



ORTHOPEDIC SURGEON & PRACTICE EVALUATION

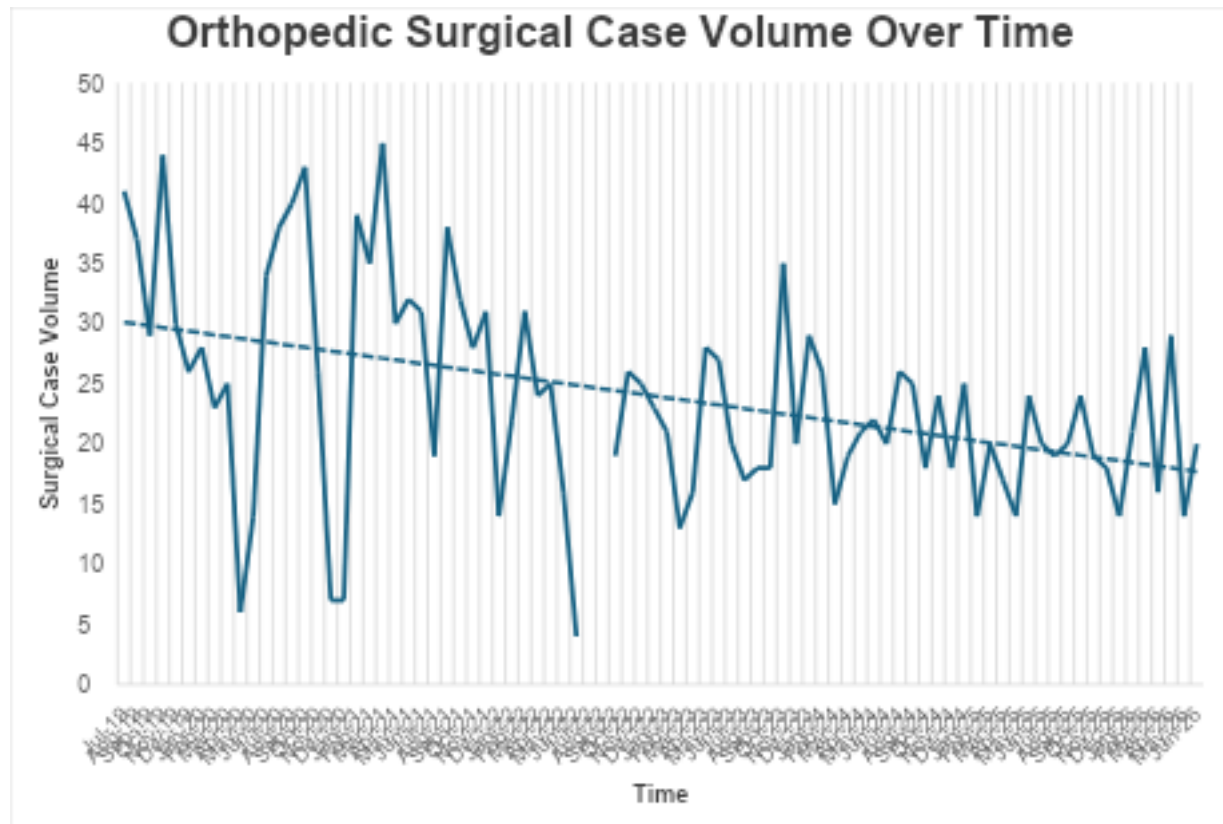
August 26, 2026

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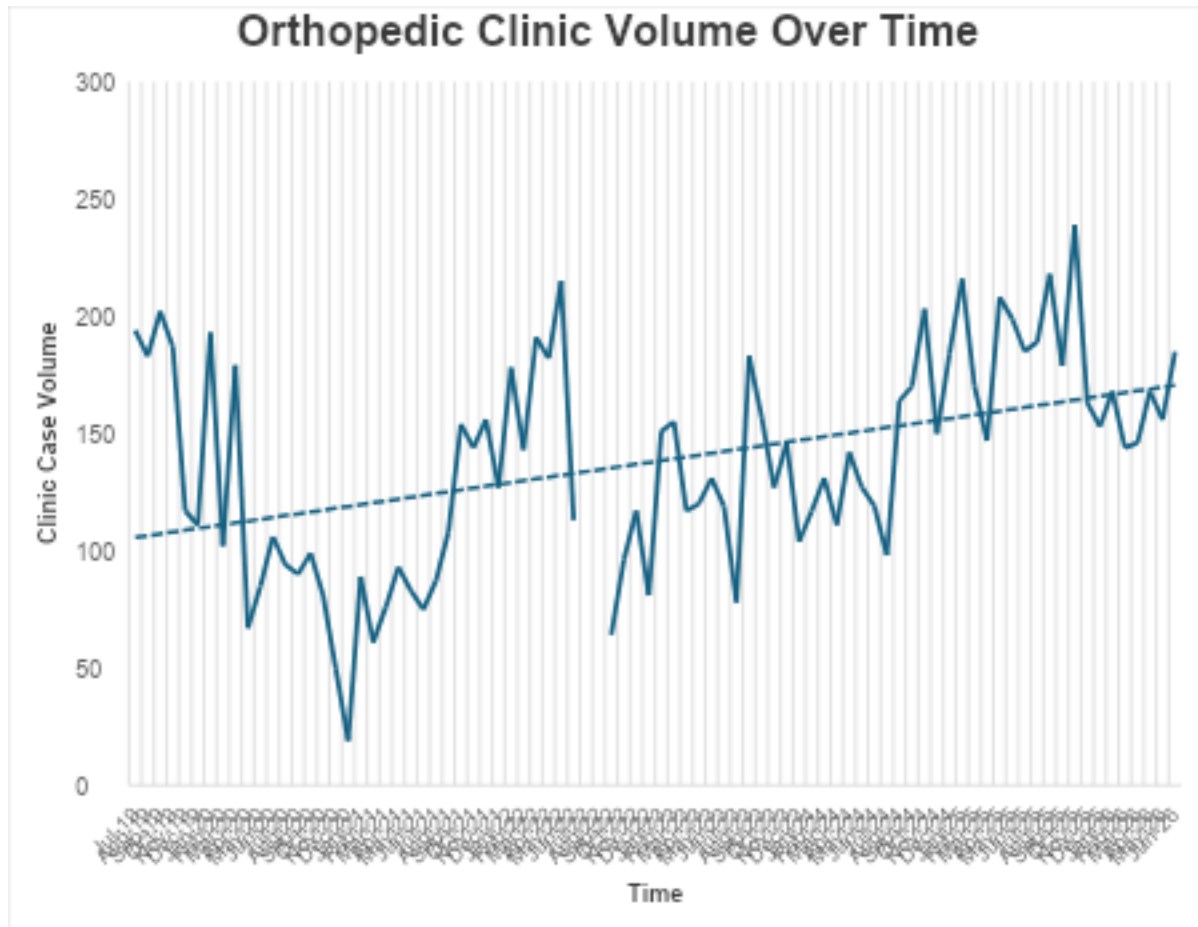
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Disclaimer: The following analysis contains data from 2020 and is therefore impacted by the COVID-19 pandemic. During this time, the acting orthopedic surgeon, Dr. Lagan, acted first as a physician treating COVID-19 patients and second as an orthopedic surgeon. Aberrations regarding volume, revenue, and outmigration during this period should be analyzed in consideration of the pandemic.

Orthopedic Surgical & Clinical Case Volume: FY2020 – Present



Surgical case volumes demonstrate a meaningful decline following the employment of Dr. Riley. The gap in data from June 30, 2022, to August 29, 2022, corresponds to the transition period between the end of Dr. Lagan’s employment and the beginning of Dr. Riley’s. Dr. Lagan averaged 28.8 surgical cases per month between July 2019 and June 2022, while Dr. Riley has averaged 20.8 cases per month since September 2022, representing a 27.8% reduction in monthly surgical volume.



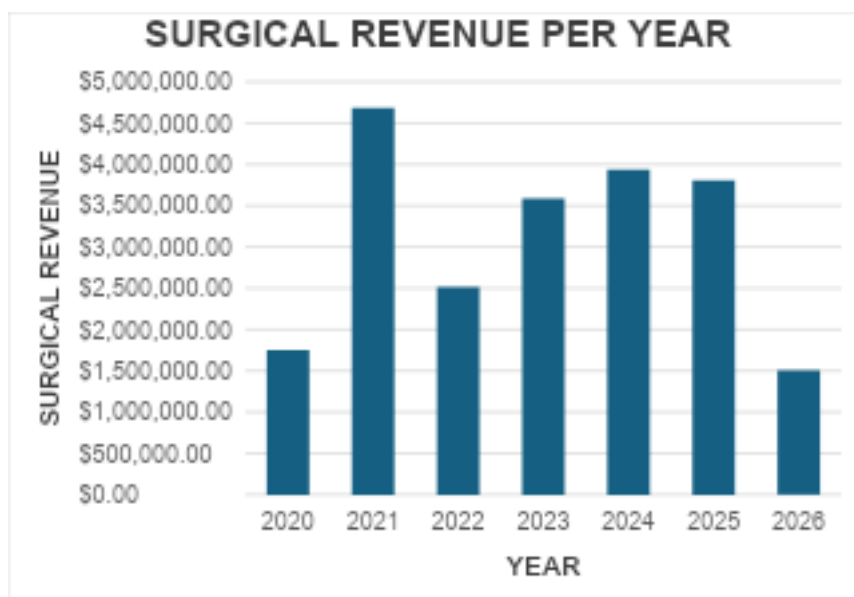
Dr. Lagan averaged 129.7 clinic visits per month between July 2019 and June 2022, while Dr. Riley averaged 146.3 monthly visits since September 2022, representing a 12.8% increase in clinic volume. In contrast, average monthly surgical cases declined during the same time. This divergence suggests that patient demand for surgical evaluation has remained strong, but a smaller proportion of clinic patients are ultimately undergoing surgery.

Orthopedic Revenue Over Time

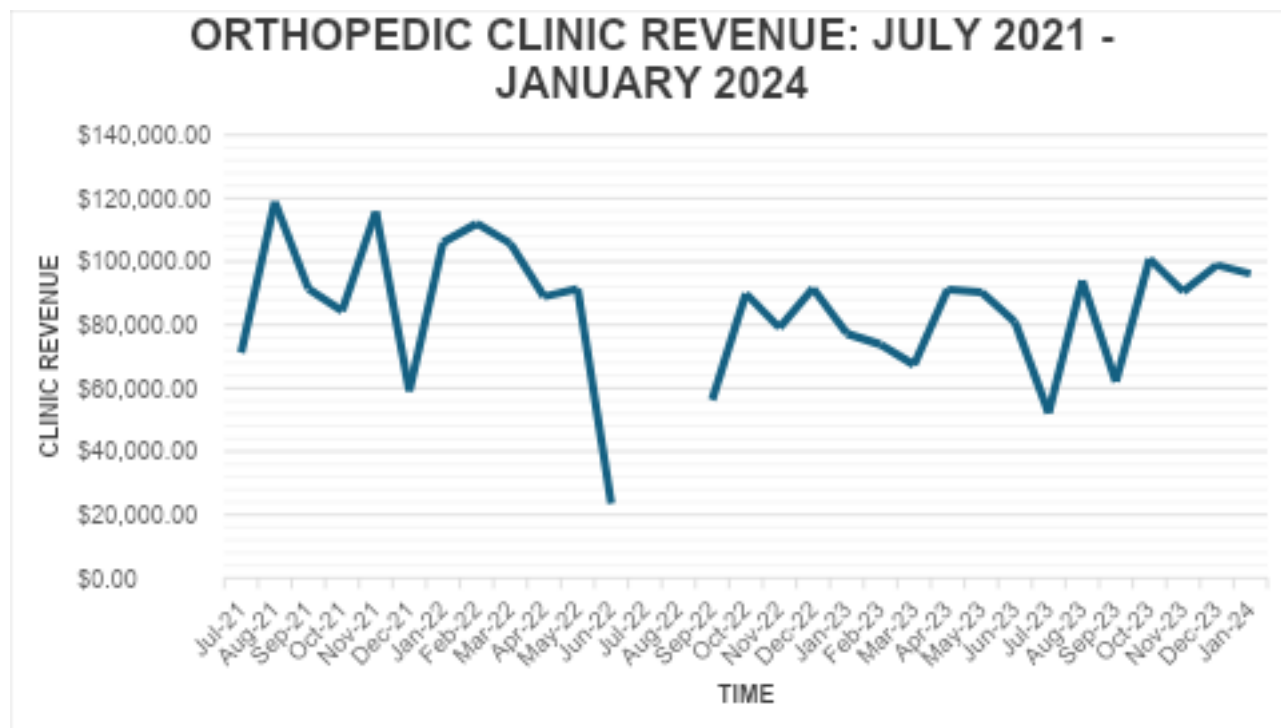


From a financial perspective, Dr. Riley is generating less surgical revenue than Dr. Lagan achieved during his established full-time practice years. Dr. Lagan generated roughly \$4.68 million in surgical revenue in 2021, averaging approximately \$390,000 in revenue monthly. Dr. Riley generated approximately \$3.93 million in 2024 and \$3.81 million in 2025, averaging roughly \$328,000 and \$317,000 per month, respectively. On an annual basis, Dr. Riley produces roughly 16-19% less surgical revenue than Dr. Lagan did during the comparable full-time period. Overall, Dr. Lagan produced an average of \$317,797.98 per month, and Dr. Riley produced an average of \$300,821.44 per month.

Year	Total Revenue
2020	\$1,752,121.76
2021	\$4,681,023.49
2022	\$2,511,951.10
2023	\$3,588,766.05
2024	\$3,934,735.50
2025	\$3,807,821.75
2026	\$1,506,316.12

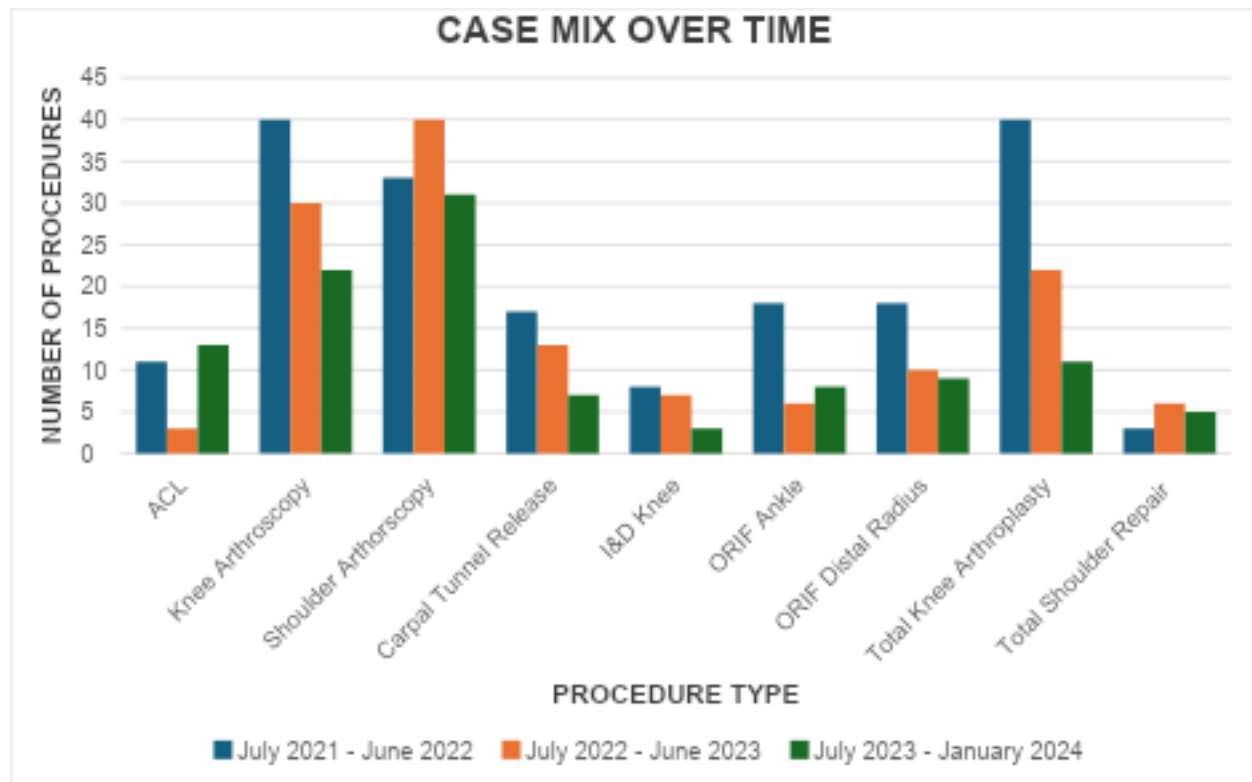


When considered on an annual basis, the data shows that Dr. Riley generates less revenue than Dr. Lagan did at his peak/full-time level.



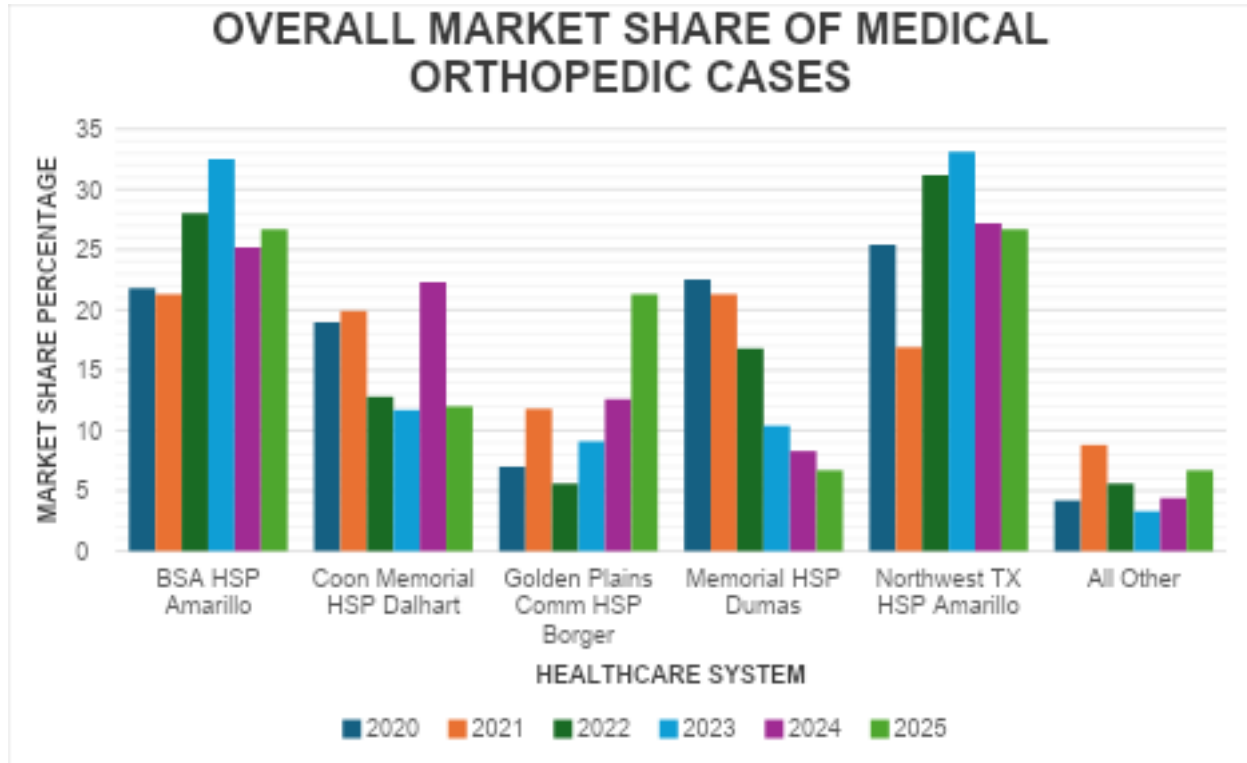
From a financial perspective, the clinic demonstrates a stable revenue-producing operation across the transition period. Prior to the transition, the clinic generated approximately \$89,000 per month on average (excluding the transition month of June). Following the transition to Dr. Riley, calendar-year 2023 revenue averaged approximately \$90,000 per month, effectively maintaining the clinic's pre-transition run rate. Overall, the clinic has maintained a strong revenue base on the clinic side of operations.

Orthopedic Procedure Mix: July 2021 – January 2024



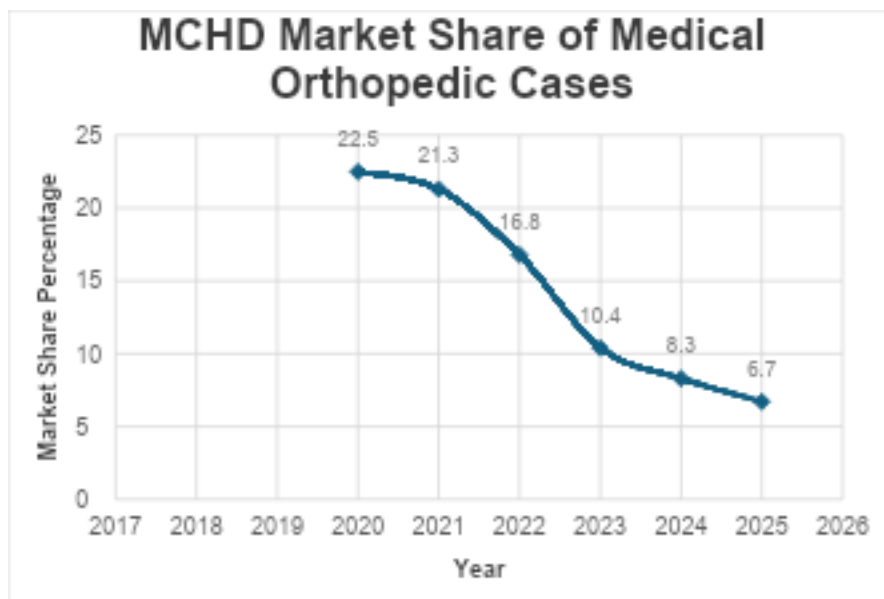
The data represent the most common procedures and exclude lower-volume procedures, so trends should be interpreted as changes in the primary procedure mix rather than total surgical activity. Following the surgeon transition in July–August 2022, the listed procedures decreased 27% from 188 to 137 cases, with notable declines in ACL (73%), ORIF Ankle (67%), Total Knee Arthroplasty (45%), and ORIF Distal Radius (44%), while Shoulder Arthroscopy increased 21%. The July 2023–January 2024 period includes only seven months, so total volume is not directly comparable to the prior 12-month periods. Despite having 20% fewer total cases than the preceding year, the monthly average increased from approximately 11.4 to 15.6 cases, indicating an increased pace of activity. ACL procedures also rebounded 333%, while ORIF Ankle increased 33%. Total Knee Arthroplasty continued to decline, decreasing another 50% from 22 to 11 cases. Overall, the data suggests a shift in procedure mix following the transition from Dr. Lagan to Dr. Riley, with continued declines in several knee procedures but increased or recovering activity in ACL and shoulder-related procedures.

Orthopedic Market Share: 2020 – 2025

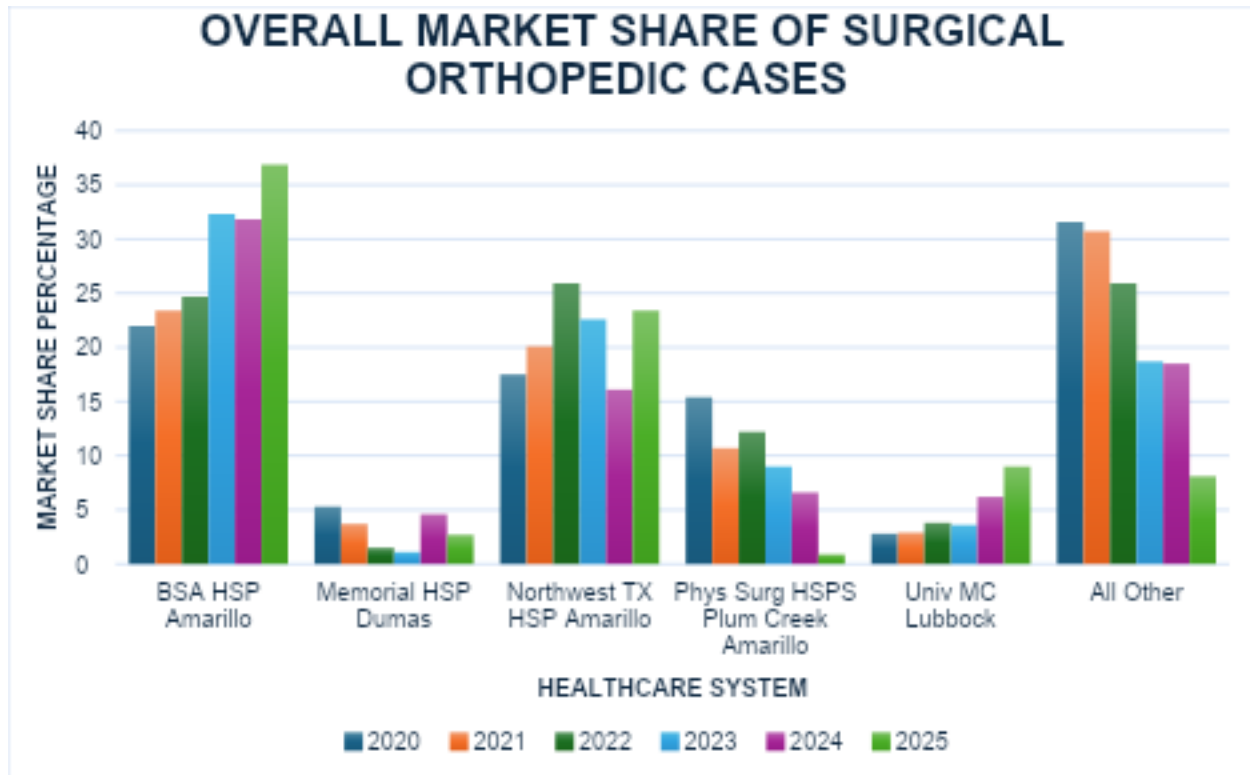


While MCHD held one of the leading positions in the market in 2020 and remained competitive in 2021, its share declined sharply beginning in 2022 as larger regional providers expanded their presence. BSA Hospital Amarillo and Northwest Texas Hospital emerged as the dominant competitors, each capturing approximately one-quarter to one-third of the market in more recent years. MCHD's continued decline indicates that an increasing proportion of medical patients sought care outside the local market.

Medical Procedures	
Year	Market Share Percentage
2020	22.5%
2021	21.3%
2022	16.8%
2023	10.4%
2024	8.3%
2025	6.7%

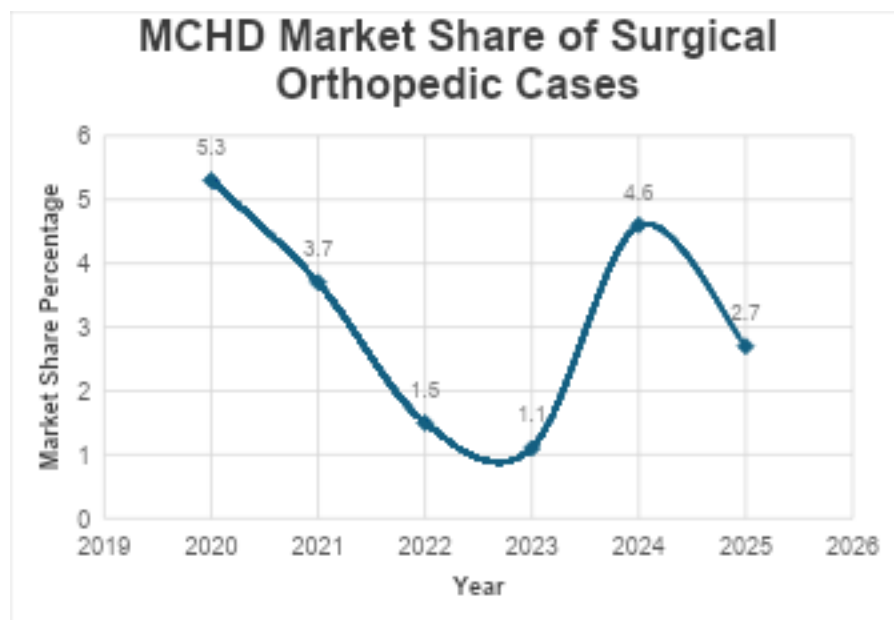


Market share declined steadily over the six-year period, falling from 22.5% in 2020 to 6.7% in 2025. The most pronounced declines occurred between 2022 and 2024, when market share decreased from 16.8% to 8.3%, indicating an accelerated loss of MCHD’s share of the medical orthopedic market. It is important to note that the decline in 2022 is due in part to Dr. Lagan reducing his case load in preparation of leaving MCHD. While the rate of decline moderated slightly in 2025, market share continued to erode, suggesting that competitive pressure or changes in referral patterns persisted. Overall, the sustained downward trend indicates we are capturing a progressively smaller proportion of the available market.



MCHD experienced an overall decline in the surgical orthopedic market share from 2020-2025. Throughout the period, the competitive landscape became increasingly concentrated among larger regional providers. BSA Hospital Amarillo strengthened its market leadership, increasing its share from 22.0% to 36.9%, while Northwest Texas Hospital and University Medical Center also expanded their presence over time. MCHD’s declining share suggests that a growing proportion of patients in need of orthopedic surgery sought care at larger regional facilities.

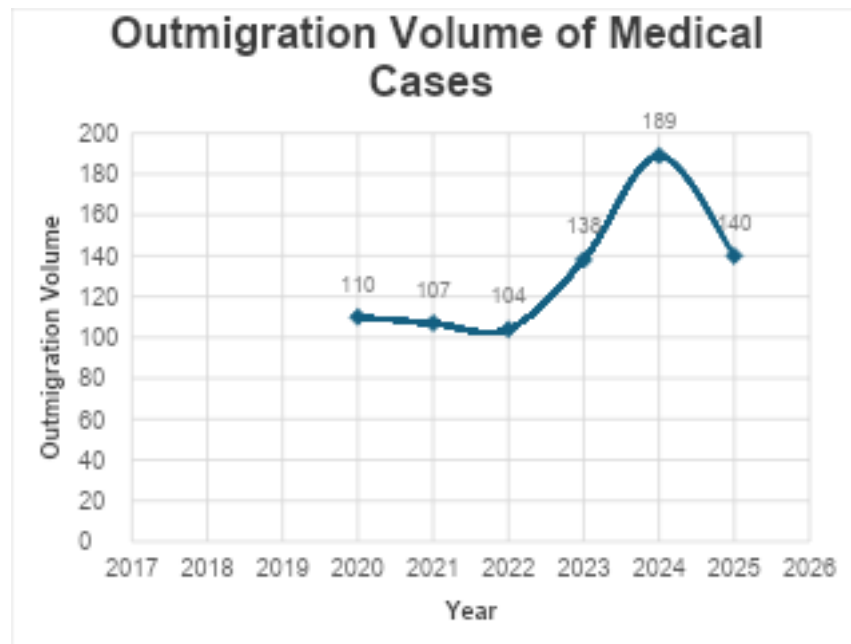
Surgical Procedures	
Year	Market Share Percentage
2020	5.3%
2021	3.7%
2022	1.5%
2023	1.1%
2024	4.6%
2025	2.7%



Market share exhibited considerable volatility over the six-year period. Despite the temporary recovery in 2024, the overall trend reflects a nearly 50% decline in market share compared with 2020 levels. These fluctuations suggest changing competitive dynamics, referral patterns, or service availability that affected the organization's ability to capture market demand. It is evident there is room for opportunities to capture more of the market, though we are currently falling short. In comparing the market share of medical versus surgical cases over time, the trend indicates that while surgical demand remains, we are failing to capture and keep those patients in network for related medical procedures. While the improvement observed in 2024 indicates the potential impact of targeted retention or growth initiatives, the subsequent decline in 2025 underscores the need for continued efforts to strengthen market position and sustain long-term growth.

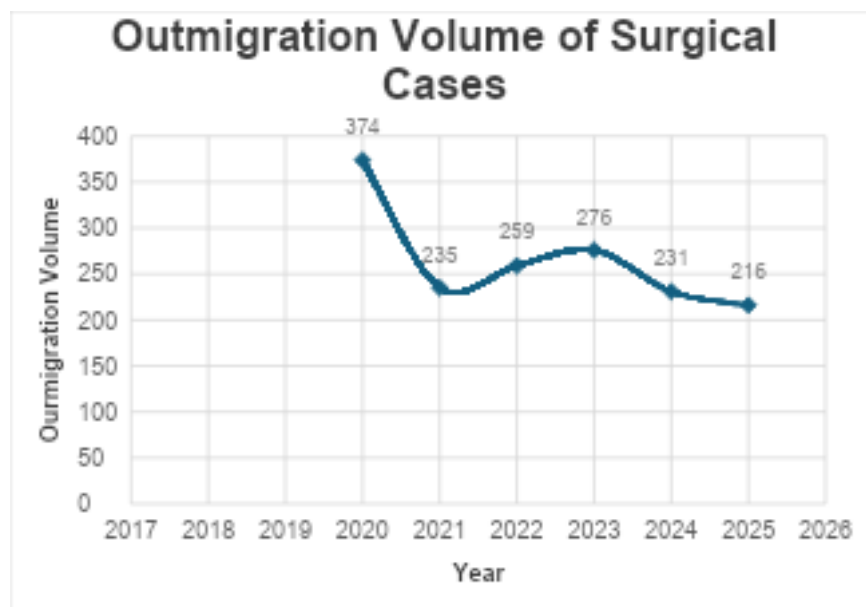
Outmigration Patterns: 2020 – 2025

Medical Procedures	
Year	Outmigration Volume
2020	110
2021	107
2022	104
2023	138
2024	189
2025	140



Cases designated as “medical” were non-invasive procedures and/or examinations performed outside of the OR. Outmigration of medical procedures remained relatively stable from 2020 through 2022, ranging from 104 to 110 patients. However, 2020 should be viewed as an atypical baseline given the extraordinary circumstances of the COVID-19 pandemic. Accordingly, comparisons to 2020 should be interpreted with caution and should not be used to characterize subsequent performance as improvement or progress. Outmigration increased substantially beginning in 2023, reaching 138 patients and a six-year high of 189 patients in 2024. Although outmigration decreased to 140 patients in 2025, a 25.9% reduction from 2024, it remained above the levels observed in 2021–2022. Overall, the data indicates that outmigration has increased notably since 2022, and continued attention to patient retention and the availability of local medical procedures remains warranted.

Surgical Procedures	
Year	Outmigration Volume
2020	374
2021	235
2022	259
2023	276
2024	231
2025	216



Outmigration of surgical procedures declined from 374 procedures in 2020 to 216 in 2025; however, 2020 should not be considered a representative baseline for assessing progress. The COVID-19 pandemic significantly disrupted normal operations, with Dr. Lagan and other clinical resources supporting COVID-19 patient care rather than functioning solely in their typical orthopedic roles. Given these extraordinary circumstances, the elevated outmigration volume in 2020 may reflect an atypical period rather than a normal market baseline. While outmigration volumes were lower in 2021, increased in 2022 and 2023, and then declined again in 2024 and 2025, the data should be interpreted cautiously rather than characterized as sustained progress from the 2020 baseline.

Account of Orthopedic Transfers: July 2025 – June 2026

Date	Diagnosis	Transfer Facility	Average Reimbursement	Comments
7/17/2025	Closed femur fracture	NWTH Amarillo	\$14,338.79	"Did attempt to contact orthopedic surgery, Dr. Riley, via telephone and text however, unable to make contact. Will transfer to Northwest Texas for higher level of care."
7/19/2025	Open fracture humerus shaft	NWTH Amarillo	\$4,683.85	"1847: NWTH has accepted patient for transfer at 1847. Dr. Mohamed (pediatric hospitalist) has accepted the patient as a direct admit to their pediatric unit."
7/25/2025	Fibula fracture	NWTH Amarillo	\$0	"1847: NWTH has accepted patient for transfer at 1847. Dr. Mohamed (pediatric hospitalist) has accepted the patient as a direct admit to their pediatric unit."
8/23/2025	Acute internal derangement of knee	NWTH Amarillo	\$8,188.97	"1847: NWTH has accepted patient for transfer at 1847. Dr. Mohamed (pediatric hospitalist) has accepted the patient as a direct admit to their pediatric unit."
8/27/2025	Ankle fracture	BSA Amarillo	\$16,878.44	"Case is complicated orthopedic surgery case that cannot be managed locally."
8/28/2025	Elbow fracture	NWTH Amarillo	\$6,601.30	"Today, orthopedic surgery discussed the case with anesthesia who ultimately reported that the patient's cardiac history precluded her from undergoing general anesthesia at our facility. They recommended transfer to a

				higher level of care with cardiac capabilities."
10/5/2025	Fracture, humerus closed	UMC Lubbock	\$7,059.04	"1535-a consultation text and images of the patient's fractures were sent to Dr. Riley's phone. 1545-Dr. Riley's phone was called and a voicemail was left requesting a callback for consultation to find out if this patient is suitable for surgery at our facility or will require surgery elsewhere. 1600-Northwest Hospital Amarillo was contacted and a consultation was done with Dr. Mancuso, orthopedic surgeon. Images of the fracture was sent to him and he advised that the patient was far too complex and needed to go to a pediatric orthopedic surgeon. He recommended UMC in Lubbock."
10/24/2025	Fracture, humerus, distal, open	UMC Lubbock	\$12,697.84	"The case was discussed with Dr. Riley, orthopedics, who recommended the patient's treatment plan and transferred to UMC in Lubbock, Texas."
11/3/2025	Fracture, Monteggia's, closed	UMC Lubbock	\$661.00	"Dr. Desantis sent images of the patient's fractures to Dr. Riley, orthopedic surgeon, and discussed the case with her. She advised that the case was highly complex and that the child needed to be transferred to Lubbock and needed to be repaired by an dedicated pediatric orthopedic surgeon."
11/15/2025	Gunshot wound of hand	NWTH Amarillo	\$1,666.31	"X-ray does show shattering of his left fourth

				metacarpal with a small amount of gunshot residue still present dorsally, though most of the bone fragments are palmar side. Can move all fingers and there is no compartment syndrome. He maintains good neurovascular status to all fingers. Wrist not involved."
11/19/2025	Fracture of wrist	NWTH Amarillo	\$6,488.01	"Spoke with Dr. Riley. She reviewed the x-ray results and recommends transfer to higher level of care. She states she will not be in town for the next 10 days and the patient is also undergoing chemotherapy which complicates things."
11/28/2025	Closed intertrochanteric fracture of femur	NWTH Amarillo	\$15,332.14	
12/13/2025	Displaced fracture of humerus	UMC Lubbock	\$12,618.90	"Orthopedic surgery Dr. Riley has been called and images has been transferred regarding the patient. She requested labs. pt developed numbness and decreased ROM of the 1,2 digits. After review it was determined that this patient is at risk of neurovascular bundle injury and a transfer is warranted."
12/20/2025	Shoulder fracture	NWTH Amarillo	\$11,965.44	"The patient will follow up promptly with orthopedics and use the full shoulder immobilizer until reevaluated."
12/27/2025	Open fracture of finger of right hand	UMC Lubbock	\$11,389.67	"Contacted Amarillo BSA and Northwest Texas Hospital that currently does not have hand coverage for the next week. Patient and spouse was okay to have

				referral to Lubbock for availability of specialist."
1/18/2026	Bilateral tibial fractures	BSA Amarillo	\$17,341.74	"Discussed this case with Dr. Riley of orthopedics here, who felt the patient was better served with a transfer to an Amarillo facility considering the complexity of the fractures he has sustained and involving both tibia."
1/22/2026	Distal radius fracture, left	BSA Amarillo	\$10,435.06	"I have consulted Dr. Riley 0333, awaiting call back. Call attempted again at 0353 and again at 0358... **ADDENDUM** Did get call back from Dr. Riley, but patient wanted to go to BSA to address it."
3/3/2026	Peri-prosthetic fracture of femur following total hip arthroplasty	UMC Lubbock	\$18,072.06	"1920-I reviewed the patient's imaging and discussed the case with the patient. I advised him that he would need to have surgical revision of the hip. The patient advised that he would like for us to attempt to contact the original surgeon, Dr. Crosnoe and Amarillo...1952-I spoke with BSA in Amarillo and they advised that they are on drive-by and not accepting any patients at this time. I will discuss options with the patient he will likely have to be transferred to Lubbock for the revision."
3/11/2026	Femoral fracture	BSA Amarillo	\$9,025.08	"I did reach out to Dr. Riley as well as Dr. Dr. Apolinario in regards to the CT results. Dr. Riley is requesting that the patient have repeat x-rays and be admitted for her to evaluate

				for possible surgical intervention."
3/12/2026	Closed supracondylar fracture of left humerus	UMC Lubbock	\$4,659.72	"The patient will require admission to the hospital for symptomatic control and likely inpatient orthopedic consultation at the discretion of the inpatient treatment team. The case was discussed with Dr.Diab, orthopedics with UMC, AOD Melinda Guerrero acceptance time 2045.. The care plan was discussed with the patient, who is in agreement with our plan and admission to the hospital."
3/13/2026	Ankle fracture, bimalleolar, closed	BSA Amarillo	\$6,906.07	"Dr Riley was called regarding the pt's Xray report. Dr Riley currently off and suggests the patient be transferred to Amarillo. Dr Riley voices concern for the left knee and may need CT scan, she advised to ask Amarillo provider if they would like the CT scan done here or in Amarillo. Notified the patient of what Dr Riley advised to do."
3/19/2026	Closed fracture of left hip	BSA Amarillo	\$15,059.50	"WE do not have ortho currently so I discussed the case with Dr knight who came to the bedside and agrees with the transfer plan."
3/27/2026	Femoral fracture	BSA Amarillo	\$14,619.50	"At 2024 Spoke to the pt regarding fx noted on the femur. Pt would like to be transferred to Nwth if Dr Potter is on call. If he is not on call she would like to go to BSA. Pt declined Ortho in town... 033 Dr Riley called to discuss

				current pt. She will review current imaging and call us. @2040 Notified Dr Riley, pt would like to be transferred to BSA."
3/28/2026	Closed displaced articular fracture of head of right femur	NWTH Amarillo	\$11,174.87	"NP notified me for physician evaluation. Patient was seen and examined. I reviewed imaging and ED documentation. NP discussed case with on-call orthopedic surgeon, who stated that required revision procedure is beyond local capability."
4/10/2026	Displaced Salter-Harris type II physeal fracture of distal end of right radius	UMC Lubbock	\$1,979.22	"1455: Imaging sent to Dr. Riley (Orthopedic) 1458: Dr. Riley called stating she was unavailable but reduction was needed followed by transfer"
4/12/2026	Acute fracture	BSA Amarillo	\$11,006.10	"@1755 Discussed pt with Dr Paris, Ortho on call for BSA. Pt will be admitted and transferred to BSA ER."
4/16/2026	Dislocation, hip closed	BSA Amarillo	\$9,032.72	"Spoke with Dr. Riley in regards to patient's left hip being dislocated and feels that since this is her third visit it is likely she needs to follow-up with the original surgeon. Discussed also with Dr. Patel which states that she does remember the last time the patient was here for dislocation and they did reach out to the surgeon which was Dr. Parker."
6/7/2026	Fracture of femur, intertrochanteric, left, closed	BSA Amarillo	\$12,420.87	"The patient and her husband advised that they preferred to have orthopedic surgery done in Amarillo and requested that

				we initiated transfer to BSA. Since the patient, and her husband, are requesting transfer to our orthopedic services are not consulted on this case."
6/12/2026	Closed fracture of right distal femur	BSA Amarillo	\$7,634.99	"1904: Dr. Addo attempted to contact Dr. Riley without answer. 1914: I was connected to Dr. Parker (orthopedic) and sent requested images for him to view. Dr. Parker did advise that a long padded posterior splint with no pressure to the heel, non-weight-bearing and that patient could likely follow up with him in clinic on Tuesday to have cast placed at that time. Clinic # 806-350-2663. 1927: I did contact Dr. Parker and advised that I was concerned discharge patient home with concerns of pain control, patient remaining non-weight-bearing, and the probable swelling that is likely to develop. Dr. Parker advised that patient could be transferred and the pediatric team would take over and that he would see the patient while the patient was at BSA."

An estimated total of \$279,937.20 in orthopedic surgical cases were transferred out of the system over the past year. Of this sum, \$39,467.88 may potentially be attributed to a lack of communication from Dr. Riley.