

# Payment Program Overview

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## **Two Primary Payment Program Options:\***

- Expedited Pay Program
- Deferred Pay Full Evaluation Program

\*An Extraordinary Injury Fund also will be available

# Expedited Pay Program

# Expedited Pay Program Overview

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## **Eligibility:**

- **Elect Expedited Pay Program (“EPP”) at Registration**
- **Establish that the Claimant has:**
  - Tinnitus, or
  - Recorded Tinnitus, or
  - Has Hearing Loss as defined in the EPP
- **Execute Release and Dismissal**

# Expedited Pay Program Categories

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- **Level 1: Miscellaneous (e.g., non US military service members / contractors)**
- **Level 2: Tinnitus Only**
  - No evidence of HL
- **Level 3: Level 3 has Subcategory A and B**
  - 3A: Recorded Tinnitus (no evidence of mild or greater HL)
    - Records of diagnosis of Tinnitus or sought treatment for symptoms within 2 years of last use
  - 3B: Slight HL (defined as 15db HL in at least 1 testing frequency)
- **Level 4: Mild Hearing Loss**
  - Defined as at least 20 but not more than 35db HL in at least 1 testing frequency
- **Level 5: Moderate or Greater Hearing Loss**
  - 40 or greater HL at one or more testing frequency

# Establishing Hearing Loss in Expedited Pay Program

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**Claimant will need two audiograms, one that precedes last use**

- **The Reference Audiogram**
- **The Injury Audiogram**
- **The Testing Frequencies are 2,000, 3,000, 4,000 and 6,000 hertz**

# Expedited Payment Amounts & Timing

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**Expedited Payment Levels 2 – 5 will have Minimum Guaranteed Payment Amounts\***

**Timing is a function of number of Claimants participating in Expedited Program, FIFO “rank” and timing of available funds**

- **Early Payment Scenario** – Prior to Dec. 31, 2023 (likely triggered by FIFO “rank”)
- **Majority Payment Scenario** – Prior to Dec. 31, 2024 (estimated)
- **Later Payment Scenario** – Estimated prior to September 30, 2025

\* Subject to further validation of model assumptions

# Other Expedited Pay Considerations

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- **Potential for Secondary Payment**

- Triggered by ratio (TBD) of average payment to Deferred Pay Full Evaluation Program Claimants compared to that of Expedited Pay Claimants.

- **Extraordinary Injury Fund Eligibility**

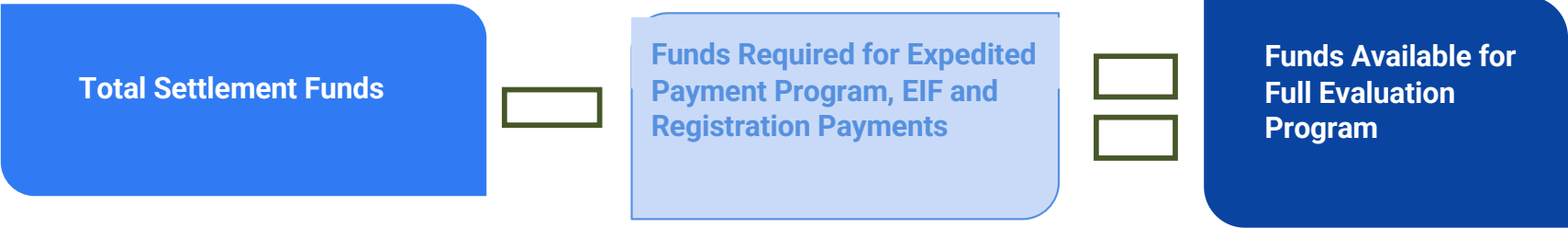
- Expedited Pay Settlement Program participants are not eligible for EIF with one exception:
  - Level 3 Claimants with evidence of recorded Tinnitus



# Deferred Pay Full Evaluation Program

# Funding of Each Payment Program

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Note: Currently testing scenarios and probabilities with DOEHRS and Census data.

# Full Evaluation Settlement Program Overview

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## Eligibility:

- **Elect Deferred Pay Full Evaluation Program at Registration**
- **Establish that the Claimant has:**
  - Mild or greater hearing loss, as established by a shift between Reference and Injury audiogram during Combat Arm v2 Earplugs use.
- **Execute Release and Dismissal**

# Establishing Hearing Loss in Full Evaluation Program

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## **Claimant must supply Reference Audiogram and Injury Audiogram**

- The **Reference Audiogram** dated w/in 1 year (post or prior) of the date of first use (as stated in Registration form)
- The **Injury Audiogram** dated w/in 1 year of last use
- Value adjustments made for each year outside of time frame for up to 4 years variance on either end
- The **Testing Frequencies** are **2,000, 3,000, 4,000** and **6,000 hertz**

# Full Evaluation Methodology

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## **Utilizes “State of the Art”, objective point scoring system**

- Points assigned based upon severity of injury and the strength of association between that injury and the Claimant’s use of Combat Arms v2 Earplugs.
- Severity of Impairment: Points awarded based on a Claimant’s Injury Audiogram Impairment Score at each of the Testing Frequencies. Greater points assigned to greater level of impairment.
  - E.g., sliding point scale across Impairment Score Spectrum from mild to severe.
- Strength of association: % of deficit related to earplug Use.
  - The more a Claimant’s impairment is related to the time period during which the Claimant wore the earplugs, the greater the point award.

# Full Evaluation Methodology, Continued

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## Other Point Modifying Factors

- Bilateral or Unilateral Impairment:
  - Claimants who suffer from moderate or greater bilateral hearing impairment will receive more points than Claimants whose hearing impairment is unilateral.
  - The impairment level in each ear will determine the magnitude of the point increase.
  - For instance, a “Moderately Severe – Profound” bilaterally impaired Claimant will receive a greater adjustment than a “Moderate-Moderate” bilaterally impaired Claimant.
- Age Adjustment
- Recorded Tinnitus Adjustment

# Full Evaluation Methodology, Continued

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## **Determining Settlement Amount:**

- A Claimant's dollar award amount is determined by multiplying the Claimant's Final Point Total times the Point Dollar Value.
- The Point Dollar Value is determined by dividing the Deferred Pay Full Evaluation Settlement Funds by the sum of all Deferred Pay Full Evaluation Settlement Program Claimants' Final Points Totals.

# Full Evaluation Methodology, Continued

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## Calculation Dates:

- Because the Settlement Agreement requires 3M to make payments, so long as certain conditions are satisfied, on a series of dates, Point Dollar Value will be determined on five separate dates, the Point Dollar Value Calculation Dates.
  - **Point Dollar Value Calculation Date One:** October 1, 2025
  - **Point Dollar Value Calculation Date Two:** October 1, 2026
  - **Point Dollar Value Calculation Date Three:** October 1, 2027
  - **Point Dollar Value Calculation Date Four:** October 1, 2028
  - **Point Dollar Value Calculation Date Five:** October 1, 2029
- A Claimant's Point Award Settlement Amount will be the sum of the Claimant's Final Point times the Point Dollar Value on each of the Point Dollar Value Calculation Dates.
- Because 3M's payment schedule is dependent on the satisfaction of certain conditions, the Settlement Administrator has the authority to modify the Point Value Calculation Date as needed to accommodate changes in the anticipated payment schedule.



# Other Full Evaluation Program Considerations

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- **Registration Payment**
- **Extraordinary Injury Fund Eligibility**
  - Special Master Chris Klotz
  - Designing Program guidelines for compensating injuries not fully considered in the Full Evaluation Program framework.

## Next Steps

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### **The following steps are required to finalize the Allocation Methodologies:**

- Modeling of likely program election between Expedited Pay and Deferred Pay Full Evaluation Program.
- Modeling of likely dollar value of a point (range) for Deferred Pay Full Evaluation Program.
- Prepare overview and criteria for helping Claimants and their counsel choose which program is likely best for them given their unique circumstances.

Thank You