

**Plaintiffs And Kaiser Permanente Agree to \$11.5 Million Equal Pay & Promotion Race Discrimination Class Action Settlement: The Settlement Provides Money Benefits and New Workplace Programs for African American Employees.**

San Francisco, California, [April 22, 2021] — Prominent Plaintiffs’ law firms Medina Orthwein LLP and Lief Cabraser Heimann & Bernstein LLP announced today that Plaintiffs have reached an agreement with Defendants Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals, The Permanente Medical Group, Inc., and the Southern California Permanente Medical Group (collectively, “Kaiser Permanente”), in which Kaiser Permanente will pay \$11.5 million to settle a class action race discrimination lawsuit. The settlement covers approximately 2,225 African American employees in two job families (Administrative Support and Consulting Services) at each of the Kaiser Permanente entities.

In addition to monetary relief, Kaiser Permanente agrees to institute comprehensive workplace programs to ensure that African American employees’ compensation and opportunities for advancement are fair and equitable. The changes build upon work that Kaiser Permanente announced in 2020 to strengthen its efforts to ensure a racially inclusive workplace. The Agreement between the parties was reached after more than two years of negotiations, and it settles the case, *Stewart et al. v. Kaiser Foundation Health Plan, et al.*, filed today, in the San Francisco County Superior Court in San Francisco, California.

Going forward, Kaiser Permanente will retain an independent consultant, agreed upon by all parties, to develop and manage a thorough job analysis review to be completed within one year. This review will be used to create additional equitable opportunities for African American employees, including career development guides and developmental resource guides for roles within the job families. Kaiser Permanente has also agreed to conduct an annual pay analysis for employees in the defined job classifications performed by an independent consultant for three years, wherein base pay, incentive pay, and promotions will be reviewed with an eye toward equity and swift remediation of any existing disparities. Additionally, Kaiser Permanente will continue annual pay reviews and appoint an internal Compliance officer to oversee the implementation of these policies and continued compliance with the settlement agreement. With the guidance of the findings and input and oversight by Plaintiffs’ counsel, Kaiser Permanente will make several enduring structural changes, including: investing in more leadership development initiatives for historically underrepresented groups; and additional training for employees and management on racial bias and equity, including Upstander Intervention and racial equity trainings, and debiasing programs for those engaged in enforcing company policy on equal employment opportunity. Kaiser Permanente has also agreed to appoint an internal compliance officer to oversee the implementation of these practices, continued compliance with the settlement agreement and to meet with Plaintiffs’ Counsel twice each year for a 3-year compliance period to report on implementation of the terms of the Settlement.

**Plaintiffs:** The Named Plaintiffs are Shelby Stewart, Charleta Dabrowski, Benedict Johnson, and Kenya Mayfield. All of the Plaintiffs are African American and are either current, or recently departed former, long-term employees. Their backgrounds:

Lead Plaintiff Shelby Stewart worked at Kaiser for over 14 years, departing the company with the title of Senior Manager.

Plaintiff Charleta Dabrowski is a current employee who has worked for Kaiser for approximately 15 years. She holds the current title of Operations Specialist II.

Plaintiff Benedict Johnson is a current employee who has worked for Kaiser for approximately 14 years. He holds the current title of Operations Specialist II.

Plaintiff Kenya Mayfield worked for Kaiser for over 31 years, until retiring from the company with the title of Contracts Manager I.

**Next Steps:** The court will set a hearing date for preliminary settlement approval, which if approved will result in the third-party administrator issuing notice to the 2,225 class members. If the court later grants final settlement approval, the third-party administrator will allocate settlement amounts based on an objective formula to each qualifying class member. More information is available at the website: [www.kaiserracebiascase.com](http://www.kaiserracebiascase.com).

### **Statements on the Settlement:**

“As an African American current employee, I have come forward to raise issues of racial equity to make our workplace stronger,” said Plaintiff Charleta Dabrowski. “I support new programs dedicated to ensuring equal pay and fair opportunities for Black, Indigenous, and People of Color at Kaiser Permanente.”

Plaintiffs’ counsel Felicia Medina, founding partner of Medina Orthwein LLP stated, “This settlement is a tribute to the fortitude and resilience the Plaintiffs exercised throughout this lengthy, hard process where, for the good of the class, they told their truths and demanded change. The settlement reflects Kaiser Permanente’s willingness to listen to its employees, and should serve as a model for other corporations that truly desire to reckon with this country’s racially unjust past and ongoing systemic issues.”

“Plaintiffs embrace the innovative changes advancing racial equity that are promoted by the settlement,” said Plaintiffs’ counsel Kelly Dermody of Lieff Cabraser Heimann & Bernstein, LLP. “Kaiser Permanente will be stronger for the efforts of Shelby, Charleta, Ben, and Kenya.”

“As a mission-driven organization, we hold ourselves accountable for living our values by strengthening our inclusive culture and expanding our work to address any disparities and their root causes. That is why we invited Plaintiffs to participate in a negotiation process that led to this settlement,” said Christian Meisner, Senior Vice President and Chief Human Resources Officer, speaking on behalf of the Kaiser Defendants. “Across Kaiser Permanente we are increasing our efforts to advocate for fair and just treatment, opportunity, and advancement as well as embedding accountability for equity at all levels of the organization. We will continue to promote positive change, equity, and total health for all – inside our organization and within our communities.”

“With this settlement, our clients are giving real-world meaning to the promise of the California Equal Pay Act and sparking action to address racial wage gaps. Kaiser Permanente is not only

providing relief for the wages we believe Black employees should have been paid in the past, but also ensuring meaningful pay equity for the future,” said Plaintiff’s counsel Kevin Love Hubbard of Medina Orthwein LLP.

### **Information about Plaintiffs’ Counsel:**

Medina Orthwein LLP: Medina Orthwein is a queer-owned plaintiff-side employment and civil rights law firm located in Oakland, California. The firm ensures that the voices and rights of those most impacted by inequity are heard and can fight power with power. Using an intersectional approach to practice, Medina Orthwein effectively leverages its extensive trial, litigation, and negotiations expertise to enforce and expand protections for people most impacted by systemic discrimination. The firm specializes in individual and class action employment and civil rights disputes. MO is currently litigating a race discrimination class action against the City of San Francisco (*Robinson-Luqman et al. v. City and County of San Francisco*, No. CGC-20-588012 (Cal. Super. Ct., San Francisco)) and previously settled a case against AC Transit on behalf of pregnant or lactating bus drivers (*McNaulty et al. v. AC Transit*, No. RG18933966 (Cal. Super. Ct., Alameda, 2018)). Founding Partner Felicia Medina has obtained cutting edge pre-suit class action discrimination settlements on three other occasions since 2016, *Chen v. Western Digital*, No. 8:19-cv-00909 (C.D. Cal., 2020), *Pan v. Qualcomm*, No. 3:16-cv-01885 (S.D. Cal., 2016), and *Branner et al v. Covenant et al.*, No. 20-CIV-03164 (Cal. Super. Ct., San Mateo, 2020). Felicia is a current board member Public Justice, the National Center for Lesbian Rights (NCLR), and the Chicana Latina Foundation (CLF). She has been honored as a Law 360 Minority Power Broker and received the SF Business Times OUTstanding Voices Award.

Lieff Cabraser Heimann & Bernstein, LLP: Lieff Cabraser is one of the country’s largest and most successful firms exclusively representing plaintiffs in civil litigation, having secured verdicts or settlements worth over \$124 billion for clients nationwide. With over 100 attorneys, the firm has led some of the most significant litigation of the last decade, including the recent CARES Act litigation on behalf of incarcerated individuals and their families resulting in over \$1.5 billion in cash benefits (*Scholl v. Mnuchin*, 4:20-cv-05309-PJH (Northern District of California federal court)); the VW clean diesel emissions case, which resulted in over \$15 billion for VW owners (*In re: Volkswagen ‘Clean Diesel’ Marketing, Sales Practices, and Products Liability Litigation*, MDL No. 2672 (Northern District of California federal court)); and the high-tech cold-calling wage conspiracy case alleging an agreement among prominent technology companies to not poach each other’s employees, which resulted in settlements totaling \$435 million (*In re: High-Tech Employee Antitrust Litigation*, 11-cv-2509-LJK (Northern District of California federal court)). Partner Kelly Dermody, co-lead counsel here, led both *Scholl* and *High-Tech* for her firm. She is currently Chair-Elect of the Section of Labor and Employment Law of the American Bar Association, and Managing Partner of the San Francisco Office of Lieff Cabraser.