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M E M O R A N D U M

To: Health & Welfare Fund Clients

From: Slevin & Hart, P.C.

Date: August 19, 2021

Re: Mallinckrodt plc Bankruptcy – Deadline to Respond: September 1, 2021

The purpose of this memorandum is to describe the bankruptcy of prescription drug manufacturer Mallinckrodt plc and its affiliates (collectively, "Mallinckrodt"), in which the Fund may have a claim arising from prescription drug claims it paid, on behalf of its participants and beneficiaries, for Mallinckrodt's prescription opioid drugs.

Action Item

As discussed below, if the Fund has a potential opioid-related claim, it is entitled to vote on Mallinckrodt's proposed Chapter 11 bankruptcy plan (the "Bankruptcy Plan") even though the Fund has not yet filed any opioid-related claims in Mallinckrodt's bankruptcy. Currently, there is not yet any deadline for the Fund to file any such opioid-related claims. Therefore, the Fund should: (1) determine whether it may have paid any opioid-related claims covered in the Mallinckrodt bankruptcy; and, if so, (2) decide whether to vote for or against the Bankruptcy Plan.

When making the decision whether to accept or reject the Bankruptcy Plan, the Fund should take into consideration whether it already has opioid abatement, substance use, and/or mental health programs ("Permitted Use Programs") in place, since the Bankruptcy Plan requires any proceeds that the Fund may receive to be used only for these Permitted Use Programs. The proceeds may not be used to directly reimburse the Fund or its participants for opioid-related claims. Mallinckrodt's current proposal regarding the scope of Permitted Use Programs – entitled "Approved Uses/Programs" – is enclosed and states that proceeds can be used for programs that: (1) increase the availability or quality of treatment for opioid-use disorder, substance use, or mental health conditions (e.g., expanding telehealth networks to include these conditions; supporting crisis-intervention services; and training health care personnel on these conditions); and (2) decrease the cost to patients for treatment of opioid-use disorder, substance use, or mental health conditions (e.g., reducing participant cost sharing for opioid addiction treatment, substance use disorder, or mental health treatment; and providing transportation to treatment).

Broadly speaking, Funds that already have Permitted Use Programs in place or whose providers are able to implement such programs with little cost to the Fund may wish to vote in favor of the Bankruptcy Plan, while Funds that would incur expenses to implement Permitted Use

Programs may wish to vote against the Bankruptcy Plan, in the hope that a revised plan would grant more flexibility in how the bankruptcy proceeds can be used.

Given the September 3 deadline to vote on the Bankruptcy Plan, if you would like us to submit a vote on the Fund's behalf, we ask that you inform us whether the Fund chooses to vote to accept or reject the Bankruptcy Plan no later than Wednesday, September 1, 2021. If we have not received a voting instruction from the Fund by September 1, we will not cast a vote on the Fund's behalf. If the Bankruptcy Plan is ultimately confirmed, whether and how the Fund votes on the Bankruptcy Plan will not preclude the Fund from later submitting a claim to receive proceeds from the bankruptcy if the Fund determines that the potential benefits of submitting such a claim outweigh the potential costs of complying with the limitations on how those proceeds may be used.

We note that some Funds may already have filed claims in the bankruptcy related to H.P. Acthar Gel, a non-opioid prescription drug manufactured by Mallinckrodt. Opioid claims are treated separately and give rise to a right to vote on the Bankruptcy Plan that is separate from any non-opioid-related claims the Fund may have.

Background and Status of Bankruptcy Proceeding

Mallinckrodt manufactures the name-brand opioid prescription drugs Methadose and Roxicodone, as well as generic versions of the following: acetaminophen/codeine; acetaminophen/ hydrocodone; acetaminophen/oxycodone; buprenorphine/naloxone; fentanyl; hydromorphone; methadone; morphine; oxycodone; and oxymorphone ("Covered Drugs").

In October 2020, Mallinckrodt filed for Chapter 11 bankruptcy to consolidate and administer all potential claims against it, including claims arising from the production, sale, marketing and distribution of Covered Drugs. On June 17, 2021, the Bankruptcy Court approved Mallinckrodt's Disclosure Statement, a copy of which can be accessed at https://tinyurl.com/MallinckrodtDisclosure, which describes the proposed Bankruptcy Plan so that creditors can decide whether to accept or reject it. The Bankruptcy Plan specifies how the money in the bankruptcy estate will be allocated among the various claimants and provides for proceeds from the bankruptcy to be paid to several trusts for the benefit of various groups of claimants. One of these trusts is for "Third Party Payors" ("TPP Trust"), which are entities, like the Fund, that paid for Mallinckrodt's opioid medications on behalf of individual participants and beneficiaries. So long as the Fund believes that it may have paid claims for Covered Drugs as a third-party payor, it is entitled to vote on the Bankruptcy Plan and to later submit a claim to receive proceeds from the TPP Trust based upon its opioid expenditures.

Whether or not the class of TPP claimants, like the Fund, will ultimately be deemed to have voted to accept or reject the Bankruptcy Plan will depend upon the vote totals of those TPP claimants that elect to vote on the Bankruptcy Plan, whether for or against. If the Bankruptcy Plan is approved in its current form, Mallinckrodt will contribute a total of $82,578,500 to the TPP Trust over time. The amount payable to the Fund will be determined based upon the total number of valid claims submitted to the TPP Trust, as well as the total amount the Fund spent on Covered Drugs and/or to treat substance use related to opioids. Because Mallinckrodt has not yet required TPP claimants to file claims, we do not know how many potential TPP claimants will share in this

amount. If the Bankruptcy Plan is rejected in its current form, negotiations would likely continue among the company and various creditors. Ultimately, if no plan is approved, Mallinckrodt's assets would likely be sold and it is unclear what, if any, recovery the Fund would receive.

If the Bankruptcy Plan is confirmed, we understand that the Fund will need to decide whether to file a TPP Trust claim. We are still awaiting certain documents and information that will be necessary for the Fund to submit a TPP Trust claim. Since, under the current version of the TPP Trust documents, TPP Trust claims will not be due until 180 days after the Bankruptcy Plan is confirmed, we anticipate that TPP Trust claims will likely not be due until, at the earliest, March 2022. We will follow up with you in the future regarding the possibility of submitting a TPP Trust claim, assuming the Bankruptcy Plan is confirmed.

Please do not hesitate to contact us if you have any questions or concerns or if you would like to discuss this further.

Enclosure

cc: Co-Counsel (if any)

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APPENDIX D: Approved Uses/Programs

Approved Uses/Programs. Approved Uses/Programs are those that satisfy the following criteria (the "Approved Uses/Programs Criteria"): they (a) focus on providing treatment of Opioid Use Disorder ("OUD") and/or any Substance Use Disorder or Mental Health ("SUD/MH") conditions, and/or grants to organizations focused on providing treatment of OUD and/or any SUD/MH conditions, (b) employ evidence-based or evidence-informed strategies, and (c) do not include reimbursements to health care providers or payments to covered persons under the plan of a TPP Opioid Authorized Recipient (or ASO, if applicable). Approved Uses/Programs follow:[17]

1) Support programs that increase the availability or quality of treatment for OUD and/or any SUD/MH conditions or are designed to prevent OUD, including, but not limited to:
    a) Expand telehealth networks and availability to increase access to treatment for OUD and/or any SUD/MH conditions, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.
    b) Support mobile, community-based crisis intervention services, including outpatient hospitals, community health centers, mental health centers and other clinics delivering mobile crisis intervention by qualified professionals and service providers, such as peer recovery coaches, for persons with OUD and/or any SUD/MH conditions and for persons who have experienced an opioid overdose. All supported services should make medications for opioid use disorder available through the mobile interventions.
    c) Train health care personnel to identify and treat trauma of individuals with OUD and/or SUD (e.g., violence, sexual assault, human trafficking, or adverse childhood experiences) and family members (e.g., surviving family members after an overdose or overdose fatality), including training of health care personnel supporting residential treatment, partial hospitalization, and intensive outpatient services.
    d) Provide funding and training for clinicians to obtain a waiver under the federal Drug Addiction Treatment Act of 2000 ("DATA 2000") to prescribe MAT for OUD, and provide technical assistance and professional support to clinicians who have obtained a DATA 2000 waiver.
    e) Support academic-led training on MAT for health care providers, students, or other supporting professionals, such as peer recovery coaches or recovery outreach specialists, including tele-mentoring to assist community-based providers in rural or underserved areas.
    f) Support stigma reduction efforts regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment and peer recovery and support specialists. These efforts should be based on research evidence of what works for stigma reduction and include an evaluation of efforts.

[17] As used herein, words like "expand," "fund," "provide" or the like shall not indicate a preference for new or existing programs.

g) Support programs offering physical health and behavioral health services for members with OUD and/or any SUD/MH conditions, including but not limited to care management.

h) Support utilization management programs designed to prevent OUD.

i) Fund programs providing locations for safe and free disposal of opioids and other controlled substances.

j) Fund programs tailored to support patient adherence to MAT treatment.

k) Support educational programs on correct coding for OUD.

l) Fund programs to develop predictive modeling for earlier identification of OUD and SUD.

m) Support hospitals to deliver provision of MAT to patients.

2) Support programs that decrease the cost to the patient of treatment for OUD and/or any SUD/MH conditions.

a) Waive co-payments and other non-covered (or unreimbursed) patient costs for treatment for opioid use disorder with buprenorphine and methadone.

b) Provide or support transportation to treatment or recovery programs or services for persons with OUD and/or any SUD/MH conditions.

c) Provide community support services, including social and legal services, to assist in the living conditions of persons with OUD and/or any SUD/MH conditions.

d) Provide employment training or educational services for persons in treatment for or recovery from OUD and/or any SUD/MH conditions.

3) Grants to organizations whose mission is to provide, expand access to and/or improve the delivery of treatment for OUD and/or any SUD/MH conditions through evidence-based or evidence-informed strategies.

Examples include:

Liberation Programs Inc. (CT)

Boston Medical Center (Grayken Center) (MA)

Institutes for Behavioral Resources - Reach Health Services (MD)

Montefiore Medical Center (opioid treatment programs) (NY)

Pennsylvania Psychiatric Institute: Advancement in Recovery (PA)

Evergreen Treatment Services (WA)

Shatterproof

The Alliance for Addiction Payment Reform

National Council for Behavioral Health

Faces and Voices of Recovery

National Alliance for Recovery Residences

Supportive Housing

National Association for Mental Illness

Mental Health of America

The Trustee can add to the list of Approved Uses/Programs in this Appendix D programs that satisfy the Approved Uses/Programs Criteria; provided that the Trustee provides each State Attorney General at least forty-five (45) days advance written notice that both identifies the program or programs to be added to this Appendix D and explains how the program or programs to be added satisfy the Approved Uses/Programs Criteria.