26CV038297-910

STATE OF NORTH CAROLINA

WAKE COUNTY

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
FILE NO. 26CV_____-910

NORTH CAROLINA STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES; THE OFFICE OF THE NORTH CAROLINA STATE TREASURER; TREASURER BRADFORD B. BRINER, in his official capacity as the State Treasurer of North Carolina,

Plaintiffs,

v.

ATRIUM HEALTH, INC.,

Defendant.

VERIFIED COMPLAINT

(Jury Trial Demanded)

NOW COME Plaintiffs North Carolina State Health Plan for Teachers and State Employees ("State Health Plan" or the "Plan"), the Office of the North Carolina State Treasurer, and North Carolina State Treasurer Bradford B. Briner in his Official Capacity (the "Treasurer"), (collectively "Plaintiffs"), by and through the undersigned counsel, complaining of Defendant Atrium Health, Inc. (together, "Atrium" or "Defendant") as follows:

STATEMENT OF THE CASE

1. The State Health Plan provides critical health benefits coverage to nearly 750,000 individuals through the State of North Carolina. Those covered individuals, including current and former state employees, their spouses, and their dependents, rely on the Plan's stability and long-term viability to receive coverage for essential, and sometimes lifesaving, medical care. Yet, under the guise of "affordability" and "patient choice," Atrium has, on the eve of Open Enrollment,[1]

[1] Open Enrollment the 2027 benefit year begins for the State Health Plan on Monday, 12 October 2026.

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single-handedly threatened the stability and long-term viability of the Plan—and the health care coverage of 750,000 North Carolinians—by attempting to usurp and circumvent the express statutory authority delegated to the Treasurer to determine the Plan's coverage and benefits.

PARTIES

2. Plaintiff North Carolina State Health Plan for Teachers and State Employees is a creation of statute and is vested with all of the powers and privileges of a North Carolina corporation, including the right to sue and be sued. *See* N.C.G.S. § 135-48.2(a). The State Health Plan is a State benefit program that offers healthcare benefits to eligible active and retired North Carolina teachers and other State employees and their dependents ("members" or "participants").

3. Plaintiff Office of the North Carolina State Treasurer is an Executive Agency of the State of North Carolina as defined by the North Carolina Constitution and the North Carolina General Statutes. The Office of the State Treasurer is granted the sole and exclusive authority to administer the State Health Plan pursuant to N.C.G.S. § 135-48.1 *et seq.*

4. Plaintiff State Treasurer Bradford B. Briner—who brings this action in his official capacity—is the duly elected State Treasurer of North Carolina and a member of the North Carolina Council of State, and a resident and citizen of Wake County, North Carolina, in his official capacity. In his official capacity, the State Treasurer of North Carolina is empowered to administer and operate the State Health Plan pursuant to N.C.G.S. § 135-48.1 *et seq.*

5. Defendant Atrium Health, Inc. is a North Carolina non-profit corporation which maintains its principal place of business in Mecklenburg County, North Carolina.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction pursuant to N.C.G.S. §§ 7A-243 and 7A-245 because the amount in controversy exceeds $25,000.00 exclusive of costs and interest and because Plaintiffs seek injunctive and declaratory relief.

7. This Court has personal jurisdiction over Atrium pursuant to N.C.G.S. § 1-75.4 because Atrium is a North Carolina corporation that maintains its principal place of business and engages in substantial activity in North Carolina.

8. Venue is proper in this Court pursuant to N.C.G.S. § 1-82 because the Office of the State Treasurer, Treasurer Briner in his Official Capacity, and the Plan are located in Wake County, and the Plan is administered in Wake County.

FACTUAL ALLEGATIONS

I. The State Health Plan

9. Through Chapter 135 of the North Carolina General Statutes, the North Carolina General Assembly created the Plan for the purpose of making available health benefits to North Carolina's state employees and retirees, their spouses, and their dependents.

10. The two key sources of the Plan's funding are premiums from Plan participants and payments from participating State and local government employers. While the General Assembly does not directly appropriate funds to be paid to the Treasurer to finance the Plan, the General Assembly appropriates funds to each participating government agency within the State (including local governments, educational institutions, etc.), who then make premium payments to the Plan based on the number of participating employees. Accordingly, the cost of the Plan is directly borne by North Carolina taxpayers.

11. To oversee the administration and management of the Plan, N.C.G.S. § 135-48.30 vests the Treasurer with the power and duty to administer and operate the Plan for the benefit of North Carolina's public servants and their families.

12. Under N.C.G.S. §§ 135-48.30(a)(2), 135-48.30(a), the Treasurer is given the exclusive power and duty to set the benefits, premium rates, co-pays, deductibles, and coinsurance percentages and maximums available to participants under the Plan, subject to approval by the Plan's bipartisan Board of Trustees, as well as set the allowable charges for medical and prescription drug benefits. Under § 135-48.30(b) the Treasurer may delegate his power and duties but remains responsibility for the performance for those powers or duties.

13. Functionally, the Plan operates as a self-insured employer-sponsored health plan.[2] As such, part of the Treasurer's authority for overseeing the administration and management of the Plan includes negotiating two distinct categories of contracts. First, the Treasurer solicits bids and enters into contracts (directly and through the Plan) with third-party administrative services vendors (presently, Plaintiffs have contracted with Aetna as the third-party network administrator through the calendar year 2027) to handle claims processing, enrollment, and access to the administrator's network of healthcare providers. Second, the Treasurer negotiates and enters into direct contracts (directly and through the Plan) with hospital networks and healthcare provider systems—such as Atrium—that set the requirements for seeking reimbursement of the cost of services provided to Plan participants.

[2] North Carolina State Health Plan for Teachers and State Employees, *Who We Are*, https://perma.cc/3JRZ-RTFR (last accessed Oct. 8, 2026).

14. As a result of how it is structured, the State (and, indirectly, North Carolina taxpayers), rather than an outside commercial insurance provider, is directly financially responsible for the costs of healthcare services provided to Plan participants.

15. Therefore, one of the key goals for Plaintiffs when negotiating contracts with hospital networks and healthcare provider systems is to ensure that the costs of services reimbursable by the Plan are fair, stable, and consistent with maintaining the Plan's financial integrity and long-term viability.

II. Recent Changes to the Plan

16. Over the last decade, rising costs charged by health care providers have reduced the stability and long-term viability of the Plan.

17. Indeed, from January 2020 through June 2025, the Plan's cash reserves—which it uses to reimburse healthcare providers for the cost of services provided to Plan participants—plummeted from approximately $1.4 billion to approximately $420 million.[3]

18. Absent changes to the Plan's structure, in 2025, the Treasurer projected that the Plan would operate on a $500 million deficit in 2026—completely eliminating the Plan's then-existing cash reserves—followed by a $1 billion deficit in 2027.[4]

19. Currently, the Plan projects a strong likelihood of a negative operating balance as of January 2027. In other words, the Plan projects it might not have sufficient funds to pay its bills as of January 2027.

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[3] WUNC News, *It Took Just Five Years for the State Health Plan's Billion-Dollar Surplus to Become a Deficit. What Happened?*, https://perma.cc/4KHG-W3GQ (last accessed Oct. 8, 2026).

[4] North Carolina Office of the State Auditor, *Performance Audit Confirms Deficit Projections of State Health Plan*, https://perma.cc/L3MJ-G3Z7 (last accessed Oct. 8, 2026).

20. In order to avoid a complete financial collapse of the Plan, throughout 2025 and 2026, the Treasurer has been forced to make difficult, but necessary, decisions to stabilize the Plan's costs and to preserve the Plan's future financial integrity. These necessary changes have included, among other things, cost-cutting measures; increasing the cost of premiums charged to Plan participants; and making structural changes to the Plan's coverage and pricing structure.

21. As part of this effort, one critical change that the Treasurer deemed necessary and appropriate and will be implemented beginning 1 January 2027 is the transition to a tiered coverage structure—the Preferred Provider Program ("PPP").

22. In previous years, the Plan has operated on a system where the level of coverage offered to Plan participants was based on whether a medical provider was "in-network" or "out-of-network." Within the in-network category, Plan participants would pay different cost-sharing amounts based on the level or location of care (primary care provider, specialist, urgent care, emergency department, etc.). However, these cost-sharing amounts did not distinguish based on a provider's overall cost to the Plan. Similar providers could charge the Plan radically different prices for the same services.

23. The consequence of this lack of distinction among in-network providers was that Plan participants were not aware of provider cost differences, and were not incentivized to seek out a lower cost provider. Therefore, the Plan was often paying higher prices to some in-network providers, when more affordable and potentially higher quality services were otherwise available to Plan participants.

24. In order to correct this problem, and to improve the fiscal health of the Plan, beginning in 2027, the Plan will implement the PPP. The Plan views the PPP as the critical component to stabilize the Plan's finances while also saving participants money. While the Plan

will continue to recognize the distinction between in-network and out-of-network providers, Plan participants will be incentivized to use high quality and less expensive providers through the use of a three-tiered system for in-network providers.

25. Under the PPP, in-network healthcare service providers are placed into one of three tiers: (1) Preferred tier; (2) Access tier; or (3) Non-Preferred tier.

26. The Preferred tier consists of hospital systems and provider networks that the Treasurer has determined are substantially focused on reducing the total cost of services while also improving health outcomes. Preferred providers have contracted with the Plan to charge substantially reduced rates contingent on these providers achieving a level of participant volume commensurate with the Preferred tier. The mechanism available to the Plan to encourage such volume is the Treasurer's power and duty to set differentiated cost sharing amounts, e.g. copays, coinsurance, deductibles, and out of pocket maximums within the tiers. To encourage the required patient volume to Preferred providers, cost sharing for Preferred providers must be the lowest amount when compared to all other tiers. If the Plan is unable to require differentiated cost sharing amounts, the Plan will be unable to encourage the required patient volume to the Preferred providers and will not achieve the cost savings for the Plan and its participants.

27. Pursuant to the Treasurer's statutory authority under N.C.G.S. §§ 135-48.30, 135-48.32, and 135-48.34 Novant Health and UNC Health entered into contracts with Plaintiffs for their inclusion in the Plan's Preferred tier. Iredell Health System was also identified as Preferred to give members access to a Preferred provider in that area.

28. The Access tier consists of hospital systems and provider networks that the Treasurer has determined maintain essential access points in primarily rural areas (and areas outside of North Carolina) that have limited provider options or have given the Plan a discount.

29. The Non-Preferred tier consists of hospital systems and provider networks that were not selected for inclusion in the Preferred or Access tiers, predominantly based upon their higher cost to the Plan, following the discounts the Plan received from Preferred and Access providers. The Plan requires the greatest level of cost sharing to the participant among in-network providers for Plan participants seeking healthcare services at Non-Preferred tier providers. Cost sharing for Non-Preferred providers must be greater (more expensive) for participants in order to encourage the required volume to Access and Preferred providers and achieve necessary cost savings for the Plan.

30. Many Atrium locations are in the Non-Preferred tier. Following a Letter of Agreement signed by Atrium and the Plan on 14 September 2026, some Atrium providers (OneHealth) are Preferred and a select number of Atrium locations and services, including those in rural locations, were moved into the Access tier.

31. An illustrative summary of the different levels of coverage available to Plan participants at each of the above-described tiers—derived from the Plan's 2027 Open Enrollment Guide (attached hereto as **Exhibit A**)—is included below:

	STANDARD PPO Plan				PLUS PPO Plan			
	Preferred	Access	Non-Preferred	Out-of-Network	Preferred	Access	Non-Preferred	Out-of-Network
ANNUAL DEDUCTIBLE	$1,500 Ind $4,500 Fam	$3,000 Ind $9,000 Fam	$5,000 Ind $15,000 Fam	$15,000 Ind $45,000 Fam	$1,000 Ind $3,000 Fam	$1,500 Ind $4,500 Fam	$4,000 Ind $12,000 Fam	$12,000 Ind $36,000 Fam
OUT-OF-POCKET MAX (combined medical & pharmacy)	$4,000 Ind $12,000 Fam	$6,500 Ind $16,300 Fam	$12,000 Ind ACA LIMIT $24,000 Fam ACA LIMIT	$36,000 Ind $72,000 Fam	$3,000 Ind $9,000 Fam	$5,000 Ind $15,000 Fam	$10,000 Ind $20,000 Fam	$30,000 Ind $60,000 Fam
WALK-IN CLINIC	$40 other PCP on ID card $50 other PCP			50% after ded	$30 other PCP on ID card $40 other PCP			40% after ded
SPECIALISTS	$40	$65	30% after ded	50% after ded	$25	$50	20% after ded	40% after ded
HIGH-COST IMAGING	$400	30% after ded	$1,000, then 30% after ded	50% after ded	$250	20% after ded	$500, then 20% after ded	40% after ded
EMERGENCY ROOM	$600, then 30% after deductible				$500, then 20% after deductible			
INPATIENT HOSPITAL	$750	$600, then 30% after ded	$1,500, then 30% after ded	50% after ded	$500	$500, then 20% after ded	$1,000, then 20% after ded	40% after ded
OUTPATIENT SURGERY	$600	$350, then 30% after ded	$1,000, then 30% after ded	50% after ded	$300	$300, then 20% after ded	$500, then 20% after ded	40% after ded
AMBULATORY	$400	30% after ded	$1,000, then 30% after ded	50% after ded	$250	20% after ded	$500, then 20% after ded	40% after ded
LANTERN SURGICAL BENEFIT	Lantern Surgical Benefit $0 Member Cost				Lantern Surgical Benefit $0 Member Cost			

32. By differentiating between in-network providers and offering corresponding levels of cost sharing—prioritizing hospital systems and provider networks that are committed to reducing the total cost of services (participant and Plan costs combined) while also committing to improve patient outcomes—the Plan is able to incentivize patients towards more fiscally sustainable and effective healthcare services.

33. Implementation of the tiered provider system is conservatively estimated to save the Plan over $135 million in 2027, with the potential for increased savings in future years. Savings from the tiered provider system are the lynchpin for the Plan's overall strategy to correct the short and long term financial problems of the Plan. These savings would evaporate if Atrium's Protection Program is allowed to stand.

III. Atrium's Protection Program

34. For nearly a year, the Treasurer sought to maximize value to Plan participants by engaging with hospital systems and provider groups on the PPP. Following the Board's approval of Preferred provider contracts in July 2026, the Plan began working with Atrium to determine a mutually beneficial arrangement whereby healthcare services and Atrium locations could be included in the Access or Preferred tiers of providers.

35. While no global agreement was reached between the Treasurer and Atrium, on 14 September 2026, the Treasurer and Atrium reached an agreement whereby a limited number of care services and locations, including those in rural areas, in Atrium's network would be reclassified as Access tier providers and OneHealth would be set as preferred. As part of the agreement, the Plan and Atrium agreed on timelines to revisit Atrium being totally included in the Access tier and the opportunity to negotiate into the Preferred tier.

36. During the course of these negotiations, in September 2026, the Plaintiffs remained optimistic about reaching a system-wide agreement with Atrium and that Atrium would commit to lowering the cost of its services.

37. The Plan worked with Atrium and Aetna to operationalize the September 2026 agreement, which required significant resources from Aetna and the Plan. Upon information and belief, rather than focusing on executing the agreement, Atrium has now opted to maximize its own revenue, while simultaneously jeopardizing the stability and future of the Plan, at the cost of North Carolina taxpayers and the 750,000 Plan participants whose access to healthcare coverage is now at risk.

38. On 6 October 2026, and less than one week before the Open Enrollment period for Plan participants was scheduled to begin, Atrium announced the "Atrium Health Affordability Protection Program" (the "Protection Program") for Plan participants (a copy of which is attached hereto as **Exhibit B**). Atrium gave no advance notice of this announcement to the Plan or Aetna.

39. According to Atrium, under the Protection Program, for Plan participants, "copays for primary care, specialty care, outpatient and inpatient services will be less than amounts members would otherwise pay under the [Plan's] Preferred Tier." Such cost share reductions, Atrium has stated, "will be applied automatically" once a Plan participant seeks healthcare services at an Atrium facility.

40. On its website, Atrium advertises a "North Carolina State Health Plan Member Education Center" (attached hereto as **Exhibit C**), which summarizes the benefits available to Plan participants under the Protection Program as follows:

	Standard PPO Plan		Plus PPO Plan	
Care Type	Preferred Tier Copay	Atrium Health Copay	Preferred Tier Copay	Atrium Health Copay
Primary Care Office Visit	$15	$10	$10	$5
Specialty Care Office Visit	$40	$30	$25	$15
Outpatient Surgery	$600	$400	$300	$200
Inpatient Hospital	$750	$500	$500	$350

41. At first glance Atrium's Protection Program appears to be a great deal for Plan participants, but its hidden costs—and Atrium's violations of law in connection with the program—are being concealed from Plan participants.

42. Atrium's marketing of the Protection Program was further calculated to deceive Plan participants into believing that the services provided by Atrium are at a "lower cost" than those offered at Preferred tier providers, when, in fact, Atrium demands higher allowed prices (reimbursement rates) from the Plan than Preferred tier providers. Therefore, while advertising the Protection Program as improving affordability, the Protection Program is specifically designed to maintain higher reimbursement rates than Preferred providers and many Access Providers from the Plan without reducing the overall cost of services, particularly for high-cost services and very sick patients who use a significant number of services.

43. Furthermore, Atrium's Protection Program has been designed and implemented in bad faith, as evidenced by the timing of the announcement of the Protection Program. Indeed, despite having negotiated with Plaintiffs for months regarding Atrium's coverage under the Plan and implementing the September 2026 agreement, Atrium strategically waited until six days before the start of the Plan's Open Enrollment period to announce the Protection Program.

44. Upon information and belief, this was done for several reasons: first, Atrium wanted the timing of the Protection Program to correspond with Open Enrollment so as to undermine the

PPP; second, Atrium wanted to influence as many Plan participants as possible in making 2027 health coverage decisions in reliance on Atrium's Protection Program; and third, Atrium wanted to covertly solicit comments and support for the Protection Program from prominent community leaders to be used in its advertising.

IV. The Plan and Plan Participants Are Suffering Irreparable Harm

45. Irrespective of Atrium's unlawful misrepresentations in advertising, bad-faith negotiations, and possible violations of federal and state law, the Treasurer, the Plan, and the Plan's participants have already begun to suffer injury as a result of the Protection Program.

46. Specifically, the mere announcement of Atrium's Protection Program has, exactly as it was intended, undermined the contractual relationship between the Treasurer and each of the hospital systems and healthcare providers who negotiated and contracted for Preferred tier or Access tier status under the Plan. Further, Atrium's actions have caused confusion and harm to the Plan's participants mere days before the start of Open Enrollment. In order to mitigate this harm, the Plan has been forced to extend Open Enrollment for an extra week and has incurred additional financial costs.

47. If allowed to proceed, Atrium's Protection Program risks undermining the entire structural integrity of the Plan's tiered coverage, which threatens the financial stability of the Plan and the financial viability of the PPP for the current Preferred and Access providers.

CAUSES OF ACTION

COUNT I: DECLARATORY JUDGMENT

48. Plaintiffs reallege and incorporate all of the allegations contained in the preceding paragraphs as if fully set forth herein.

49. Pursuant to N.C.G.S. § 135-48.1 *et seq.*, the Treasurer is vested with the fiduciary responsibility of managing the Plan and has the power and duty to, among other things:

a) Administer and operate the Plan;

b) Set benefits, premium rates, co-pays, deductibles, and coinsurance maximums, subject to approval by the Plan's Board of Trustees;

c) Set the allowable charges for medical and prescription drug benefits; and

d) Design and implement coordination of benefits policies.

50. By advertising and attempting to implement the Protection Program—which sets cost sharing and benefit levels different from those applicable to Non-Preferred providers under the Plan—Atrium has usurped the Treasurer's statutory authority under N.C.G.S. § 135-48.1 *et seq*.

51. As a result, Atrium's conduct unlawfully interferes with and usurps the Treasurer's exclusive statutory authority.

52. An actual and justiciable controversy exists between the parties concerning Atrium's asserted right to implement the Protection Program with cost sharing and benefit levels different from those established under the Plan and Plaintiffs' contention that doing so unlawfully interferes with the Treasurer's statutory authority to administer and operate the Plan. Atrium has announced its intent to implement the Protection Program absent judicial relief. The Court therefore has authority under N.C.G.S. §§ 1-253 and 1-254 to declare the parties' respective rights, status, and other legal relations.

53. Accordingly, Plaintiffs are entitled to temporary, preliminary, and permanent injunctive relief and declaratory relief ordering that Atrium's Protection Program is an unlawful usurpation of statutory power granted to Plaintiffs and that the Treasurer and his/her designees have the sole and exclusive authority to manage the administration and operation of the State Health Plan.

COUNT II: TORTIOUS INTERFERENCE WITH CONTRACT

54. Plaintiffs reallege and incorporate all of the allegations contained in the preceding paragraphs as if fully set forth herein.

55. As part of the Treasurer's performance of his statutory duty to administer the Plan, Plaintiffs have entered into PPP contracts with hospital networks and medical providers. Pursuant to these contracts, these providers are Preferred providers.

56. In addition to the listing of Preferred providers on the Plan's publicly accessible website, Atrium had specific knowledge of the contracts between the Treasurer and the Preferred and Access providers.

57. Through the announcement and forthcoming implementation of the Protection Program, Atrium has interfered with the Treasurer's contracts with Preferred providers under the Plan.

58. Upon information and belief, Atrium's Program will materially impact the ability of Preferred providers to continue to participate in the program.

59. By announcing and attempting to implement the Protection Program, Atrium has acted intentionally and without justification or privilege in interfering with the Treasurer's contracts with Preferred providers.

60. Atrium's conduct exceeds the bounds of legitimate business conduct and competition because the Protection Program is only offered to Plan participants, it was announced six days before the Plan's Open Enrollment period for 2027, and it has been marketed through false and misleading statements concerning Atrium's classification under the Plan and the relative cost of Atrium's services, with the intended effect of destabilizing the Plan's PPP and materially impairing the ability of Preferred providers to continue their participation in the program.

61. As a result of Defendant's actions alleged herein, Plaintiffs have been damaged in an amount in excess of $25,000 which will be proven at trial. Furthermore, the damages to Plaintiffs—and consequently, the 750,000 participants of the Plan—are continuing and irreparable in nature.

COUNT III: UNFAIR AND DECEPTIVE TRADE PRACTICES PURSUANT TO N.C.G.S. § 75-1.1 *ET SEQ.*

62. Plaintiffs reallege and incorporate all of the allegations contained in the preceding paragraphs as if fully set forth herein.

63. Atrium has engaged in unfair and deceptive trade practices by, among other things:

a) Tortiously interfering with Plaintiffs' contracts with Preferred providers by attempting to induce them to withdraw or terminate their contracts;

b) Falsely associating the Protection Program with the Plan, without ever disclosing that the Treasurer, Plan, and State of North Carolina have had no involvement with, and have not approved, the Protection Program as a benefit to Plan participants;

c) Falsely advertising the Protection Program as "affordable" and providing the "lowest cost" for services, when, in reality, Atrium actually charges higher rates for services than other Preferred providers;

d) Attempting to manipulate the market for healthcare services by advertising an unauthorized benefit to Plan participants less than one week before the start of the Open Enrollment period;

e) Engaging in conduct that is potentially violative of federal law, including the Eliminating Kickbacks in Recovery Act, 18 U.S.C. § 220 and/or 42 U.S.C. § 1320a-7a;[5] and

f) In all other ways to be proven at trial.

64. Atrium's conduct was "in or affecting" commerce under N.C.G.S. § 75-1.1 because Atrium has actively marketed and directed its activities towards consumers—specifically the Plan's participants.

65. As a result of Defendant's actions alleged herein, Plaintiffs have been damaged in an amount in excess of $25,000 which will be proven at trial. Furthermore, the damages to Plaintiffs—and consequently, the 750,000 participants of the Plan—are continuing and irreparable in nature.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully pray that this Court:

1. Issue a temporary restraining order, preliminary injunction, and permanent injunction:

a) Requiring Atrium to immediately cease and desist from making false or misleading statements regarding the Protection Program, including any statement or implication that the Protection Program is affiliated with, authorized by, or endorsed by the Treasurer, the Plan, or the State of North Carolina, and to remove all such statements from its public websites and printed materials; and

[5] Though 18 U.S.C. § 220 and 42 U.S.C. § 1320a-7a do not create a private right of action, the unlawful conduct described in those statutes may form the basis of an unfair and deceptive trade practices claim under N.C.G.S. § 75-1.1.

b) Prohibiting Atrium from attempting to advertise or implement the Protection Program.

2. Issue a declaratory judgment stating that:

a) Atrium's Protection Program is void and against North Carolina public policy; and

b) The Protection Program unlawfully interferes with and usurps the Treasurer's statutory authority under N.C.G.S. § 135-48.1 *et seq*.

3. Order Atrium to take all steps necessary to remedy the harm caused by its actions, including by providing a clear and conspicuous disclaimer to Plan participants that the Protection Program is not affiliated with, authorized by, or endorsed by the Treasurer, the Plan, or the State of North Carolina;

4. Award actual, compensatory, and special damages to Plaintiffs in an amount to be proven at trial;

5. Award treble damages pursuant to N.C.G.S. § 75-16 and Plaintiffs' attorneys' fees pursuant to N.C.G.S. § 75-16.1;

6. Award Plaintiffs' attorneys' fees, litigation expenses, and associated costs pursuant to all other applicable provisions of law; and

7. Grant any such further relief that the Court deems just and proper.

JURY TRIAL DEMAND

Pursuant to Rule 38 of the North Carolina Rules of Civil Procedure, Plaintiffs demand a trial by jury on all issues so triable.

Respectfully submitted, this the 9th day of October 2026.

NELSON MULLINS RILEY & SCARBOROUGH LLP

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Attorneys for Plaintiffs North Carolina State Health Plan for Teachers and State Employees; North Carolina Office of the State Treasurer; and Bradford B. Briner, in his official capacity as the State Treasurer of North Carolina

VERIFICATION

I, Lotta Crabtree, affirm under penalty of perjury, that the foregoing representations in this Verified Complaint are true to my own knowledge, except as to matters stated upon information and belief, and as to those matters, I believe them to be true.

By: Lotta Crabtree

Title: Chief Administrative Officer

LOTTA CRABTREE
(Printed Name)

Date: 10/9/2026

Wake County
STATE OF NORTH CAROLINA

Sworn and subscribed to me on this, the 9 date of October, 2026.

WANDA HENDRIX NOTARY PUBLIC DURHAM COUNTY, NC

Wanda Hendrix
Notary Public,
My commission expires: 6-9-27

VERIFICATION

I, Eric Naisbitt, affirm under penalty of perjury, that the foregoing representations in this Verified Complaint are true to my own knowledge, except as to matters stated upon information and belief, and as to those matters, I believe them to be true.

By: _____

Title: Chief of Staff - Dept. of State Treasurer

Eric Naisbitt
(Printed Name)

Date: 10/9/26

Wake County
STATE OF NORTH CAROLINA

Sworn and subscribed to me on this, the 9 date of October 2026

WANDA HENDRIX NOTARY PUBLIC DURHAM COUNTY, NC

Wanda Hendrix
Notary Public,
My commission expires: 6-9-27

EXHIBIT A

New Atrium Health Affordability Protection Program Launched to Ensure North Carolina State Health Plan Members Can Keep the Care They Know and Trust

10.06.2026 ATRIUM HEALTH NEWS

New affordability program makes Atrium Health the lowest cost-share option for enrolled State Health Plan members in North Carolina

CHARLOTTE, N.C., Oct. 6, 2026 – Atrium Health today announced the Atrium Health Affordability Protection Program, a new initiative designed to preserve access, patient choice and affordability for enrolled North Carolina State Health Plan members. This new program is intended to address the higher healthcare costs created for patients seeking care at Atrium Health by the NC State Health Plan's new tiered provider structure. Through the new program, enrolled members will have the lowest copays and lowest overall cost-share for care at any Atrium Health facility or provider — less than any other health system across North Carolina.

When the NC State Health Plan first announced its tiered provider structure, Atrium Health was not included in either the Access Tier or Preferred Tier despite caring for State Health Plan members and their families across North Carolina. Atrium Health submitted several proposals, including an offer to match Preferred Tier pricing so State Health Plan members could continue accessing Atrium Health care at the same cost as other Preferred Tier providers, but those proposals were not accepted by the State Health Plan.

The subsequent agreement announced on September 14 reflects the NC State Health Plan's final decision regarding Atrium Health's participation in the new network structure after collaborative discussions between the organizations. While that agreement preserved access to many important services, including primary care, behavioral health, emergency services, children's hospitals and rural hospitals, NC State Health Plan members would still face higher costs for certain Atrium Health services beginning in 2027 — particularly for specialty care and in communities where Atrium Health hospitals and physicians were assigned to a non-preferred tier. The new Atrium Health Affordability Protection Program is designed to address and eliminate any remaining affordability gap.

"While we can't control the tier designation assigned by the State Health Plan, we can take action to ensure our dedicated public servants across the state are not left to face the consequences of these decisions," said Steve Smoot, president of Advocate Health's North Carolina and Georgia Division, which Atrium Health is a part. "We continue to hear from State Health Plan members who are concerned about higher costs and the possibility of having to change providers, particularly for specialty care. We didn't want our patients to have to choose between the care team they trust and affordability. The Atrium Health Affordability Protection Program is our solution, helping enrolled members continue receiving the care they choose without higher costs standing in the way."

How the New Atrium Health Affordability Protection Program Works

The Atrium Health Affordability Protection Program is a commitment that lowers the cost-share and copays for care enrolled State Health Plan members receive at Atrium Health. Through the program, copays for primary care, specialty care, outpatient and inpatient services will be less than amounts members would otherwise pay under the State Health Plan's Preferred Tier.

"We believe it's our responsibility to do our part to address rising healthcare costs," said Eugene A. Woods, chief executive officer of Advocate Health. "That commitment takes many forms. Last year, nearly 100,000 North Carolina patients received 100% charity care through Atrium Health and never received a bill, and Atrium Health invested $2.38 billion in community benefit across the state. Our new Affordability Protection Program is another step forward — and one more way we're leaning in to help patients and families keep the care they trust while making it more affordable."

For example, an enrolled member in the Standard Plan under the NC State Health Plan's tiered structure receiving outpatient surgical care at a non-preferred facility would face a $1,000 copay, a deductible up to $5,000 for an individual and then 30% coinsurance. Under the new Atrium Health Affordability Protection Program, that cost would be reduced to a $400 copay — saving that member thousands of dollars.

Another example is an enrolled NC State Health Plan member on the Standard Plan receiving inpatient care at one of Atrium Health's urban hospitals under the non-preferred benefit would be responsible for a $1,500 copay, up to a $5,000 deductible and 30% coinsurance under the State Health Plan's tiered provider structure. Under the new Atrium Health Affordability Protection Program, that cost would be reduced to a $500 copay.

"The most important message we want State Health Plan members to hear is simple: we've got your back," added Smoot. "When you select a primary care provider during open enrollment, you can feel confident choosing or keeping an Atrium Health provider. That's because, regardless of how Atrium Health is categorized under the State Health Plan's new structure, the new Atrium Health Affordability Protection Program is designed to ensure members can continue receiving care from Atrium Health at the lowest cost-sharing available under the State Health Plan."

The new Atrium Health Affordability Protection Program will be available to enrolled State Health Plan members beginning January 1, 2027. Additional details regarding eligibility, enrollment and program administration are available via Atrium Health's dedicated State Health Plan Member Education Center.

What Patients and Communities Are Saying

Throughout this process, Atrium Health heard from thousands of North Carolina State Health Plan members who shared a common concern: they did not want to lose access to the Atrium Health physicians and care teams they know and trust. Many described relationships built over years and, in some cases, decades. They spoke about clinicians who compassionately managed complex conditions, guided them through serious diagnoses and stood beside them during some of life's most difficult moments. For these patients and families, healthcare is personal. The relationships they have built with their care teams are not easily replaced.

It is these concerns that led to the creation of the Atrium Health Affordability Protection Program. Since learning about the initiative, community leaders across North Carolina have expressed strong support for how it will help protect teachers, first responders, public servants and their families. From school superintendents to police chiefs and beyond, leaders have welcomed the effort to preserve access to affordable, high-quality care.

> **Spencer B. Merriweather III, District Attorney, NC Prosecutorial District 26 (Mecklenburg County)**
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> "As an employer of dedicated public servants, it is really important to me that my employees maintain healthcare affordability and choice. I am pleased that Atrium Health, on its own initiative, has announced this program today to help ensure my employees can continue receiving care from their chosen provider at an affordable cost."