

PLAN OF ALLOCATION

- A. The Notice and Claims Administrators (A.B. Data Group and Cherry Bekaert Advisory, LLC) shall utilize this Plan of Allocation for the determination of all Claims, including any Allocated Amount due to any Qualifying Class Member under the proprietary Acute Care Hospital Allocation Model and Algorithm (the “Model”).
- B. The Model is prepared and operated by Cherry Bekaert Advisory, LLC (formerly known as Legier & Company, apac) and is consistent with the algorithm developed in the Purdue Pharma bankruptcy proceedings (Case No. 19-23649), and utilized thereafter in the Mallinckrodt, plc (Case No. 20-12522) and Endo (Case No. 22-22549) bankruptcy proceedings. Cherry Bekaert Advisory, LLC retains all intellectual property rights in the Model.
- C. A.B. Data Group shall mail the Notice to Class Members no later than twenty-one (21) calendar days following the entry of the Preliminary Approval Order pursuant to the Notice Plan. Following the occurrence of the Effective Date of the Settlement, A.B. Data Group will be authorized to remit payment to Qualifying Class Members under this Plan of Allocation. Cherry Bekaert Advisory, LLC shall manage the Settlement website www.acutecarehospitalsettlement.com, shall issue SFTP links upon a Class Member timely submitting the Registration Form, and shall process all timely submissions for determining eligibility for an Allocated Amount under the Model.
- D. Any Qualifying Class Member may participate in the Quick Pay option by submitting via email to Sacklerinfo@acutecarehospitalsettlement.com a completed Registration Form (1) agreeing to be bound by the terms of the Class Action Settlement Agreement by and between the Settling Defendants and Acute Care Hospitals and (2) accepting the terms of the Quick Pay option in this Plan of Allocation. The default Quick Pay Amount shall be \$5,000.
- E. A Class Member may elect to participate in the more detailed damages calculation using the Model, which may result in an Allocated Amount greater (but not less) than the Class Member’s Quick Pay Amount. This process requires the Class Member to establish through requisite claims data (see Claim Form Section F.8) that it has calculable damages under the Model. The rejection or denial of a claim under the Model will result in a Qualifying Class Member receiving their Quick Pay Amount after an eligibility determination is made.
- F. Under the Model, Cherry Bekaert Advisory, LLC shall determine the Allocated Amount distributable to each Qualifying Class Member who has not elected Quick Pay based on: (1) the diagnostic codes associated with operational charges incurred by the Qualifying Class Member in connection with the treatment of OUD patient encounters in (a) the Emergency Department, (b) Inpatient settings, and (c) Outpatient settings;¹ (2) the portion of such charges that were not reimbursed; and (3) the following distribution determination factors and weights:²

¹ Refer to the Claim Form and instructions for the claims data details. Physician office visits and non-acute care visits should NOT be included in the data provided.

² The “Model” calculates a Qualifying Class Member’s loss resulting from its treatment of patients with OUD and other opioid diagnoses in the emergency department and inpatient and outpatient settings, considering, among other things, the total charges and collections, including a causation algorithm applied to each patient encounter.

Factors	Weighting %
MMEs	10%
OUD Rates	10%
Opioid Deaths	5%
Operational Impact	35%
Opioid Patient %	15%
Litigation Participation	25%
Total	100.00%

The above factors are defined as follows:

1. Units of morphine milligram equivalents (“MMEs”) shipped into the Qualifying Class Member’s service area (“Service Area”) during the period of January 1, 2006 through December 31, 2014 (the “Measurement Period”);
2. Opioid use disorder rates (“OUD Rates”) at the state level, prorated for each Qualifying Class Member;
3. Opioid overdose deaths in the Qualifying Class Member’s Service Area (“Opioid Deaths”);
4. Operational impact calculated using the Qualifying Class Member’s opioid diagnoses codes, and charge and reimbursement data (“Operational Impact”);
5. The Qualifying Class Member’s opioid related patients as a percentage of its total patients (“Opioid Patient %”);
6. Participation in active litigation against the Settling Defendants³ and/or their alleged co-conspirators, as specified in the Complaint, (“Litigation Participation”) by commencing a civil action in a state or federal court and engaging in the following activities:⁴
 - (a) Hosting expert visits for the purpose of enabling the experts to engage with hospital personnel on the opioid epidemic at the hospital, and to review hospital policies, procedures, and programs regarding opioids;
 - (b) Producing claims data to the Settling Defendants and/or their alleged co-conspirators;
 - (c) Actively engaging in discovery by, e.g., responding to interrogatories and requests for production or admissions; supplying hospital financial documents, policies and procedures, custodial emails, and/or dispensing and discharge prescription data in response to requests by Settling Defendants and/or their alleged co-conspirators or orders of a court; providing 30(b)(6) and/or fact witness testimony; propounding discovery to Settling Defendants and/or their alleged co-conspirators; formally

³ The Settling Defendants means the Released Entities defined in the Acute Care Hospital Class Action Settlement Agreement.

⁴ This participation factor is weighted at 25%, to be split equally amongst sub-factors (a)-(d).

disclosing expert opinions consistent with federal and/or state court rules; or engaging in motion practice before a court and/or a special master; and

- (d) Obtaining a court-ordered trial date.
- G. Qualifying Class Members shall be paid as promptly as possible following the Effective Date of the Settlement Agreement, on a *pro rata* basis (up to the available amounts in the Net Settlement Funds) in a manner to be determined by Cherry Bekaert Advisory, LLC. Qualifying Class Members that submit a valid Claim will receive a payment of no less than what they would be entitled to receive from the Settlement under the “Quick Pay” option. A Qualifying Class Member will receive maximum payment if it submits a valid Claim and the Effective Date for the Settlement occurs.
- H. An Acute Care Hospital that previously filed a claim and received an Allocated Amount from one of the four class action settlements in *San Miguel Hospital Corp., d/b/a Alta Vista Regional Hospital v. Johnson & Johnson*, No. 1:23-cv-00903, may direct the Notice and Claims Administrators (or their agents or representatives) to utilize in this claims process (to the extent applicable), the claims data, and/or information submitted in those claims processes.