *McDaniel v. Paty*, 435 U.S. 618, 626 (1978) (plurality opinion)) (internal alterations omitted)).

Indeed, the government has argued that such distinctions violate the Establishment Clause. *See* Br. for the United States as *Amicus Curiae* at 21, *Spencer v. World Vision, Inc.*, No. 08-35532, 2008 WL 5549423 (9th Cir. 2008) ("To hold that [Title VII's religious-employer exemption] is limited to churches would "create a serious Establishment Clause problem by discriminating among religious groups."). As the government explained, "allow[ing] houses of worship to engage in religious-based employment practices, but deny[ing] equal privileges to other,

independent organizations that also have sincerely held religious tenets would unlawfully discriminate among religions.” *Id.* at 22.

This Court agreed, holding that Title VII’s exemption for religious employers was available to any entity “organized for a religious purpose [that] is engaged primarily in carrying out that religious purpose, holds itself out to the public as an entity for carrying out that religious purpose, and does not engage primarily or substantially in the exchange of goods or services for money beyond nominal amounts.” *Spencer v. World Vision, Inc.*, 633 F.3d 723, 724 (9th Cir. 2011) (per curiam). The court explained that “interpreting the statute such that it requires an organization to be a ‘church’ to qualify for the exemption would discriminate against religious institutions which are organized for a religious purpose and have sincerely held religious tenets, but are not houses of worship.” *Id.* at 728 (O’Scannlain, J., concurring) (quotation and citation omitted); *see also id.* at 741 (Kleinfeld, J., concurring) (“I concur in Parts I and II of Judge O’Scannlain’s concurrence.”).

Such discrimination “would also raise the specter of constitutionally impermissible discrimination between institutions on the basis of the ‘pervasiveness or intensity’ of their religious beliefs.” *Id.* at 729 (O’Scannlain, J., concurring) (citations omitted); *see also Colo. Christian Univ. v. Weaver*, 534 F.3d 1245, 1259 (10th Cir. 2008); *Univ. of Great Falls v. NLRB*, 278 F.3d 1335, 1342 (D.C. Cir. 2002) (“[A]n exemption solely for ‘pervasively sectarian’ schools would itself raise

First Amendment concerns—discriminating between kinds of religious schools.”); *Columbia Union Coll. v. Clarke*, 159 F.3d 151, 172 (4th Cir. 1998) (Wilkinson, C.J., dissenting) (“The denial of state aid to only certain types of religious institutions—namely, pervasively sectarian ones . . . directly violate[s] a . . . core principle of the Establishment Clause, the requirement of nondiscrimination among religions.”).

Here, the “pervasiveness or intensity” of religious belief—as manifested (allegedly) in an organization’s hiring practices—was the *asserted basis* for the distinction between churches and other religious organizations. Thus, unlike federal statutes that have relied on secular criteria to draw constitutional distinctions between churches and other religious organizations, the implementing regulations explicitly relied on the pervasiveness or intensity of religious belief—a constitutionally suspect criterion. *See Colo. Christian*, 534 F.3d at 1259 (“Although application of secular criteria does not invalidate a law even if there is a disparate impact, that logic will not save a law that discriminates among religious institutions on the basis of the pervasiveness or intensity of their belief.”) (citations omitted).

This distinction was entirely unnecessary and contrived—HHS could instead have drawn a clear and constitutional boundary around the exemption by granting it to organizations with sincere religious objections to providing contraceptive coverage. To its credit, that is precisely what the government did in the Religious Exemption Final Rule, which extends the exemption to all religious non-profit

organizations, including Religious Sisters. This Court should reverse the district court, uphold the Religious Exemption Final Rule, and decline the States' invitation to return to the constitutionally untenable regime that preceded it.

### **III. The Prior Regulations Violated the Free Exercise Clause's Requirement of Neutrality**

The Supreme Court has held that laws burdening religious practices that are not "neutral and of general applicability . . . must be justified by a compelling governmental interest and must be narrowly tailored to advance that interest." *Lukumi*, 508 U.S. at 531–32. The "minimum requirement of neutrality is that a law not discriminate on its face." *Id.* at 533.

The contraceptive mandate scheme failed this fundamental requirement of neutrality because HHS's implementing regulations discriminated on their face between different types of religious organizations. *See Larson v. Valente*, 456 U.S. 228, 246 n.23 (1982) (a law that makes "explicit and deliberate distinctions between different religious organizations" is "not . . . a facially neutral statute"). Indeed, HHS did not even pretend that the regulations were neutral. Rather, it explicitly declined to extend the exemption to organizations that it perceived to be ecumenical. *See* 78 Fed. Reg. 39,870, 39,874 (July 2, 2013) (asserting that "[h]ouses of worship . . . that object to contraceptive coverage on religious grounds are more likely . . . to employ people of the same faith who share the same objection").

Although HHS never disputed that religious non-profit organizations like Religious Sisters have sincere religious objections to providing artificial contraception to their employees, HHS deliberately crafted its regulations to compel these organizations to implement the mandate. By withholding the exemption from religious non-profits on the basis of their perceived ecumenism—*i.e.*, HHS’s belief that such organizations do not predominantly hire co-religionists—HHS violated the bedrock “governmental obligation of neutrality in the face of religious differences[.]” *Sherbert v. Verner*, 374 U.S. 398, 409 (1963).

“A law burdening religious practice that is not neutral or not of general application must undergo the most rigorous of scrutiny.” *Lukumi*, 508 U.S. at 546. There is no question that the prior regulations burdened the religious exercise of religious non-profits that did not qualify for the church exemption. Indeed, as HHS itself has conceded, the prior regulations “constituted a substantial burden on the religious exercise” of religious non-profits—like Religious Sisters—by forcing them “to choose between the Mandate, the accommodation, or penalties for noncompliance.” 83 Fed. Reg. at 57,546; *see Sherbert*, 374 U.S. at 403–04.

HHS also has conceded that its prior regulations did “not serve a compelling interest.” 83 Fed. Reg. at 57,546; *see Sherbert*, 374 U.S. at 406–07 (asking “whether some compelling state interest . . . justifies the substantial infringement of appellant’s First Amendment right”). Nor were they “the least restrictive means of

advancing a compelling government interest.” 83 Fed. Reg. at 57,546. The government’s “change of position”—reached after “reassessing the relevant interests” and “further examination of the relevant provisions of the Affordable Care Act and the administrative record on which the Mandate was based,” *id.* at 47,800–06—explains why, since *Zubik*, numerous courts have enjoined the enforcement of the prior regulations. *See, e.g., Geneva Coll.*, 2018 WL 3348982, at \*2; *Reaching Souls Int’l, Inc. v. Azar*, 2018 WL 1352186, at \*2 (W.D. Okla. Mar. 15, 2018).<sup>8</sup>

The Religious Exemption Final Rule, by contrast, is facially neutral—it avoids discriminating between entities that share the same religious objections. And it avoids substantially burdening religious exercise by exempting entities with sincerely held religious objections from the mandate, without forcing them to file notices or certifications. The Religious Exemption Final Rule thus avoids the severe Free Exercise problems inherent in the prior regulations.

## **CONCLUSION**

The 2018 Final Rule alleviated the unconstitutional aspects of HHS’s prior regulations by treating religious non-profits the same as churches and by exempting them from the contraception mandate based on their sincerely held religious beliefs. By enjoining the Final Rule, the district court re-imposed that unconstitutional

---

<sup>8</sup> Because the prior regulations imposed a substantial burden on religious exercise and failed to advance a compelling government interest by the least restrictive means necessary, Religious Sisters agrees with Appellants that the prior regulations also violated RFRA.

regime. This Court should reverse the judgment of the district court and allow the government to alleviate the burden it unconstitutionally imposed on Religious Sisters and other religious non-profits.

Dated: March 4, 2019

Respectfully submitted,

By: /s/ Robert E. Dunn  
Robert E. Dunn

PAUL COLLINS  
pcollins@gibsondunn.com  
ROBERT E. DUNN  
rdunn@gibsondunn.com  
GIBSON, DUNN & CRUTCHER LLP  
1881 Page Mill Road  
Palo Alto, California 94304-1211  
Telephone: (650) 849-5384  
Facsimile: (650) 849-5084

DANIEL L. CHEN  
dchen@gibsondunn.com  
GIBSON, DUNN & CRUTCHER LLP  
555 Mission Street  
San Francisco, California 90071-3197  
Telephone: (415) 383-8200  
Facsimile: (415) 374-8469

*Counsel for Amicus Curiae*

**CERTIFICATE OF COMPLIANCE**

Pursuant to Fed. R. App. P. 29 I certify that the attached brief is proportionately spaced, has a typeface of 14 points, and complies with the word count limitations set forth in Fed. R. App. P. 29(a)(5). This Brief has 5,981 words, excluding the portions exempted by Fed. R. App. P. 32, according to the word count feature of Microsoft Word used to generate this Brief.

Dated: March 4, 2019

Respectfully submitted,

By: /s/ Robert E. Dunn  
Robert E. Dunn

**CERTIFICATE OF SERVICE**

I hereby certify that I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Ninth Circuit by using the appellate CM/ECF system on March 4, 2019. I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the appellate CM/ECF system.

By: /s/ Robert E. Dunn  
Robert E. Dunn