This case has been designated as an eFiling case, for more information please visit www.oakgov.com/efiling.

FILED Received for Filing Oakland County Clerk 8/5/2026 12:42 PM

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND

BARBARA ANN KARMANOS CANCER INSTITUTE, INC., a Michigan non-profit corporation; BARBARA ANN KARMANOS CANCER HOSPITAL, d/b/a KARMANOS CANCER CENTER, a Michigan non-profit corporation; and MCLAREN HEALTH CARE CORPORATION, a Michigan non-profit corporation,

Plaintiffs,

v.

VHS OF MICHIGAN, INC., d/b/a THE DETROIT MEDICAL CENTER, a Delaware profit corporation; VHS DETROIT RECEIVING HOSPITAL, INC., d/b/a DETROIT RECEIVING HOSPITAL AND UNIVERSITY HEALTH CENTER, a Delaware profit corporation; VHS REHABILITATION INSTITUTE OF MICHIGAN, INC., d/b/a REHABILITATION INSTITUTE OF MICHIGAN, a Delaware profit corporation; VHS HARPER-HUTZEL HOSPITAL, INC. d/b/a HARPER UNIVERSITY HOSPITAL, a Delaware profit corporation; VHS CHILDREN'S HOSPITAL OF MI d/b/a CHILDREN'S HOSPITAL OF MICHIGAN, a Delaware profit corporation; VHS HURON VALLEY-SINAI HOSPITAL, INC., d/b/a HURON VALLEY-SINAI HOSPITAL, a Delaware profit corporation; VHS SINAI-GRACE HOSPITAL, INC. d/b/a SINAI GRACE HOSPITAL, a Delaware profit corporation; and VHS UNIVERSITY LABORATORIES, INC., d/b/a DMC UNIVERSITY LABORATORIES, a Delaware profit corporation,

Defendants.

Case No. 26- -CB
Hon. JUDGE VICTORIA VALENTINE

2026-225004-CB

COMPLAINT FOR DECLARATORY, EQUITABLE, AND OTHER RELIEF

Pursuant to MCR 2.112(O)(1), this case meets the statutory requirements to be assigned to the Business Court.

This action arises out of a settlement agreement entered into by Plaintiffs and by Defendant VHS of Michigan, Inc. relating to the matter of *McLaren Health Care Corporation, et al. v. The Detroit Medical Center*, Case No. 2013-137031-CB, Oakland County Circuit Court (Hon. Victoria Valentine)

THE MILLER LAW FIRM, P.C.
E. Powell Miller (P39487)
Christopher D. Kaye (P61918)
Martha J. Olijnyk (P60191)
950 W. University Dr., Ste. 300
Rochester, MI 48307
T: (248) 841-2200
epm@miller.law
cdk@miller.law
mjo@miller.law
Attorneys for Plaintiffs

STATEMENT PURSUANT TO MCR. 1.109(D)(2)(a)

A civil action among four of the named parties, Karmanos Cancer Center, Karmanos Cancer Institute, McLaren Healthcare Corporation, and VHS of Michigan Inc., d/b/a The Detroit Medical Center arising out of the transaction or occurrence alleged in the complaint resulted in the Settlement Agreement resolving the matter of *McLaren Health Care Corporation, et al. v. The Detroit Medical Center*, Case No. 2013-137031-CB, which was assigned to the Hon. Victoria Valentine and which is no longer pending. Therefore, this matter should be assigned to the Hon. Victoria Valentine.

COMPLAINT FOR EQUITABLE AND OTHER RELIEF

Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center; Barbara Ann Karmanos Cancer Institute, Inc.; and McLaren Health Care Corporation, by and through their attorneys, The Miller Law Firm, P.C., and for their Complaint against Defendants VHS of Michigan Inc., d/b/a The Detroit Medical Center; VHS Detroit Receiving Hospital, Inc., d/b/a Detroit Receiving Hospital and University Health Center; VHS Rehabilitation Institute of Michigan, Inc., d/b/a Rehabilitation Institute of Michigan; VHS Harper-Hutzel Hospital, Inc. d/b/a Harper University Hospital, VHS Children's Hospital of MI d/b/a Children's Hospital of Michigan; VHS Huron Valley-Sinai Hospital, Inc. d/b/a Huron Valley-Sinai Hospital; VHS Sinai-Grace Hospital, Inc. d/b/a Sinai Grace Hospital; and VHS University Laboratories, Inc., d/b/a DMC University Laboratories, state as follows:

OVERVIEW

A for-profit healthcare company called Tenet is holding Metropolitan Detroit's premier cancer treatment facility hostage in order to extract as much profit as possible. This imperils the care of thousands of patients in the City of Detroit and from across the region. Historically under

the relevant agreements, Tenet has charged the Karmanos Cancer Institute about $28.5 million, annually, for clinical, information technology, and laboratory services. Now Tenet is trying to unilaterally change the contracts to charge Karmanos over $82 million a year. Over five years, this would force Karmanos to pay Tenet over $265 million that Karmanos does not owe. Karmanos could not survive such a catastrophic deviation from the parties' agreements and their twenty-year course of performance. Thus, in order to preserve its long-term survival, Karmanos has resisted Tenet's breaches. But Tenet responds by threatening to cut off life-or-death services to Karmanos's patients. These threats are intolerable. Karmanos's paramount consideration is patient care, and it has forced Karmanos to reluctantly seek the Court's protection.

The Karmanos Cancer Institute is indispensable to the region. A non-profit subsidiary of McLaren Health, it is one of only two Michigan cancer treatment centers that the National Cancer Institute has designated as a "Comprehensive Cancer Center," and the only one in Metro Detroit. Each year, its world-class professionals provide cutting edge treatment to countless patients from around the region and beyond.

A little over 20 years ago, Karmanos became an independent cancer-only services hospital in Detroit and purchased certain nursing units, clinics, and treatment facilities from Harper Hospital and the Detroit Medical Center. At that time, it also entered into a series of agreements with what was then the independent not-for profit Detroit Medical Center (the "Center" or the "DMC"). They provided for Karmanos to affiliate with the Center, operate on the Center's campus, and to buy certain services from Center-affiliated hospitals including operating room services, cardiac and diagnostic services, laboratory services, IT services and a variety of other hospital support services.. The Center has used the agreements to limit Karmanos's operations elsewhere in the Tri-County Area.

Unfortunately, a few years later, a conglomerate called Vanguard Health System, a for-profit healthcare corporation based out of Brentwood, Tennessee, bought the Detroit Medical Center's facilities, and changed the DMC to a for-profit health system. A few years after that, Tenet Healthcare Corporation, based in Dallas, Texas, acquired Vanguard and continued to operate the DMC as for-profit health entities.

These transactions have caused immense harm to Karmanos. Tenet reads the agreements to require Karmanos to exclusively buy services from Tenet's Detroit Medical Center. Thus, to hear Tenet tell things, Karmanos can operate its cancer-only hospital on Tenet's DMC's campus, where Tenet's services are the only game in town. Aside from a few exceptions, it says, Karmanos cannot open a new cancer hospital in the Detroit area anywhere off the DMC main campus.

The direct impact of this is the natural consequence of a trade restraint: fewer cancer patients in the region can get world-class care. And those who do – or their insurers – have to pay more for it.

The indirect impact is also devastating. Tenet has interpreted the parties' agreements to make Karmanos its captive customer. And it acts like it. Tenet has overcharged Karmanos under the parties' contracts. It has also provided Karmanos with substandard services. Given its commitment to patient care, Karmanos has always protected its patients from the impact of Tenet's corner cutting. But this takes money. Both the direct overcharges, and the indirect expense of inadequate service, end up costing Karmanos, patients, insurers, and the public. All so that Tenet can extract as much profit as possible from Metro Detroit's cancer patients.

Karmanos has worked extremely hard to make the relationship work. Around the time Tenet took over, Karmanos asked permission of the DMC under a noncompetition provision in one of the parties' contracts to operate a smaller facility in Oakland County. Tenet refused, and

Karmanos had to ask this Court to permit it to open the new facility. Clearly wanting to maximize its control over Karmanos, Tenet doggedly defended the resulting litigation. Finally, the parties reached a Settlement Agreement designed to coordinate and update their original agreements and protect Karmanos from Tenet's control over it.

Unfortunately, the abuse continued. And Tenet systematically failed to follow the Settlement Agreement. Karmanos can only withstand so much. So, in November 2024, it told Tenet that it was reviving the original plan from 20 years ago to assess and design the building of a new hospital on the DMC main campus, on land that was transferred to Karmanos as part of Karmanos independence. This would ensure Karmanos's survival by permitting it to perform necessary services itself or else to buy them at market-based prices from elsewhere in the nonprofit McLaren system.

Karmanos hoped to initiate an orderly transition to a new arrangement. It appreciates that Tenet is a profit-making enterprise. But the prospect of more world-class cancer treatment in Detroit at lower-than-otherwise prices should have outweighed Tenet's interest in overcharging for substandard services.

Unfortunately, Karmanos was too optimistic. Tenet's response boiled down to three unconscionable components. First, it radically escalated its overcharging practices. After twenty years of administering the parties' contract according to their agreement, common sense, and their consistent course of performance, Tenet started insisting on a new interpretation which resulted in wildly inflated charges by Tenet to Karmanos. Then, Tenet insisted that any new hospital exclude the operating rooms critical to treating cancer patients, in violation of the original Karmanos independence agreements, so that Tenet can continue to charge Karmanos excessive and far-above-fair-market-value costs to bolster the DMC and Tenet's profits. And finally, after Karmanos

protested Tenet's effort to unilaterally rewrite the parties' contract and continue to charge excessive costs for services required for treatment of the cancer patients that Karmanos cares for, Tenet threatened to shut Karmanos down by terminating its services cold turkey if Karmanos did not pay for all inflated and overcharged services immediately.

Given Tenet's abuse of Karmanos, Karmanos desires to evaluate the feasibility of building a new full-service cancer hospital where it will have complete control of all services provided. Such an effort will take several years to complete. During the transition period, Karmanos will need to ensure that patient care remains safe from Tenet's dangerous ultimatums. At the time the new hospital will be operational, Karmanos would wind down its practice of buying services from Tenet. But the threat of an abrupt shutdown is just one more example of Tenet abusing its monopoly power over Karmanos

Tenet's breaches have backed Karmanos into a corner, and its only realistic option is litigation. Thus, Karmanos reluctantly brings this lawsuit. Among other things, it seeks to confirm that the parties' twenty-year interpretation of the original agreement's central price-setting provision was correct, and that Tenet cannot try to rewrite the contract itself. It also seeks compensation for the various contract violations it has suffered, such as overbillings and inadequate services. And it asks the Court to permit it to open its own hospital. Assume for the moment that Karmanos's relationship with Tenet is as exclusive as Tenet says it should be. If that ever made sense, it is no longer reasonable. Michigan law does not permit businesses to restrain trade in a way that harms the public. Here, the harm is evident. Tenet claims nearly unfettered restraint over Karmanos, which it uses to overcharge Karmanos, and by extension its patients. It uses it to deny the region more access to world-class cancer care. And it uses it to threaten Karmanos's existence – and with it the lifesaving care afforded its patients – when Karmanos

stands up to it. It is one thing for Tenet to turn a profit. But greed cannot justify life-or-death threats to patient care. Thus, Karmanos asks this Court to ensure a fair, orderly, and reasonable transition from profit-centered threats to patient-centered progress.

INTRODUCTION

1. Over twenty years ago, the Detroit Medical Center and the Karmanos Cancer Institute entered into a series of agreements under which Karmanos would provide cancer-related medical services at the Detroit Medical Center's Harper complex in Detroit. Karmanos was established as an independent cancer-only hospital, and purchased nursing units, clinical and diagnostic space, and other facilities and land from both Harper Hospital and the DMC. Since that time, Defendants limited Karmanos's operations outside the DMC campus. And they have used these limitations, and Karmanos's reliance on the DMC for services, to force Karmanos to pay unreasonable charges that violate the parties' agreements.

2. In 2010, a nationwide conglomerate called Vanguard Health System ("VHS") bought the defendant healthcare facilities, creating new, for-profit corporations to operate them and renaming them with the VHS moniker. Previous to the takeover, the entities had operated as non-profits. Just three years later, in 2013, VHS flipped the defendant entities to Tenet Healthcare Corporation, which continues to operate the defendant entities as for-profit entities today. Hereinafter, the defendants are referred to collectively as "Tenet" but may be identified with particular entity names where appropriate. These takeovers catalyzed a systematic effort by Tenet to prioritize its own profits over Karmanos's non-profit mission to serve the community and provide patient care.

3. Karmanos Cancer Institute operates the Karmanos Cancer Center (together "Karmanos") under the ultimate ownership of McLaren Health Care Corporation. Each of them

operates as non-profit corporations.

4. Karmanos wants to continue to serve the patient population in Detroit and provide more access to its world-class treatments, clinical trials, community outreach and engagement, cancer prevention programs, and care specialists. Over time, such access will be best served by transitioning away from Tenet's control over certain services, such as laboratory and dietary services in the near term; and, over the long term, other clinical services, should a new cancer hospital be established. In both the long term and the short term, patient care depends on freedom from Tenet's threats to disrupt patient care.

5. Through a series of agreements and legal actions, the Detroit Medical Center and later Tenet ostensibly spun off Karmanos. This created independence in structure, but captivity in practice.

6. These agreements and legal actions resulted in Karmanos becoming a lucrative revenue stream for Tenet, which Tenet has exploited. Tenet is content to receive millions from Karmanos annually, but balks when it comes time for Tenet to provide the services it is duty bound to provide, refusing to invest in or maintain facilities, equipment, utilities, and people. Karmanos has spent tremendous time and funds to maintain its world-class status, despite Tenet's failures to live up to its agreements and perform its duties owed to Karmanos.

7. There has been friction between the parties for years and the relationship has worsened with continued overcharges, refusals to reconcile accounts back and forth, other refusals to act, feet-dragging, refusals to participate in joint activities, failure to cooperate with Karmanos, outright deception, and other bad faith acts by Tenet. Tenet ignores its contractual agreements, the parties' course of dealing and performance, and procedures, whenever doing so suits the exigencies of the moment.

PARTIES, JURISDICTION, AND VENUE

8. Plaintiff Barbara Ann Karmanos Cancer Institute ("KCI") is a Michigan nonprofit corporation. KCI regularly conducts business in Oakland County, Michigan.

9. Plaintiff Barbara Ann Karmanos Cancer Hospital d/b/a Karmanos Cancer Center ("KCC") is a Michigan nonprofit corporation. KCC regularly conducts business in Oakland County, Michigan. Again, unless otherwise specified, this Complaint refers to KCI and KCC jointly as "Karmanos."

10. Plaintiff McLaren Health Care Corporation ("McLaren") is a Michigan nonprofit corporation. McLaren regularly conducts business in Oakland County, Michigan.

11. Defendant VHS of Michigan Inc., d/b/a The Detroit Medical Center is a for profit company. The DMC regularly conducts business in Oakland County, including conducting business with its affiliates, Huron Valley-Sinai Hospital in Commerce Township, Children's Hospital of Michigan in Troy, and DMC Medical Group at locations throughout Oakland County.

12. VHS Detroit Receiving Hospital, Inc., d/b/a Detroit Receiving Hospital and University Health Center ("Detroit Receiving"), is a Delaware profit corporation. Detroit Receiving regularly conducts business in Oakland County, including conducting business with its affiliates, Huron Valley-Sinai Hospital in Commerce Township, Children's Hospital of Michigan in Troy, and DMC Medical Group at locations throughout Oakland County.

13. VHS Rehabilitation Institute of Michigan, Inc., d/b/a Rehabilitation Institute of Michigan ("RIM"), is a Delaware profit corporation. RIM regularly conducts business in Oakland County, including operating numerous locations in Oakland County such as in Troy, Southfield, Birmingham, Oak Park, Pontiac, and Commerce Township.

14. VHS Harper-Hutzel Hospital, Inc. d/b/a Harper University Hospital ("Harper"), is

a Delaware profit corporation. Harper regularly conducts business in Oakland County, including conducting business with its affiliates, Huron Valley-Sinai Hospital in Commerce Township, Children's Hospital of Michigan in Troy, and DMC Medical Group at locations throughout Oakland County.

15. VHS Children's Hospital of MI d/b/a Children's Hospital of Michigan ("Children's"), is a Delaware profit corporation. Children's regularly conducts business in Oakland County, including at its location in Troy.

16. VHS Huron Valley-Sinai Hospital, Inc. d/b/a Huron Valley-Sinai Hospital ("Huron Valley"), is a Delaware profit corporation. Huron Valley regularly conducts business in Oakland County as it is located in Commerce Township.

17. VHS Sinai-Grace Hospital, Inc. d/b/a Sinai Grace Hospital ("Sinai-Grace"), is a Delaware profit corporation. Sinai-Grace regularly conducts business in Oakland County, including conducting business with its affiliates, Huron Valley-Sinai Hospital in Commerce Township, Children's Hospital of Michigan in Troy, and DMC Medical Group at locations throughout Oakland County.

18. VHS University Laboratories, Inc., d/b/a DMC University Laboratories ("DMCUL"), is a Delaware profit corporation. DMCUL regularly conducts business in Oakland County as it is located in Commerce Township.

19. Jurisdiction is proper in this Court pursuant to MCL §600.601 and MCL §600.605, as well as MCR 2.605 because there is a case of actual controversy.

20. Venue is appropriate in Oakland County pursuant to MCL §600.1621(a) because each of the Defendants either has a place of business in this county or conducts business in this county, and pursuant to MCL §445.775.

21. In addition, this Court has jurisdiction, and venue here is proper, because this case seeks enforcement of the parties' settlement agreement in *McLaren Health Care Corporation, et al. v. The Detroit Medical Center*, Case No. 2013-137031-CB, Oakland County Circuit Court (Hon. Victoria Valentine), which they litigated in this Court (the "2013 Oakland Litigation") and the settlement agreement provides for the exclusive jurisdiction over disputes relating to the agreement. As detailed below, the settlement agreement constitutes a master agreement that consolidates and adopts the parties' prior agreements at issue in the litigation.

GENERAL ALLEGATIONS

Karmanos and Defendants enter a comprehensive agreement governing their affiliation.

22. Over the years, the DMC and Tenet[1] and Karmanos have entered into multiple agreements.

23. These begin with the 2004 Asset Acquisition and Lease Agreement (the "Lease Agreement"). In addition to Karmanos's actual purchase of hospital facilities from Harper and the DMC, the Lease Agreement provided in substance for Karmanos to lease space at Tenet's Harper complex for 50 years in order to provide cancer-related services.

24. In 2005, the DMC and Karmanos entered into an Affiliation Agreement (the "Affiliation Agreement"). It formalized the DMC (now Tenet)-Karmanos affiliation and placed restrictions on Karmanos's ability to relocate the cancer services off the DMC main campus or to affiliate with Tenet's competitors.

25. In 2005, the DMC and Karmanos also entered into counterpart Service Agreements (the "Purchased Service Agreements"). Under one of the Purchased Service Agreements, Tenet

[1] Throughout, during time periods before Tenet's involvement, "Tenet" refers to Tenet's predecessor or affiliate thereof.

agreed to sell to Karmanos, and Karmanos agreed to buy from Tenet, certain clinical and non-clinical services (the "DMC to KCC Services Agreement"). The other Purchased Service Agreement provided the converse. The parties also agreed to a methodology for calculating charges for purchased services.

26. Karmanos and Tenet entered into the following additional agreements, among others:

a. First Amendment to Asset Acquisition and Lease Agreement, dated June 1, 2005;

b. Information Technology Implementation Agreement dated December 1, 2005 (the "IT Agreement");

c. Agreement Regarding Operations, Property Use, Use of Name and Option to Reacquire Facilities, dated November 30, 2005 (the "Agreement Regarding Operations, Property Use, Use of Name and Option to Reacquire Facilities");

d. Marketing and Licensing Agreement, dated November 30, 2005 (the "Marketing and Licensing Agreement");

e. Facility Maintenance, Access, Easement and Cost Sharing Agreement, dated November 30, 2005 (the "Facility Maintenance Agreement");

f. DMC Right of First Refusal and Consent Agreement, dated November 30, 2005; and

g. The Education Affiliation Agreement dated November 30, 2005, as amended and superseded from time to time (the "Education Affiliation Agreement").

These agreements, as well as other agreements not listed above, were made between KCI and various of the Tenet entities. They constituted a single integrated agreement, referred to here as the "Agreement." Each of them became effective on December 1, 2005. All of them are in the

possession of Defendants and therefore, pursuant to MCR 2.113(F)(l)(b), are not attached hereto.

27. KCC is an intended third-party beneficiary of the Agreement.

The parties' Agreement was supposed to protect Karmanos from exorbitant prices.

28. The arrangement made Karmanos vulnerable. It restricted Karmanos's ability to depart from Tenet's main DMC campus while at the same time forcing Karmanos to buy services from Tenet. This gave Tenet significant potential leverage over Karmanos and, by extension, its patients.

29. Given this inherent vulnerability, Karmanos negotiated protections against abusive pricing. The DMC to KCC Services Agreement governs the price that Karmanos pays for services provided by Tenet. The prices are based on the application of Harper's ratio of costs to charges (its "RCC") to the prices generally charged for certain services.

30. RCC is a concept used in the field of hospital finance. It generally means, for a given type of service within a hospital, the ratio of the hospital's cost to provide the service as compared to the price it charges for the service. So, for example, if it costs a hospital $2,500 to provide a certain service, and it charges $10,000, then its RCC for the service would be .25.

31. Specifically, the DMC to KCC Services Purchase Agreement says that "services shall be provided at a cost determined on the ratio of the departmental cost to charges." Section 1.1.

32. The DMC to KCC Services Agreement includes a methodology and formula for the DMC to calculate charges for its services in Exhibit 1.1(b).

33. Exhibit 1.1(b) to the DMC to KCC Services Agreement states, in pertinent part:

> The RCC shall be calculated using a formula by which patient charges for selected Harper ancillary departments serve as the numerator in the equation and related direct costs and certain indirect costs are included within the denominator. Direct costs

include all labor and supply expenses directly assigned to the specific Harper department providing the ancillary service. Indirect costs shall include a portion of general overhead expenses allocated to the Harper department providing the ancillary service. The Parties have agreed on the specific indirect costs to be included in the RCC calculation and will continue to assess the applicability of such expenses in future years.

***

Example 1

CPI for 2006: 4%

Harper Operating Room rate increase effective January 1, 2007: 2%

Calculation:

$$\frac{5,759,000 \times 1.04}{22,417,000 \times 1.02} = \frac{5,989,360}{22,865,340} = \text{2007 "RCC"} \quad .2619$$

34. The formula described above in the body of Exhibit 1.1(b) for the calculation of the RCC and the formula in the example are inconsistent. This inconsistency is plainly a mistake by the parties; they intended to memorialize the industry-standard RCC formula or costs divided by charges, as opposed to the opposite.

35. The second paragraph of the body of Exhibit 1.1(b), quoted above, states that charges are the numerator and costs are the denominator in the ratio while, in contrast, the example shows that costs are the numerator and charges are the denominator in the ratio.

36. The example generally reflects the industry-standard method of computing RCC.

37. The parties agreed to use this method of computing RCC, with the industry-standard framework of costs as the numerator and charges as the denominator in the ratio, subject to calculated adjustments for future years (the "Calculated RCC"), and it is the formula that both sides used from 2006 through mid-2025.

38. This agreement was made in writing, including the example in Exhibit 1.1(b); on the monthly charges identifying services provided for Karmanos patients; and Tenet's monthly invoices to Karmanos incorporating the formula using the industry-standard-consistent method from the example in Exhibit 1.1(b).

39. The parties further agreed that the ratio would be multiplied by Karmanos's patient charges.

40. The Agreement provides for this Calculated RCC to be applied to Karmanos's charges for the service in question. Otherwise, the formula would entail mere surplusage. There would be little reason for the parties to agree to a price determined as follows:

$$\frac{\text{Harper's cost}}{\text{Harper's patient charge}} \times \text{Harper's patient charge}$$

When they could have simply agreed to the mathematically identical:

Harper's cost.

41. Thus, the language's plain meaning is that the parties agreed to determine prices based on the following general formula:

$$\frac{\text{Harper's cost}}{\text{Harper's patient charge}} \times \text{KCC's patient charge}$$

42. The parties agreed that the application of the Calculated RCC to KCC's patient charge is the proper formula and it is the formula that both sides used from 2006 through mid-2025.

43. This agreement was made in writing, including annual written statements of KCC's patient charges that it provided to Tenet in order for Tenet to perform the calculation of amounts it was to invoice to Karmanos; the annual Calculated RCC rate that Tenet provided to Karmanos

on an annual basis; and Tenet's monthly invoices to Karmanos incorporating the formula applying the Calculated RCC to KCC's patient charges.

44. Even if the agreement was ambiguous, the parties' 20-year course of performance always determined the price that Karmanos paid for a service by applying Harper's service-specific Calculated RCC to KCC's patient charge (not Harper's patient charge) for the service.

45. Using Karmanos's general charges as the charges against which to apply the Calculated RCC reduced the risk of Tenet claiming unreasonably high "charges" as the basis for its calculation and charges to Karmanos. This risk was exacerbated by the realities of hospital price-setting generally and Tenet's market position specifically. Hospitals generally cannot charge the equivalent of "list prices" for services. For Medicare and Medicaid patients, hospitals generally must accept the prices that the government is willing to pay. And they ordinarily negotiate the prices paid by private insurance carriers. As for Tenet, especially at the DMC Main Campus in Detroit, it provides care for a disproportionate number of patients insured by Medicare and Medicaid, with its remaining patients disproportionately insured by large insurers covering institutional employers. Thus, if Tenet were to charge Karmanos for services based on Tenet's own "charges," Karmanos would be one of the few payors – if any – paying a price based on Tenet's supposed list price.

46. Alternatively, if Tenet argues that the Exhibit 1.1(b) to the DMC to KCC Services Agreement means either a non-industry-standard-based RCC, or its application to Harper's charges instead of Karmanos's, then the parties mutually assented to amend and/or modify the provision to use the industry-standard-based ratio calculation in the example of Exhibit 1.1(b) and apply it to KCC's patient charges and to waive any provision requiring amendments or modifications to be in writing.

47. The mutual assent to waive discussed in the previous paragraph is shown through Tenet's affirmative actions of: agreeing to use the industry-standard-based ratio calculation in the example in Exhibit 1.1(b) and using KCC's patient charges despite Tenet's knowledge that the parties could amend the written contract to reflect the application of the Calculated RCC to Harper's patient charges; communicating frequently with Karmanos regarding the cost of services billed to Karmanos without challenging the use of Karmanos's patient charges; and written and oral communications and discussions with and from Tenet confirming the calculation of those bills using the industry-standard-based ratio calculation in the example in Exhibit 1.1(b) and using KCC's patient charges.

48. From 2006 through mid-2025, the parties' used the industry-standard-based calculation of the ratio as shown in the example in Exhibit 1.1(b) and multiplied it by KCC's patient charge rates to determine the invoice amounts.

Tenet's predecessor used the Agreement to keep Karmanos from competing elsewhere in Detroit.

49. Within the first few years after the Agreement, the DMC aggressively imposed severe restrictions on Karmanos's ability to operate independently of the DMC.

50. In 2007, the DMC successfully used the Agreement to keep Karmanos from opening an independent hospital. St. John's Hospital in Detroit, also sometimes known as the Riverview Hospital, had announced its closure. Karmanos explored buying the facility for its operations. In response, the DMC sued in Wayne County Circuit Court. It argued that the Agreement forbade Karmanos from operating at the Riverview site as opposed to at the DMC campus in Detroit. Karmanos argued that the Agreement did not contain such a harsh exclusivity provision. But the Wayne County Circuit Court found that the DMC was likely to prevail on its

claim and entered a preliminary injunction against Karmanos from opening a new hospital at the Riverview site.

51. Thus, at least with respect to the proposed Riverview operation, the DMC, later Tenet, effectively held Karmanos captive. As an on-site affiliate, Karmanos was dependent on Tenet for hospital, laboratory, and other services. And the Wayne County Circuit Court had interpreted the parties' Agreement to be a noncompete agreement that forbade Karmanos from establishing a competitor to provide the services itself.

Tenet used its restraint-of-trade leverage over Karmanos to extract as much profit as possible.

52. In the wake of the Wayne County injunction, Karmanos had nowhere else to turn. Tenet took advantage of this situation.

53. By 2010, the initial five-year term of the Purchased Service Agreements expired. The two Purchased Services Agreements were extended in 2010 by the written Extension Agreement. Defendants are in possession of a copy of the Extension Agreement.

54. Instead of negotiating a renewal in good faith as the agreements required, Tenet imposed commercially unreasonable above-market terms on Karmanos.

55. Tenet's relentless economic pressure on Karmanos put Karmanos's survival at risk. Fortunately, in the midst of Tenet's assault, McLaren Health Care Corporation ("McLaren") agreed to invest in Karmanos as a non-profit subsidiary in 2013.

56. As part of the McLaren transaction, McLaren and Karmanos anticipated that Karmanos would provide cancer-related services at McLaren's facilities in Oakland County.

57. Evidently concerned that the McLaren transaction would protect Karmanos from Tenet's predation – and thereby reduce Tenet's ability to abusively profit from its captivity of

Karmanos – Tenet took the position that Section 6 of the parties' Affiliation Agreement ("Section 6") barred Karmanos from providing services at McLaren's Oakland County facilities.

58. Thus, by the early teens, Tenet had imposed compounding crises on Karmanos: it had secured a judicial interpretation of the parties' Agreement that barred Karmanos from operating independently at the Detroit Riverview site; it was asserting that the Agreement also barred operation in Oakland County; and it was using the resulting leverage to, in effect, price gouge Karmanos.

Karmanos brings the predecessor to this case.

59. These circumstances put Karmanos's survival at risk. They left Karmanos with no choice but to bring the 2013 Oakland Litigation.

60. In its initial 2013 complaint and the later amended complaint, Karmanos alleged that, to the extent Section 6 gave Tenet a veto over Karmanos operating in Oakland County, it was an improper restraint on trade; that Tenet was unreasonable in its refusal to consent to Karmanos's proposed Oakland County operations; and that Tenet had taken advantage of its anti-competitive leverage over Karmanos to overcharge Karmanos for deficient services, facilities, and equipment, and to otherwise impose economic harm.

61. More specifically, Karmanos alleged that, to extent that Section 6 allowed the DMC to preclude Karmanos from Oakland County operations, it was an improper non-compete agreement under the Michigan Antitrust Reform Act. The DMC moved for summary disposition; on this issue, it argued that the restriction was not a non-compete agreement. This Court agreed, but allowed Karmanos to plead instead that MCL §445.772 barred such a restriction here as an unreasonable restraint of trade. Karmanos did so and, when the DMC moved for summary disposition again, this Court allowed the claim to proceed.

62. None of Karmanos's pleadings in the case addressed the application of Section 6, or any other purported competition limitation, on Karmanos's operations in Wayne County.

The parties settle the predecessor lawsuit.

63. Karmanos, McLaren, and the DMC eventually reached a Settlement Agreement dated October 8, 2015 (the "Settlement Agreement"). Defendants are in possession of a copy of the Settlement Agreement.

64. In effect, the Settlement Agreement reflected an omnibus restatement of the Agreement. While it does not replace the prior individual agreements – and, as discussed below, largely reaffirms them – it amended them and constituted a comprehensive agreement governing the parties' relationship.

65. For Karmanos, the primary benefit of the Settlement Agreement bargain was to be the implementation of fair prices reflecting fair-market dynamics as opposed to the asserted trade restraints.

66. In particular, the Settlement Agreement affirmed and ratified the parties' written agreements and general course of performance: the application of Harper's Calculated RCC's, with reasonable inflation adjustments, to KCC's charges and using the industry-standard method of calculating the ratio, as written in the example in Exhibit 1.1(b).

67. In order to ensure that these practices resulted in fair market-based prices – as opposed to reflecting impermissible trade constraints – the parties agreed to hire an outside consultant to determine proper prices. Settlement Agreement at Section 4.3. The parties agreed to use this fair price, unless it deviated by too much from the contractual price.[2] *Id.* In that case, the

[2] Again, under the parties' course of performance and agreement text, the application of Harper's Calculated RCC to Karmanos's charges, subject to annual adjustment, determined the contractual price.

parties' price would rise or fall in the direction of the consultant's determined price, but only to a predefined extent. *Id.*

68. Specifically, the applicable language provides as follows:

> 4.3 The external firm's determination as to the commercial reasonableness of the cost and charging methodologies, and adjustments reasonable and necessary to make those costs and charging methodologies commercially reasonable and consistent with fair market value, shall be binding on the Parties for future charges under the new Purchased Services Agreements, subject to a maximum of 7.5% increase or decrease (in the aggregrate) from the 2015 charge rates. The total charges by The DMC to KCC for
>
> purposes of that 7.5% threshold shall exclude any one-time Information Technology project costs requested by KCC.
>
> a. Charges and cost methodologies under the current Purchased Services Agreements shall remain in effect and unchanged until new charge rates become effective; provided, however, a 1.5% annual CPI increase will apply to Purchased Services performed during 2016 instead of the historic annual 3.5% CPI increase.
>
> b. The new charge rates apply prospectively only. There will be no retroactive adjustment by either Party based on the new charge rates other than as described in Section 4.5.

69. Thus, in addition to providing for the outside professional to determine the commercially reasonable and fair-market based prices to be charged, Section 4.3 was a strong protection against dramatic price swings, and a reaffirmation of the parties' longstanding course of performance in terms of price-setting practices based on application of the Calculated RCC to the Karmanos charges.

70. According to section 4.3 of the Settlement Agreement, "[c]harges and cost methodologies under the current Purchased Services Agreements shall remain in effect and unchanged until new charge rates become effective."

71. Further, Section 4.8 of the Settlement Agreement provides that the rates charged by Tenet to KCC for services under the existing Purchased Services Agreement would be adjusted annually.

72. Section 4.8 of the 2015 Settlement Agreement states:

> 4.8 Annually, rates charged pursuant to the Purchased Services Agreements and Laboratory Services Agreement (excluding the cost of blood products) will be adjusted by the average of the percentage changes in: (a) the annual Consumer Price Index for Medical Care for the selected area of Detroit-Ann Arbor-Flint, MI, as published by the Bureau of Labor Statistics of the United States Department of Labor; and (b) the annual Harper Hospital Medicare rate change as determined by CMS, but excluding GME, bad debt, and DSH, and without regard for federal sequester or similar across-the-board federal payment adjustments. The external firm referenced in Sections 4.1, 4.2, and 4.3 shall also review the annual inflation approach and provide the Parties with recommendations to ensure the annual inflation factor, if any, is commercially reasonable and within fair market value.

73. According to Section 4.8 of the Settlement Agreement, the annual adjustments of the rates are required to be reviewed by an external independent qualified health care valuation firm, as to the rate itself and the adjustment, according to the inflation approach.

74. Also, according to Section 4.8 of the Settlement Agreement, the external independent qualified health care valuation firm is to "provide the parties with recommendations to ensure the annual inflation factor, if any, *is commercially reasonable and within fair market value.*" (Emphasis added.)

75. In the Settlement Agreement, the DMC, Karmanos, and McLaren also agreed to establish a Cancer Joint Oversight Committee and a Cancer Operations Joint Oversight Committee comprised of top executives to manage the parties' ongoing relationship (the "Committee"). Settlement Agreement at Section 6.

Defendants commit breaches of the Settlement Agreement.

Tenet breached the obligation to employ an outside consultant to determine market-based prices.

76. Unfortunately, Tenet failed to live up to these central Settlement Agreement obligations.

77. The parties initially hired Price Waterhouse Cooper ("PWC") to analyze the prices and determine market-based rates.

78. PWC's analysis confirmed that the parties were calculating the RCC according to the example in Exhibit 1.1(b) of the DMC to Karmanos Services Agreement and also that the parties were multiplying this Calculated RCC by KCC's patient charges.

79. But Tenet has refused to participate in the annual review process and has not subjected its charges to the scrutiny of an external independent qualified health care valuation firm, thus insulating its charges from review to determine if they are commercially reasonable and within fair market value and frustrating the operation of the price-adjustment process.

80. Similarly, Tenet refused to fully participate in the Committee, despite Karmanos's repeated pleas. While it has attended some Committee meetings, its pattern has been to attend a few meetings to try to appease Karmanos but then fade out and fail to follow up on issues raised by Karmanos at such meetings.

81. In the meantime, the prices that Tenet charged Karmanos diverged further and further from the parties' agreements, course of performance, and economic rationality.

82. These failures put the parties' Agreement at risk and raised anew the risk that it imposed trade restraints that, no matter Karmanos's efforts, could simply not be reconciled with Michigan law.

Tenet breached the obligation to charge commercially reasonable prices for laboratory services.

83. The Settlement Agreement required that the DMC enter into a new Laboratory Services Agreement by January 1, 2016.

84. Section 4.6 of the 2015 Settlement Agreement states as follows:

> 4.6 KCC and The DMC will enter into a new "Laboratory Services Agreement" that will reflect the structure and pricing provided in the October 5, 2014 Karmanos Cancer Center Laboratory and Blood Products Pricing Schedule (Exhibit A attached), subject to the recent agreement on pricing adjustments for blood products described in Exhibit B attached. The pricing for the new Laboratory Services Agreement shall reflect a $2 million reduction from payments for the 2014 actual KCC laboratory and blood cost expense (which is approximately $17 million), and the Parties will sign the new Laboratory Services Agreement by January 1, 2016. The Parties acknowledge that the pricing referenced above for Laboratory Services and blood products is intended to be consistent with fair market value in arm's length transactions. The external firm will determine whether the charges under the new Laboratory Services Agreement are consistent with fair market value. In the event that the charges payable under the new Laboratory Services Agreement are determined not to be consistent with fair market value, the pricing will be revised to be within the range of fair market value, as such fair market value is determined by the external firm.

85. The DMC dragged its feet and did not enter into such an agreement until two years later.

86. In 2018, KCC and DMCUL executed a Laboratory Services Agreement. Defendants are in possession of a copy of the Laboratory Services Agreement.

87. The DMC further pressed its advantage with the Laboratory Services Agreement, requiring that KCC ***exclusively*** use the DMCUL for laboratory services, except in limited circumstances.

88. The charges for services under the Laboratory Services Agreement incorporated the Settlement Agreement's requirement that the DMCUL's charges were to be based on commercially reasonable rates and fair market value per the Settlement Agreement, and will be adjusted annually according to a consumer price index adjustment, per the Settlement Agreement. Laboratory Services Agreement at Section 8.

89. However, Tenet is not charging commercially reasonable rates or rates within fair market value for laboratory tests.

90. For example, and without limitation, the DMC, DMCUL, and Harper are charging

KCC $14.39 per laboratory test. This is up from its 2025 fee of $12.62 per test. Yet, McLaren's rate for laboratory tests is $7.60 per test. In comparison, the Michigan Department of Health and Human Services Clinical Fee Schedule average reimbursement (as of April 2025) for the type of tests at issue is $9.99 per test.

91. Because of Tenet's asserted exclusivity provision and its methods of tying Karmanos to Tenet, KCC is paying almost double the rate it could be paying if it used competing services.

92. In the Laboratory Services Agreement, Karmanos carved out certain IT related services from the earlier IT Implementation Agreement, requiring Tenet to provide software interfaces that would allow KCC's software to interact with Tenet's software.

93. By requiring Tenet to provide the IT interface, KCC could free itself from the old, outdated software used by Tenet but still facilitate access between the two systems.

94. In addition, the DMC through DMCUL agreed to "take all steps available to it to ensure KCC's continued access to and use of Sunquest and other software used by DMCUL in connection with the Services (which shall include any successor system or software used by DMCUL for its laboratory information system.)."

95. Section 1(p) of the Laboratory Services Agreement states:

> (p) **Information Technology Services.** During the Term of this Agreement, DMCUL shall provide, directly or through its outsource provider(s), the information technology services described in **Exhibit O** in support of the Services (the "**IT Services**"), which shall include an electronic interface for laboratory orders and test results reporting, downtime processes and notifications. DMCUL shall provide to KCC the report attached hereto as **Exhibit P** each month, which shall provide information on DMCUL's performance of IT Services for the prior month. DMCUL shall take all steps available to it to ensure KCC's continued access to and use of Sunquest and other software used by DMCUL in connection with the Services (which shall include any successor system or software used by DMCUL for its laboratory information system). Such KCC access is essential to enable KCC's view of lab results if Cerner (or a successor system to Cerner) is down.

96. Section 1.B. of Exhibit O of the Laboratory Services Agreement states, in pertinent

part:

B. Interfaces – Functions supported

- 7x24 support monitoring for all lab interfaces to assure their successful completion
- Full redundant back up of the interface systems
- Development of any new lab interfaces or changes to existing interfaces
- Participate in the resolution of any lab transaction transmission errors
- Interface system upgrades

97. Section 1(c) of the Laboratory Services Agreement states: "**Exclusivity**. DMCUL shall be the exclusive provider to KCC of the Services, except for the circumstances described in subsection (d) below and except where a patient's insurance requires use of another provider and the parties agree that the Services shall not include specialty genetic, molecular testing and testing which are research activities of KCC and its affiliates."

98. DMC uses a very early version of Cerner software for its electronic medical records ("EMR").

99. When KCC was established as an independent cancer hospital it contracted with the DMC to continue to use the DMC's old version of Cerner.

100. McLaren uses the latest version of Cerner on the Oracle platform.

101. KCC desires to use the Cerner-Oracle software because, among other things, the DMC Cerner software is very old, outdated, and is no longer supported by the software company.

102. Due to the DMC's other IT infrastructure that supports the old Cerner EMR, KCC expects the DMC to bar it from using the McLaren Cerner-Oracle platform.

103. KCC has requested that the DMC and/or DMCUL create an electronic interface between Tenet's Cerner software and McLaren's Cerner-Oracle for the purpose of requesting and posting laboratory results that McLaren can provide at a far cheaper rate than DMC is charging KCC.

104. Because KCC is required to exclusively use DMCUL as the laboratory services provider (with some exceptions), KCC cannot move to the use of the Oracle system without the DMC or the DMCUL providing the software interface.

105. However, the DMC and DMCUL failed to implement the interface.

106. Without the interface, KCC will not be able to order, process, track, review, and receive reports of laboratory tests in order to timely treat patients seeking to determine if they have cancer and in order to treat patients with cancer.

Tenet breached its obligation to negotiate new service agreements.

107. In Section 4.4 of the Settlement Agreement, KCI, KCC, McLaren, and the DMC agreed that KCC and the DMC will enter into new purchased services agreements that will reflect costs and charging methodologies consistent with fair market value and with agreed upon Service Level Agreements for the provision of specific services.

108. The parties also agreed in Section 4.4 of the Settlement Agreement that the new purchased services agreements will be effective October 1, 2016.

109. Section 4.4 of the Settlement Agreement states as follows:

> 4.4 KCC and The DMC will enter into new Purchased Services Agreements that will reflect the costs and charging methodologies consistent with fair market value resulting from the external firm's determination with agreed upon Service Level Agreements ("SLAs") in the provision of services. The new Purchased Services Agreements will be effective October 1, 2016.

110. Again, Tenet delayed implementation of the Settlement Agreement and did not enter into a Master Services Agreement until 2021.

111. The Master Services Agreement was entered into by KCC with the DMC on behalf of its hospital subsidiaries, Children's, Detroit Receiving, Harper, Huron Valley, RIM, and Sinai-Grace. Defendants are in possession of a copy of the Master Services Agreement.

112. The idea was to replace the parties' existing Purchased Services Agreement on a service-by-service basis and move to a structure with an umbrella agreement, with each particular service then governed by a new Scope of Work, setting the terms and price for the specific service.

113. Such services include, but are not limited to,

a. operating room services,

b. cardiology services including cardiac cath lab services and non-invasive cardiology services,

c. radiology services,

d. intensive care unit services,

e. pulmonary services,

f. surgery services,

g. rehabilitation services,

h. pharmacy goods and services,

i. anesthesia services,

j. occupational health services,

k. maintenance services,

l. central sterile processing services,

m. morgue services,

n. EEG testing services,

o. CT simulation for radiation treatment planning,

p. apheresis services,

q. clinical engineering services,

r. food and nutrition services,

s. materials resource management services,

t. patient transportation services,

u. practitioner credentialing services,

v. security services,

w. parking, badges, and external transportation services,

x. Davinci surgical supplies,

y. Gershenson Radiation Oncology services,

z. cyclotron services

aa. non-clinical radiation oncology center services,

bb. gamma knife services, and

cc. services relating to the use of floors 5, 8, 9, and 10 of the Webber North building.

114. The Agreement, the Settlement Agreement, the Laboratory Services Agreement, and the Master Service Agreement with associated Statements of Work together govern the parties' relationship as the "Updated Agreement."

115. Of the dozens of clinical and non-clinical services conducted between and among the parties, only a few statements of work have been entered into between and among KCC, KCI, and Tenet, the first of which was not entered into until 2022. Defendants are in possession of a copy of the Statements of Work for each of these services.

116. Thus, the first of the Statements of Work was not implemented by Tenet until seven years after the Settlement Agreement.

117. KCI, on the one hand, and the DMC, Children's, Detroit Receiving, Harper, Huron Valley, RIM, and Sinai-Grace, on the other hand, are providing numerous goods and services to each other that are not the subject of any new service-level agreement or statement of work.

118. Despite Karmanos's efforts to reach agreements with the DMC, Children's, Detroit Receiving, Harper, Huron Valley, RIM, and Sinai-Grace, these Defendants have not entered into statements of work for numerous services that they provide and that KCC provides.

119. The DMC, Children's, Detroit Receiving, Harper, Huron Valley, RIM, and Sinai-Grace have rebuffed Plaintiffs' efforts to effectuate implementation of statements of work, by dragging out the process of entering into applicable agreements and often ignoring communications relating to the process or ignoring draft agreements provided by Plaintiffs.

120. KCC was a direct party to the Master Service Agreement, and the parties intended for KCI to be a third-party beneficiary.

121. Pursuant to Section 6 of the Settlement Agreement, McLaren, KCC, and the DMC established the Cancer JOC and the Cancer Operations JOC. However, after a short while, Tenet's participation waned and these committees have not been active on a regular basis. Even when active, Tenet fails to meaningfully follow up on issues that are raised by Karmanos. As such, the JOC's have not performed the function of annually reviewing and implementing changes in pricing of the Purchased Services Agreements, the Laboratory Services Agreement, and the IT Services Agreement required in Section 6.3. As a result, the Cancer JOC and the Cancer Operations JOC are not functioning as intended and Tenet has breached its obligations and frustrated the purposes of these bodies.

In recent years, Tenet has systematically breached the Updated Agreement.

Overview.

122. Since 2017, Harper has been increasing their charge rates for clinical services an average of 10% annually, well in excess of any inflationary cost increases and well above other local market competitor charge increases, for the purpose of extracting additional revenues from

Karmanos.

123. Defendants have also breached the Updated Agreement by unilaterally changing the methodology for calculating charges to KCC under the current DMC to KCC Services Agreement for all of the services not covered under the Master Services Agreement and a Statement of Work.

124. Defendants' unilateral change to the charge formula resulted in dramatically increased invoice amounts asserted by Defendants to KCC.

125. Defendants have not ensured that their annual increases in their services charges are commercially reasonable or consistent with fair market value.

126. Defendants have imposed retroactive charges and interest charges not due under any agreement.

127. In light of Defendants' breaches, Plaintiffs have refused to pay the inflated amounts in Tenet's invoices.

128. Defendants have further overcharged Plaintiffs by demanding interest on the amounts they are overcharging.

129. Plaintiffs have refused to pay the illegitimate interest charges.

130. Tenet has also provided inadequate services in violation of the Updated Agreement.

Tenet's inadequate services.

131. Every contract for services, including the Updated Agreement, includes an implied term that the services will be performed in a diligent, reasonably skillful, and workmanlike manner.

132. Tenet was bound to perform in a diligent, reasonably skillful, and workmanlike manner in performing the Updated Agreement.

133. Tenet has breached the Updated Agreement by failing to provide services, and/or by providing services without performing in a diligent, reasonably skillful, and workmanlike manner.

134. Several of these breaches relate to the Facility Maintenance Agreement. KCC, the DMC, Harper, and Detroit Receiving are parties to the Facility Maintenance Agreement which requires the DMC to provide infrastructure maintenance including, but not limited to, "parking deck repair and maintenance" for the parking spaces Karmanos leases from Harper for its employees, visitors, and patients to use. The DMC, Harper, and Detroit Receiving have breached the Facility Maintenance Agreement by failing to provide services, and/or by providing services without performing in a diligent, reasonably skillful, and workmanlike manner. In recent years, such failures – relating to the Updated Agreement generally and, at times, the Facility Maintenance Agreement more specifically – have included, but not been limited to, the following:

a. Tenet has refused to respond to Karmanos's reasonable request to support implementation of additional cancer treatment protocols such as HIPEC and Hepzato in the DMC operating rooms.

b. Food service has been consistently substandard, both in terms of food quality and service. Karmanos's staff often has to go to the food court or a store to purchase something for patients to eat.

c. Tenet refuses to cooperate in Karmanos's efforts to lease an abandoned Harper cafeteria to provide its own food services. Specifically, Karmanos identified a location, the parties prepared the necessary documentation, Karmanos began procuring equipment. But just before executing the lease, Tenet pulled the rug out from under the project and refused to finalize it.

d. Tenet's failure to provide satisfactory IT services makes it more difficult to share imaging scans between Karmanos and the DMC hospitals when treating shared patients.

e. Tenet changed the infusion pump platform without notice to or involvement from Karmanos despite regular requests for both information and involvement in the process. Previously, the parties operated on a shared infusion pump platform and library.

f. Elevators are consistently out of service across the campus.

g. Tenet has failed to provide preventive maintenance for facilities and equipment.

h. Tenet is not providing the utility services required by Karmanos and Karmanos has had to pay out of pocket to obtain the necessary utility service.

i. Provider credentialing, another of Tenet's services, has not been appropriately conducted.

j. The crash carts that Tenet provides are in poor repair and Tenet has not timely replaced them upon use.

k. For years, Tenet's North Deck parking structure has been in disrepair, with concrete falling onto parked cars. When Karmanos reported this to DMC Security, the response was, in words or substance, "this happens all the time, we just deal with them for the repairs." Even with repairs finally underway, the facility needs additional repair and maintenance.

l. Systematically, Tenet has failed to provide timely communication of important information such as scheduled downtimes, telephone number changes, and product changes.

m. The DMC and Harper are overcharging for anesthesia services and not crediting payments from other sources in its billings to Karmanos.

n. The DMC and Harper are overcharging for fees for floor space used by Karmanos under a condominium arrangement.

These are not only, in and of themselves, breaches of the Updated Agreement and the Facility Maintenance Agreement. They also reflect Tenet's abuse of its control over facilities and services. This abuse has deprived Karmanos of the benefit of its bargain.

Karmanos explores development of a new hospital, and Tenet retaliates by intensifying its breach of the parties' contracts.

135. With the status quo increasingly untenable, circumstances have forced Karmanos to reinvigorate the original plan to build a new hospital facility for Karmanos on the DMC's Main Campus on land that was acquired by Karmanos under the original agreements. In November 2024 Karmanos and Tenet jointly agreed to renew efforts to assess, plan and design a new cancer hospital on the DMC main (the "Proposed Hospital").

136. Karmanos opening an independent hospital such as the Proposed Hospital should not impose any real harm onto Tenet because the vision from the inception of the Agreement was for Karmanos to build and move into a standalone facility. However, as years have passed and Karmanos' captivity has enriched Tenet tens of millions of dollars annually, Tenet now sees the original plan as a threat to its revenue stream and its leverage. If the Proposed Hospital is built, Tenet would no longer be able to extract monopoly prices from Karmanos.

137. In response to Karmanos' renewed efforts to build the new facility, Tenet has stalled its contractual duties to cooperate in planning the facility and has hiked its prices charged to Karmanos through the roof. As part of these delays, Tenet demanded that Karmanos execute new agreements which would have required Karmanos to give up rights under the Updated

Agreement. Karmanos refused. Tenet insisted that any new hospital exclude the operating rooms critical to treating cancer patients, in violation of the original Karmanos independence agreements, so that Tenet can continue to profit from excessive prices. Additionally, Tenet indicated that it would not support any Proposed Hospital planning activities, in violation of the Agreements, until all inflated and unjustified DMC invoices, which Karmanos continues to dispute, are paid in full – another violation of the Agreements.

138. Systematically, prices had floated within a range, consistent with the Settlement Agreement's prohibition on abrupt changes. As soon as Karmanos told Tenet about the Proposed Hospital, Tenet changed the method of calculating charges – the method that had been in use by the parties for 20 years – and began invoicing Karmanos at radically elevated prices, vastly exceeding the Settlement Agreement's limits on price adjustments.

139. Specifically, in mid-2025, Tenet unilaterally changed the formula. It apparently began applying the Calculated RCC to Harper's charge rates instead of KCC's.

140. Tenet's unilateral change to the charge formula resulted in dramatically increased invoices to KCC. Billings for surgeries and clinical purchased services increased from $2.174 million in June 2025 to $5.855 million in July 2025, a 169% increase.

141. For example, for surgery services, Tenet had been consistently invoicing KCC the equivalent of approximately $5,400 per surgical case for KCC operating room cases from 2019 through 2024.

142. However, in July 2025, Tenet unilaterally began invoicing KCC the equivalent of approximately $18,500 per surgical case for KCC operating room cases.

143. Based upon information provided by Tenet, its cost per surgical case is more than six times less than the current charge and even lower than the recent historical rate of $5,400 per

surgical case.

144. Tenet has increased its per surgical case charges for KCC operating room cases by over 250% in the period July 2025 through the present as compared to the period years of 2019 through 2024. Normal inflation cost can range between 3-5% annually. Thus the over-250% increase in KCC's per case cost is driven to extract extremely high profits from KCC that are completely unjustified and outside any agreements.

145. These increases were clearly retaliation for Karmanos's suggestion that it was again planning to build the Proposed Hospital. The timing leaves little room for any other inference.

146. Tenet's current purported prices are not merely retaliatory. They also violate the parties' Updated Agreement.

147. Tenet has withheld fulsome pricing information from Karmanos. But, upon information and belief, Tenet has violated the Agreement text and deviated from the parties' more-than-20-year practice of calculating prices by applying Harper's Calculated RCC to Karmanos's charges. Instead, upon information and belief, Tenet is now applying Harper's Calculated RCC to its Harper's charges, instead of KCC's charges.

148. In connection with this change, Tenet issued an invoice in June 2026 for the amount of $60 million seeking retroactive payments and interest.

149. Karmanos has refused to pay this illegitimate invoice and others like it, but has been making payments consistent with historical practice.

150. As discussed above, for surgery services, Tenet has increased charges by about 300%.

151. Moreover, as to at least some services, Tenet is using completely unfounded RCC's. The DMC is required to publish its RCC's in a publicly available Center for Medicare Service

report each year (its "CMS Report"). For 2025, the Calculated RCC's that the DMC reported in its invoice details to KCC exceeded its CMS Report RCC's.

152. Even without full access to information, it has become apparent that Tenet is abusing its leverage over Karmanos to drive Tenet's profits. For example, over a recent period, Karmanos accounted for about 24 percent of the operating room cases performed at the Harper operating rooms, but it is being charged in excess of 75 percent of the total Harper annual cost with respect to the operating rooms.

153. Over the long term, Karmanos cannot survive these breaches. Under the Updated Agreement, Tenet has charged the Karmanos Cancer Institute about $28.5 million for clinical, information technology, and laboratory services. Now Tenet is trying to unilaterally change the contracts to charge Karmanos over $82 million a year. The five-year total of the non-contractual increases would amount to over $265 million.

Tenet has unreasonably violated its obligations to Karmanos and imperiled ongoing patient care.

154. As detailed throughout, Tenet has consistently and comprehensively breached the Updated Agreement.

155. Tenet's conduct has not only breached the Updated Agreement's express contract terms as detailed throughout. Tenet has failed to act in good faith and has not engaged in fair dealing with Karmanos and McLaren. As a result, it has deprived Karmanos of its benefit of the bargain.

156. Tenet's conduct is not only a breach of the Updated Agreement. Defendants owe Karmanos fiduciary duties based on a) the fact that they are working together for the important purpose of healing and saving lives; b) the need to accurately account for and record services that are being provided by Defendants; c) the interrelation between and among Karmanos and

Defendants; d) the sharing of common facilities, equipment and services; e) the information sharing requirements in the Settlement Agreement; f) cooperation in serving common patients; and g) the manner in which the relationship was formed, set up, and conducted over the years.

157. As set forth above, Defendants have, among other things, failed to cooperate with Plaintiffs; failed to provide reasonable consents for Karmanos to act; failed to provide full and accurate information to Karmanos; drove up charges to Karmanos by unilaterally changing the computation of charges invoiced to Karmanos; failed to explain particular charges; charged unreasonably excessive amounts; refused to permit Karmanos to operate independently; failed to submit its charges for independent review; refusal to participate meaningfully or fully in the Cancer JOC and Cancer Operations JOC; and failed to participate in, and instead frustrated, the various processes that the Settlement Agreement established to make the parties' relationship workable on an ongoing basis.

158. In addition to Tenet's breaches of the Updated Agreement and its fiduciary duties, it is also unreasonably abusing the leverage that it claims over Karmanos. Tenet asserts the ability to restrict Karmanos's ability to operate independently of Tenet.

159. Its violations illustrate the anti-competitive nature of the Agreement and the resulting business arrangement: Tenet asserts that, aside from certain permitted exceptions, Karmanos can operate only within the arrangement; and it is using that leverage to overcharge it while providing substandard services.

160. Compounding matters, when Karmanos complains, Tenet threatens to cease services cold turkey, fully aware that this would put Karmanos out of business and imperil its patients' lives. Even Karmanos's refusal to pay the non-contractual charges that Tenet is invoicing leads to such threats. Put another way: the contract says that prices are determined by applying

Harper's Calculated RCC to Karmanos's charges. The parties have done so for twenty years. Karmanos complains about overcharges, service failures, and contract breaches. Tenet refuses to address the issues. Karmanos says it might open its own hospital. Tenet starts billing exponentially higher prices in violation of the written contract and twenty-years' worth of performance. And when Karmanos declines to pay, Tenet threatens to cut off its patient's life-and-death services.

161. Tenet's conduct has left Karmanos with no choice but to bring this action. Tenet asserts that it can indefinitely violate its agreements and obligations in order to extract as much profit as possible until it inevitably destroys Karmanos. In the short term, its threats to cut off immediate patient care are intolerable. Over the long term, Tenet's destruction of the Tri-County region's only National Cancer Institute-designated Comprehensive Cancer Center would grievously harm Detroit and neighboring communities, while depriving countless families of life-saving care. Karmanos thus respectfully asks this Court to again assist it in protecting its patients.

COUNT I – REQUEST FOR DECLARATORY JUDGMENT THAT DEFENDANTS' INVOICES ARE UNFOUNDED UNDER THE AGREEMENT AND UPDATED AGREEMENT AND THAT DEFENDANTS HAVE FAILED TO PARTICIPATE IN THE CANCER OPERATIONS JOC AND THE CANCER JOC

(by Plaintiffs against Defendants)

162. Plaintiffs incorporate by reference all preceding paragraphs as if fully stated herein.

163. Defendants have entered into various agreements with Plaintiffs as set forth herein.

164. Defendants have breached the agreements as set forth throughout.

165. As a result of Defendants' breaches, Plaintiffs have been injured and damaged.

166. Implied in every contract is a duty of good faith and fair dealing.

167. Defendants have breached their duty of good faith and fair dealing in the agreements.

168. Plaintiffs have not received the benefit of their bargain from the agreements.

169. As demonstrated herein, a case of actual controversy exists between the parties regarding Defendants' wrongful acts and breaches by unilaterally changing the charges and cost methodologies for services, by demanding payment of the illegitimate charges, and by demanding payment of interest on the illegitimate charges disputed by Plaintiffs.

170. This Court has the power under MCR 2.605 to adjudicate this issue and enter a judgment declaring the respective rights of the parties.

WHEREFORE, Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center; Barbara Ann Karmanos Cancer Institute, Inc. and McLaren Health Care Corporation respectfully request that this Court enter a judgment in their favor declaring that Defendants VHS of Michigan Inc., d/b/a The Detroit Medical Center, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL do not have the right to change the charges and cost methodologies for the services not covered under the Master Services Agreement and an existing Statement of Work; that they must provide services in a diligent, reasonably skillful, and workmanlike manner; that they are to honor the Agreement and Updated Agreement terms, including the charge and cost methodologies under the existing agreement; that Plaintiffs do not owe Defendants the overcharged amounts, retroactive charges, and the interest amounts demanded by Defendants; that the Cancer JOC and the Cancer Operations JOC are not functioning properly and due to lack of participation from the DMC there is no obligation for the parties to take disputes to these committees; and for any further relief this Court deems just and equitable.

COUNT II – BREACH OF CONTRACT

(By Plaintiffs against Defendants)

171. Plaintiffs incorporate by reference all preceding paragraphs as if fully stated herein.

172. The parties entered into the Updated Agreement as set forth above.

173. Defendants breached the Updated Agreement as detailed above. Among other things:

a. Providing substandard services;

b. Charging unreasonably excessive fees, such as but not limited to:

    i. charging commercially unreasonable prices;

        1. charging prices determined by the application of the DMC's Calculated RCC to DMC's charges instead of KCC's charges;

        2. charging prices determined by inaccurate RCC's;

        3. frustrating the process of having an outside consultant determine a commercially reasonable price, and otherwise disregarding the related analysis; and

        4. failing to negotiate new service-specific Scopes of Work with Karmanos;

c. Withholding information, including information necessary for the determination of the appropriate prices under the Agreement and the Settlement Agreement;

d. Refusing to participate in the committee that the Settlement Agreement established to manage the parties' relationship on an ongoing basis;

e. Refusing to negotiate new Scope of Work agreements under the Master Service Agreement; and/or

f. Otherwise failing to participate in, and instead frustrating, the various processes that the Settlement Agreement established to make the parties' relationship workable on an ongoing basis.

174. In addition to the specific breaches detailed above, Defendants violated the implied duty of good faith inherent in all contracts.

175. Defendants' breaches injured and damaged Karmanos.

WHEREFORE, Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center; Barbara Ann Karmanos Cancer Institute, Inc.; and McLaren Health Care Corporation respectfully request that this Court enter a judgment in their favor for whatever relief to which they are entitled.

COUNT III - BREACH OF AGREEMENT AND UPDATED AGREEMENT, REQUESTING SPECIFIC PERFORMANCE

(by Plaintiffs against Defendants)

176. Plaintiffs incorporate by reference all preceding paragraphs as if fully stated herein

177. Defendants are parties to various agreements with Plaintiffs as set forth herein.

178. The parties agreed to a methodology and formula for the calculation of charges of various services and that absent a written agreement otherwise, the methodology and formula would not change.

179. In breach of their agreement, Defendants unilaterally changed the methodology and formula for calculating charges to Plaintiffs.

180. In Section 4.4 of the Settlement Agreement, Plaintiffs and the DMC agreed that KCC and the DMC will enter into new purchased services agreements, called "statements of work," that will reflect the costs and charging methodologies consistent with fair market value and with agreed upon Service Level Agreements for the provision of services.

181. In breach of the Settlement Agreement, Defendants have not entered into statements of work for all of the services provided between and among KCC and Defendants.

182. In breach of the Settlement Agreement, the DMC has not subjected Defendants'

services charges to the scrutiny of an external independent qualified health care valuation firm and thus has insulated its charges from review to determine if they are commercially reasonable and within fair market value.

183. The DMC and DMCUL refusals to create the electronic interface as part of the Laboratory Services Agreement for IT services breach the DMC and DMCUL's agreements to do the following, among other things: a) provide the "[d]evelopment of any new lab interfaces or changes to existing interfaces," b) provide "[i]nterface system upgrades," c) provide "an electronic interface for laboratory orders and test results reporting, downtime processes and notifications," and d) "take all steps available to it to ensure KCC's continued access to and use of Sunquest and other software used by DMCUL in connection with the Services (which shall include any successor system or software used by DMCUL for its laboratory information system.)." Laboratory Services Agreement at Section 1(p).

184. The DMC refuses to properly repair and maintain the facilities used by Karmanos including but not limited to, infrastructure and parking spaces, despite Karmanos' demand for same, in breach of the Facility Maintenance Agreement.

185. Defendants' refusal to participate in the Cancer JOC breaches the requirement that the Cancer JOC annually review and implement price adjustments in the DMC to KCC Services Agreement, the Laboratory Services Agreement and the IT Services Agreement.

186. The terms of the agreements which Defendants have violated are clear and unambiguous.

187. Implied in every contract is a duty of good faith and fair dealing.

188. Defendants have breached their duty of good faith and fair dealing.

189. As a result of Defendants' breaches, Plaintiffs have been injured and damaged.

190. Plaintiffs have not received the benefit of their bargain from the Agreement and Updated Agreement.

191. Plaintiffs have no adequate remedy at law for these breaches and therefore request an order for specific performance of the Settlement Agreement as their remedy for the breaches.

WHEREFORE, Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center; Barbara Ann Karmanos Cancer Institute, Inc.; and McLaren Health Care Corporation respectfully request that this Court order Defendant VHS of Michigan Inc., d/b/a The Detroit Medical Center to specifically perform Sections 4.3, 4.4, 4.6, 4.8, 4.9, and 6 of the Settlement Agreement; the Master Services Agreement; the Laboratory Services Agreement; and the Facility Maintenance Agreement by a) ceasing to use the new methodology or formula for calculating charges for services; b) by calculating charges using the methodology and formula mutually agreed to and which are commercially reasonable and within fair market value for future charges; c) entering into Statements of Work that will reflect the costs and charging methodologies consistent with commercial reasonableness and fair market value; d) by subjecting Defendants' services charges to the scrutiny of an external independent qualified health care valuation firm and order; e) properly calculating charges for blood products; f) developing, providing, and updating the laboratory software interface for laboratory orders and test results reporting, downtime processes and notifications; g) taking all steps to ensure KCC's continued access to and use of software used by DMCUL in connection with the laboratory services, including relating to successor systems or software; h) annually reviewing and implementing price adjustments in the Purchased Services Agreements, the Laboratory Services Agreement, and the IT Services Agreement; h) conducting repairs and maintenance to the facilities, including infrastructure, elevators, and parking deck, among others; and j) any further relief this Court deems just and

equitable.

COUNT IV - BREACH OF SETTLEMENT AGREEMENT, REQUESTING DAMAGES

(*by KCC against the DMC*)

192. Plaintiffs incorporate by reference all preceding paragraphs as if fully stated herein.

193. Defendants agreed to a methodology and formula for the calculation of charges for various services that are commercially reasonable and within fair market value and that absent a written agreement otherwise, the methodology and formula would not change.

194. In breach of the agreement, Defendants unilaterally changed the methodology and formula for calculating charges to Plaintiffs and failed to annually submit the calculations of the charges to an external independent qualified health care valuation firm to determine whether the charges payable under the agreements are reasonable and within fair market value.

195. As a result of Defendants' breaches, KCC has been injured and damaged.

196. Implied in every contract is a duty of good faith and fair dealing.

197. Defendants have breached their duty of good faith and fair dealing.

198. Defendants' breaches of their duty of good faith and fair dealing have deprived KCC of the benefit of its bargain under the Settlement Agreement.

199. KCC seeks monetary damages for these breaches which resulted in overcharges to KCC in the past.

WHEREFORE, Plaintiff Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center respectfully requests that this Court order Defendant VHS of Michigan Inc., d/b/a The Detroit Medical Center to pay monetary damages to it in the amount Plaintiff is found to be entitled, plus interest, and for any further relief this Court deems just and equitable.

COUNT V - ACCOUNTING

(By KCC and KCI against the DMC, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL)

200. Plaintiffs incorporate by reference all preceding paragraphs as if fully stated herein.

201. KCC, KCI, the DMC, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL have engaged in tens of thousands of transactions for the sale of goods and services during the applicable limitations period between and among them.

202. There have been tens of thousands of mutual demands between and among, KCC, KCI, the DMC, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL, during the applicable limitations period.

203. There have been a series of transactions on one side, including by the DMC, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and/or DMCUL providing goods and services to KCC and/or KCI, and payments on the other side by KCC and/or KCI, during the applicable limitations period.

204. Pursuant to the Settlement Agreement, Defendants were obligated to conduct annual reviews of scores of charges to determine whether they were commercially reasonable and within fair market value, but Defendants did not do so over the entire limitations period.

205. Because much of the information and financial data necessary to conduct review of Defendants charges, quantify KCC and KCI's overpayments, and calculate the appropriate charges by the DMC, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and/or DMCUL are in the possession of these Defendants, KCC and KCI are not able to fully and accurately account for the propriety of the charges, calculate the amounts that should have been charged to them, and calculate any overpayments they have made.

206. As detailed above, these charges have violated the Updated Agreement. But even if they had not, the DMC owes Karmanos fiduciary duties as set forth above and below. And, even if the DMC does not owe Karmanos fiduciary duties, the nature of the parties' closely interrelated financial relationship obligates the DMC to ensure the fairness of the parties' interrelated economic affairs.

WHEREFORE, Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center and Barbara Ann Karmanos Cancer Institute, Inc. respectfully request that this Court order an accounting to determine the amounts appropriate to charge KCC and/or KCI for goods and services provided by Defendants VHS of Michigan Inc., d/b/a The Detroit Medical Center, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL, amounts properly due to KCC and/or KCI, and the amounts overpaid by KCC and/or KCI, and any further relief this Court deems just and equitable.

COUNT VI – BREACH OF FIDUCIARY DUTY

(By KCC and KCI against Defendants)

207. Plaintiffs restate and reallege each preceding paragraph as if restated herein.

208. Prior to the formation of KCC, the cancer hospital operations were conducted by the DMC. It formally split off those operations into a separate legal entity but kept it tied to the DMC's operations and facilities. Each time KCC attempts to exercise its independence, the DMC fiercely resists such activity.

209. Tenet exerts constant pressure over KCC in efforts to control it.

210. Tenet positioned the Agreement and Updated Agreement in a manner to require Karmanos' dependency on Tenet. For example, and without limitation, the IT services for Karmanos are performed by Tenet. However, KCC cannot obtain a new service provider because

it needs permission from Tenet to access their facilities to make any such changes.

211. As set forth herein, Tenet has unreasonably withheld cooperation and consents that would permit KCC to move out of the Harper facility and into its own separate facility.

212. Karmanos has reposed faith, confidence, and trust in Defendants. Defendants and Karmanos' relationship should have been mutually beneficial, operating in cooperation to benefit each other. But Defendants have abused Karmanos' faith, confidence, and trust. Tenet is now extracting maximal profit from Karmanos while impeding its operations and imperiling its future.

213. Defendants owe Karmanos fiduciary duties based on a) that they are working together for the important purpose of healing and saving lives; b) the necessity to accurately account for and record services that are being provided by Defendants; c) the interrelation between and among Karmanos and Defendants; d) the sharing of common facilities, equipment and services e) the information sharing requirements in the Settlement Agreement; f) cooperation in serving common patients; and g) the manner in which the relationship was formed, set up, and conducted over the years.

214. Defendants breached their fiduciary duties as detailed herein.

215. These breaches injured and damaged Karmanos.

216. Defendants' breaches and conduct were intentional, self-interested, and undertaken in bad faith.

WHEREFORE, Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center and Barbara Ann Karmanos Cancer Institute, Inc. respectfully request that this Court enter an order in Plaintiffs' favor and against Defendants VHS of Michigan Inc., d/b/a The Detroit Medical Center, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL, for all damages and relief available under Michigan law, and any further relief this

Court deems just and equitable.

COUNT VII - DECLARATORY JUDGMENT THAT DEFENDANTS HAVE ENGAGED IN ILLEGAL RESTRAINTS ON TRADE

(By Plaintiffs against Defendants)

217. Plaintiffs restate and reallege each preceding paragraph as if restated herein.

218. For all the reasons alleged herein, Plaintiffs contend that any provision of the Updated Agreement that would restrict them from operating the Proposed Hospital, or otherwise competing with the Defendants, including, but not limited to, Section 6 of the Affiliation Agreement, is an unreasonable restrictive covenant and an unreasonable restraint on trade in violation of Section 2 of the Michigan Antitrust Reform Act, MCL §445.772, and therefore unlawful and unenforceable.

219. Specifically, Karmanos asserts that any such restriction is unlawful under the "rule of reason" because, among other things:

a. It is overbroad and more restrictive of competition than reasonably necessary to protect any legitimate business interest of Defendants.

b. It is unlimited in duration.

c. It extends well beyond the geographic area over which the DMC has demonstrated any significant interest in making Karmanos' services available, namely the area immediately surrounding the DMC's main campus.

d. Its enforcement will result in material harm to the public, who would be denied the benefit of having greater access to the specialized cancer care services only Karmanos can provide.

220. Karmanos believes that the expansion of premium cancer care services through the Proposed Hospital will increase patient access to such services, increase patient choice with regard

to the location of such services, reduce the cost of care for such services (to both payors and consumers) through increased availability, lead to an increase in the quality of such services, and improve outcomes.

221. Defendants' enforcement of any restrictive covenants in the Updated Agreement to impede establishment of the Proposed Hospital would cause serious harm not only to Plaintiffs, but also to residents and private and governmental insurers and payors, and would therefore be contrary to public policy, and it should be held to be without force and effect.

222. Under Section 10.4 of the Settlement Agreement, "[t]he parties acknowledge[d] that all provisions of the DMC/Karmanos Agreements," generally, the Agreement as defined here, "as revised by th[e] Settlement Agreement, are reasonable, valid and enforceable." This no more establishes the reasonableness of any restraints on trade than the initial Agreement does. Moreover, even if any such restrictions were reasonable in 2015, they are no longer reasonable now. They have now persisted for another decade, whereas a reasonable restraint would be more limited in duration. And Defendants' post-Settlement Agreement conduct detailed throughout demonstrates the unreasonableness. Defendants' abuse of trade restraints has imposed unreasonable prices on Karmanos – and, thus indirectly, on its patients and their insurers. The abuse has also resulted in substandard services. Meanwhile, the aging population's growing need for premium cancer care in Detroit makes the restrictions less reasonable with every passing year.

223. As demonstrated herein, a case of actual controversy exists between the parties regarding Defendants' wrongful acts and breaches by unilaterally changing the charges and cost methodologies for services, by demanding payment of the illegitimate charges, and by demanding payment of interests on the illegitimate charges disputed by Plaintiffs.

224. This Court has the power under MCR 2.605 to adjudicate this issue and enter a

judgment declaring the respective rights of the parties.

WHEREFORE, Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center; Barbara Ann Karmanos Cancer Institute, Inc. and McLaren Health Care Corporation respectfully request that this Court enter a judgment in their favor declaring that Defendants VHS of Michigan Inc., d/b/a The Detroit Medical Center, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL that their activities described herein constitute illegal restraints on trade and for any further relief this Court deems just and equitable.

COUNT VIII – VIOLATION OF THE MICHIGAN ANTITRUST REFORM ACT

(By Plaintiffs against Defendants)

225. Plaintiffs restate and reallege each preceding paragraph as if restated herein.

226. To the extent that the Updated Agreement restrains Karmanos from operating independently of the DMC and the other Defendants and restrains McLaren's ability to compete, such restrictions are a restraint on trade subject to the Michigan Antitrust Reform Act, MCL §445.772, and therefore unlawful and unenforceable.

227. Defendants have abused this restraint as detailed above. Such abuse includes but is not limited to:

a. The DMC has impeded planning for the Proposed Hospital.

b. The DMC has retaliated against Karmanos's proposal for the Proposed Hospital by raising rates, safe in the knowledge that Karmanos must use its services.

c. Defendants have caused Karmanos to pay double the charges for laboratory services than if Karmanos was permitted to obtain services from McLaren, which Karmanos cannot pursue due to Tenet's refusal to establish the proper laboratory IT interface.

d. Defendants have more generally abused the control over Karmanos to provide substandard services, facilities, and equipment and impose unreasonable prices.

228. Defendants' abuse of the restraint on trade has injured and damaged Plaintiffs.

WHEREFORE, Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center; Barbara Ann Karmanos Cancer Institute, Inc. and McLaren Health Care Corporation respectfully request that this Court enter a judgment in their favor and against Defendants VHS of Michigan Inc., d/b/a The Detroit Medical Center, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL for all damages and relief available under Michigan law, including, but not limited to: damages; a finding that Defendants' conduct is a flagrant violation of Section 2 of MARA; treble damages; attorneys' fees and costs; and any further relief this Court deems just and equitable.

COUNT IX – UNJUST ENRICHMENT

(*By KCC and KCI against the DMC*)

229. Plaintiffs restate and reallege each preceding paragraph as if restated herein.

230. As detailed above, the DMC has imposed charges on Karmanos and Karmanos has paid them.

231. As also detailed above, the charges have exceeded charges that would be commercially reasonable.

232. As also detailed above, the charges have exceeded charges that would be within or consistent with fair market value.

233. It has been inequitable for the DMC to receive and retain charges in excess of what is commercially reasonable.

234. It has been inequitable for the DMC to receive and retain charges in excess of what is within or consistent with fair market value.

235. This count applies to the extent that neither the Updated Agreement, any of its constituent agreements, nor any other contract between the parties govern any of the Charges.

WHEREFORE, Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center and Barbara Ann Karmanos Cancer Institute, Inc. respectfully request that this Court enter an order in Plaintiffs' favor and against Defendants VHS of Michigan Inc., d/b/a The Detroit Medical Center, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL, for all damages and relief available under Michigan law, and any further relief this Court deems just and equitable.

COUNT X – DECLARATORY JUDGMENT THAT RESTRICTIONS ON MARKETING ARE UNENFORCEABLE

(By Plaintiffs against the DMC, Huron Valley, and Sinai-Grace)

236. Plaintiffs restate and reallege each preceding paragraph as if restated herein.

237. Language restricting how Plaintiffs can use the Karmanos and McLaren names appears in Section 3.1, 3.2, and 3.3 of the Settlement Agreement, Section 3.2(C) of the Affiliation Agreement; Section 4 of the Marketing and Licensing Agreement; Section 2.2(g) of the Asset Acquisition Agreement; and Section 4.4 of the Agreement Regarding Operations, Property Use, Use of Name & Option to Reacquire Facilities.

238. These provisions require that in any marketing materials distributed in Wayne County, Karmanos must recite that it is affiliated with the DMC, and that such marketing materials cannot contain the name of any hospital or health system that competes with the DMC or its affiliates, even in the provision of non-cancer services, such as McLaren.

239. As with the purported restraints on trade discussed above, and for substantially the

same reasons, any such requirements are unreasonable restraints of trade in violation of Section 2 of MARA, MCL §445.772, and therefore invalid and unenforceable.

240. In addition, and in the alternative, for all the reasons stated herein, Tenet's prior, substantial and material breaches of those agreements preclude it from enforcing such restrictions.

241. Finally, the marketing restrictions are an improper restraint on Karmanos and McLaren's speech. Even if courts have enforced such commercial marketing restrictions, they were outside the public understanding of permissible speech restrictions at the time of the First Amendment's enactment and are therefore unenforceable.

242. As demonstrated herein, a case of actual controversy exists between the parties regarding Defendants' wrongful acts and breaches.

243. This Court has the power under MCR 2.605 to adjudicate this issue and enter a judgment declaring the respective rights of the parties.

WHEREFORE, Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center; Barbara Ann Karmanos Cancer Institute, Inc. and McLaren Health Care Corporation respectfully request that this Court enter a judgment in their favor declaring that Defendants VHS of Michigan Inc., d/b/a The Detroit Medical Center, Harper, Children's, Detroit Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL may not enforce the marketing restrictions, and for any further relief this Court deems just and equitable.

COUNT XI – DECLARATORY JUDGMENT THAT DEFENDANTS CANNOT ENFORCE THE UPDATED AGREEMENT BECAUSE OF THEIR FIRST MATERIAL BREACH

(By Plaintiffs against Defendants)

244. Plaintiffs restate and reallege each preceding paragraph as if restated herein.

245. The Updated Agreement is a unified, integrated and indivisible contract. So is each

of the constituent agreements.

246. Tenet has engaged in substantial, material breaches of the Updated Agreement as detailed above.

247. These substantial, material breaches have affected such a change in essential operative elements of the contract that such breaches have caused a complete failure of consideration.

248. Defendants have engaged in substantial, material breaches of the Updated Agreement such that Plaintiffs have not, and cannot, obtain the benefits of the bargains which they reasonably expected.

249. Defendants' substantial breaches of the Updated Agreement substantially limit Plaintiffs from receiving the benefits of their bargains, thereby establishing such breaches material as a matter of law.

250. Defendants' substantial, material breaches of the Updated Agreement predate any purported breach by Plaintiffs.

251. As a result of Defendants' breaches, Plaintiffs have been damaged.

252. As demonstrated herein, a case of actual controversy exists between the parties regarding Defendants' wrongful acts and breaches.

253. This Court has the power under MCR 2.605 to adjudicate this issue and enter a judgment declaring the respective rights of the parties.

WHEREFORE, Plaintiffs Barbara Ann Karmanos Cancer Hospital, d/b/a Karmanos Cancer Center; Barbara Ann Karmanos Cancer Institute, Inc. and McLaren Health Care Corporation respectfully request that this Court enter a judgment in their favor declaring that Defendants VHS of Michigan Inc., d/b/a The Detroit Medical Center, Harper, Children's, Detroit

Receiving, RIM, Sinai-Grace, Huron Valley, and DMCUL have committed first material breaches of the parties' agreements, and for any further relief this Court deems just and equitable.

Respectfully Submitted,

THE MILLER LAW FIRM, P.C.

/s/ *E. Powell Miller*
E. Powell Miller (P39487)
Christopher D. Kaye (P61918)
Martha J. Olijnyk (P60191)
950 W. University Dr., Ste. 300
Rochester, MI 48307
T: (248) 841-2200
epm@miller.law
cdk@miller.law
mjo@miller.law
Attorneys for Plaintiffs

Dated: August 5, 2026