

Baldrige Award Application

Application Submission Date: 05/22/2025 16:47 ET

Application Submitted By: Johannes Baijense

Organization Description

The information requested in this section provides a high-level overview of the organization. It will provide context for the results asked below. Be sure that the information provided in the Organization Description (OD) is consistent with the results information provided below. The information provided in the OD will not be evaluated. The OD should not include information about key processes or results information.

Questions

1 - What are your key products, services, and/or programs?

In 1972 the county-owned Lea County General Hospital was closed. In 1974, the Lovington Chamber of Commerce brought together businesses, and many dedicated residents, to form Nor-Lea Health, Incorporated. Persistent fundraising and legislative support resulted in the formation of Nor-Lea Hospital District (NLHD), which reopened the hospital in 1980. Since then, visionary leadership, community engagement, and fiscal stewardship have fueled its success.

Today, NLHD is a not-for-profit community-based healthcare system located in Northern Lea County New Mexico (NM). As the county's second largest employer, NLHD ensures high-quality access to care through Nor-Lea General Hospital (NLGH), a 25-bed Critical Access Hospital (CAH), 7 primary care clinics, a hospital-based specialty clinic, a mobile clinic, the Lovington Community Wellness Center (LWC), and Nor-Lea Home Medical (DME). NLHD's key products and services are listed in **Figure ODC 1.1**.

Hospital Medical Services – NLHD provides inpatient and observation care, including Swing-bed (SNF) for short-term recovery for patients recovering from an illness or accident. Emergency Services care for patients who have had an acute injury or urgent medical need. A broad range of outpatient services is available.

Medical Provider Clinics – NLHD operates Rural Health Clinics (RHC) offering primary care for adults and children. It operates school-based clinics delivering primary and behavioral care. Hospital-based specialty provider clinics (PPC) offer Cardiology, Neurology, Otolaryngology, Pain Management, Gastroenterology, Podiatry, Behavioral Health, Gynecology, and General Surgery.

Wellness Services – NLHD promotes well-being through the LWC, featuring an aquatics center, free weights, a rock-climbing wall, an indoor track, and athletic courts. The district also conducts corporate wellness programs, health fairs, and outreach initiatives.

NLHD maintains minimal debt and has reinvested in the organization to innovate and significantly grow needed services for the communities it serves. Lea County's oil-dependent economy experiences boom and bust cycles, yet NLHD remains financially stable allowing it to sustain and grow services even during economic downturns such as the 2008 oil-bust and the 2020-2021 COVID-19 pandemic.

NLHD is not only resilient as a healthcare organization but also thrives during and after disruptions. NLHD has solidified its reputation as a resilient, high quality healthcare provider through strategic planning and innovation. NLHD has a strong financial foundation and commitment to excellence which continues to enhance healthcare access and improves the well-being of patients, families and communities it serves.

Key Healthcare Products and Services	
Hospital Medical Services	<ul style="list-style-type: none"> • Inpatient (Inpt)/Observation (Obs), Swing-bed (SNF) in-hospital care • Emergency Services – trauma and medical emergency care • Outpatient Services – Radiology, Laboratory, Respiratory, Cardiovascular, Nuclear Medicine, Elective Surgery Services, Cancer Center Medical and Radiation Oncology, Infusion Services, Wound Care and Rehabilitation Services
Medical Provider Clinics	<ul style="list-style-type: none"> • Rural Health Clinics (RHC) – Primary – adult and pediatric healthcare services • School-based clinics – Primary care and behavioral healthcare • Hospital-based specialty provider clinics (PPC) – Cardiology Neurology, Otolaryngology, Pain management, Gastroenterology, Podiatry, Behavioral Health, Gynecology, General Surgery
Wellness Services	<ul style="list-style-type: none"> • Wellness Center – aquatics center with warm water therapy, free weights, rock climbing wall, indoor track, basketball/volleyball/pickleball courts • Corporate Wellness • Health Fairs • Testing and vaccination outreach

Figure ODC 1.1 Key Healthcare Products and Service

ODC 1.1 Key Healthcare Products and Services

2 - What are your mission, vision, and values or guiding principles?

NLHD’s brand promise “United in Service, Trusted for Life” embodies its unwavering dedication to providing exceptional healthcare and building long-term trusted relationships with patients, families, the Board of Trustees (BoT), workforce team members, and key stakeholders. The Mission, Vision, Values (MVV), **Figure ODC 2.1**, serve as a guiding framework for daily operations, strategic goal setting and planning.

NLHD’s iCare values are at the heart of its culture, developed and refined by NLHD team members to strengthen NLHD’s culture and enhance service excellence. These values are deeply integrated in key operational processes, ensuring alignment across all workforce members. NLHD further reinforces its commitment by defining each iCare value and setting behavioral expectations that are documented in the NLHD standards of Behavior handbook. This helps ensure that everyone affiliated with NLHD - leaders, providers, employees, students, contracted staff, vendors, and volunteers- understands, commits to, and role models the iCARE values.

NLHD makes these standards easily accessible. The values and standards of behavior are posted on the website and all potential workforce members are required to review and agree to uphold these even before they apply to join NLHD.

David Shaw, CEO, personally teaches the MVV and standards of behavior at New Employee Orientation (NEO) to further embed these principles. Each new workforce member signs a commitment pledging to uphold the standards throughout employment. This formalized onboarding process fosters a shared sense of responsibility and ensures that every individual understands their role in delivering high-quality, patient-centered care.

NLHD reinforces its iCARE values beyond onboarding through ongoing evaluation and recognition. Every workforce member is evaluated annually on their demonstration of the iCARE values, ensuring continued alignment with NLHD expectations. Recognition programs, including iCARE cards and quarterly iCARE Exceptional Care awards which celebrate individuals who consistently exceed expectations, play a crucial role in motivating employees.

NLHD team leaders deploy the MVV to all key stakeholders through multiple approaches as outlined in **Figure ODC 2.2**. Furthermore, the leadership team reviews and validates or refines its MVV annually during strategic planning, **Figure SP 1.1**. This ensures that NLHD’s MVV remains relevant and adaptable to the evolving healthcare landscape.

NLHD's Performance Excellence System, **Figure ODC 2.3** has the MVV as the foundation to the five pillars of excellence: Service, Quality, People, Finance, and Growth. These pillars create a structured framework for organizational success, fostering balance, resilience, improvement and innovation. Within this structure NLHD established clear strategic objectives, action plans, and key measures of success, to ensure sustained progress and excellence.



Figure ODC 2.1 NLHD Mission, Vision, Values

ODC 2.1 NLHD Mission, Vision, Values

Mission, Vision, Values Deployment	
Workforce	Approaches
Workforce (Employees, Providers, Volunteers, Contracted Employees)	<ul style="list-style-type: none"> • Website – application • Peer interviewing • New Employee Orientation • Standards of Behavior • Signage throughout all buildings • Employee Intranet • Performance Evaluations • Staff Retreats • iCARE Nominations • Organizational Alignment Boards • Social media
Customers	Approaches
Patients and Families	<ul style="list-style-type: none"> • Website • Signage • iCARE Cards • Communication and interactions with workforce • Social media • Patient Family Advisory Counsel
Stakeholders	Approaches
Board of Trustees	<ul style="list-style-type: none"> • Website - Application • Standards of Behavior • NLHD Intranet (Norlealife) • Performance Evaluations • iCARE Nominations • Strategic Planning Retreat • Board Meetings
Community	<ul style="list-style-type: none"> • Community events • Social Media • Website • Advertising Billboards • Newspaper/ Radio • Focus Groups / TOWS sessions
Suppliers and Partners	Approaches
Suppliers and Partners	<ul style="list-style-type: none"> • Website • Communications with NLHD workforce members • Supplier engagement meetings • Focus Groups / TOWS
Figure ODC 2.2 NLHD Deployment Approaches	

ODC 2.2 NLHD Deployment Approaches

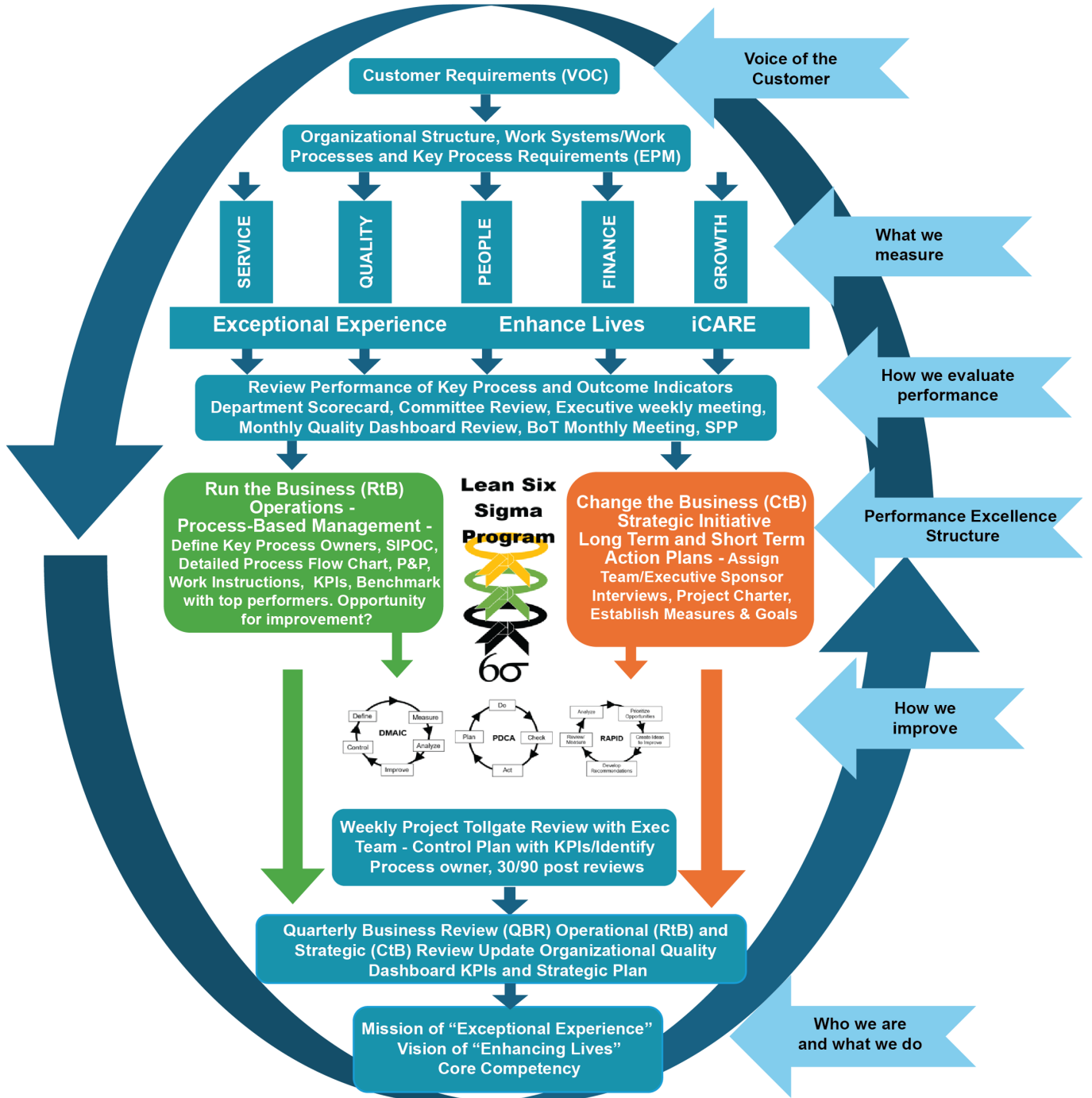


Figure ODC 2.3 NLHD Performance Excellence System

ODC 3.3 NLHD Performance Excellence System

3 - What other factors, if any, impact your organization’s success and sustainability?

The success and sustainability of NLHD are influenced by effective leadership, strategic planning, workforce engagement and strong core competencies. Each year, team leaders conduct a thorough review and refinement of NLHD’s core competencies, **Figure ODC 3.1**, during strategic planning. This process ensures that existing competencies remain aligned with organizational needs and identifies future competencies needed to sustain long-term success. NLHD has three core competencies that play a pivotal role in its ability to deliver exceptional healthcare services and maintain financial sustainability.

Recognizing the strategic importance of primary care in supporting the health and well-being of the community, senior leaders at NLHD have proactively developed expertise in primary medicine, **Figure ODC 3.2**. This competency is evidenced in its ability to recruit and retain highly skilled primary care providers,

establish new practices, and manage these in a financially sustainable manner. By ensuring that primary care services are accessible and consistently profitable, NLHD has created a solid health care foundation that meets the needs in the community while providing a referral source for all other services.

NLHD's continued growth and ability to expand services are directly linked to its senior leader's ability to build and strengthen relationships of trust with all key stakeholders, **Figure CRP 1.1**. These strong relationships have enabled NLHD to offer numerous services rarely seen in a small, community hospital - allowing residents to receive high-quality care locally, rather than traveling to larger facilities. One notable example of NLHD's commitment to partnerships was the development of the Lovington Community Wellness Center. In collaboration with the City of Lovington and the local school district, NLHD built a state-of-the-art facility featuring a competition-size pool and exceptional wellness and prevention services for community members of all ages.

The healthcare industry is constantly evolving, requiring adaptability and forward-thinking. NLHD's core competency of agility and innovation enables it to anticipate and address changing conditions, and to seize and implement strategic opportunities. This adaptability was particularly critical during economic downturns and public health crises, when NLHD has to pivot quickly to sustain service delivery and financial stability.

These core competencies are fundamental to NLHD's long-term success. They enable NLHD to adapt to new healthcare challenges, expand services, and maintain financial resilience while ensuring high-quality patient care. Furthermore, these competencies align with NLHD's vision to "Enhance Lives" and deliver on its Mission of "Exceptional Experience" by providing health care services that meet the needs of the community and exceed customer expectations.

Core Competencies

Primary medicine

Building and strengthening relationships of trust

Innovation and Agility

Figure ODC 3.1 NLHD Core Competencies

ODC 3.1 NLHD Core Competencies

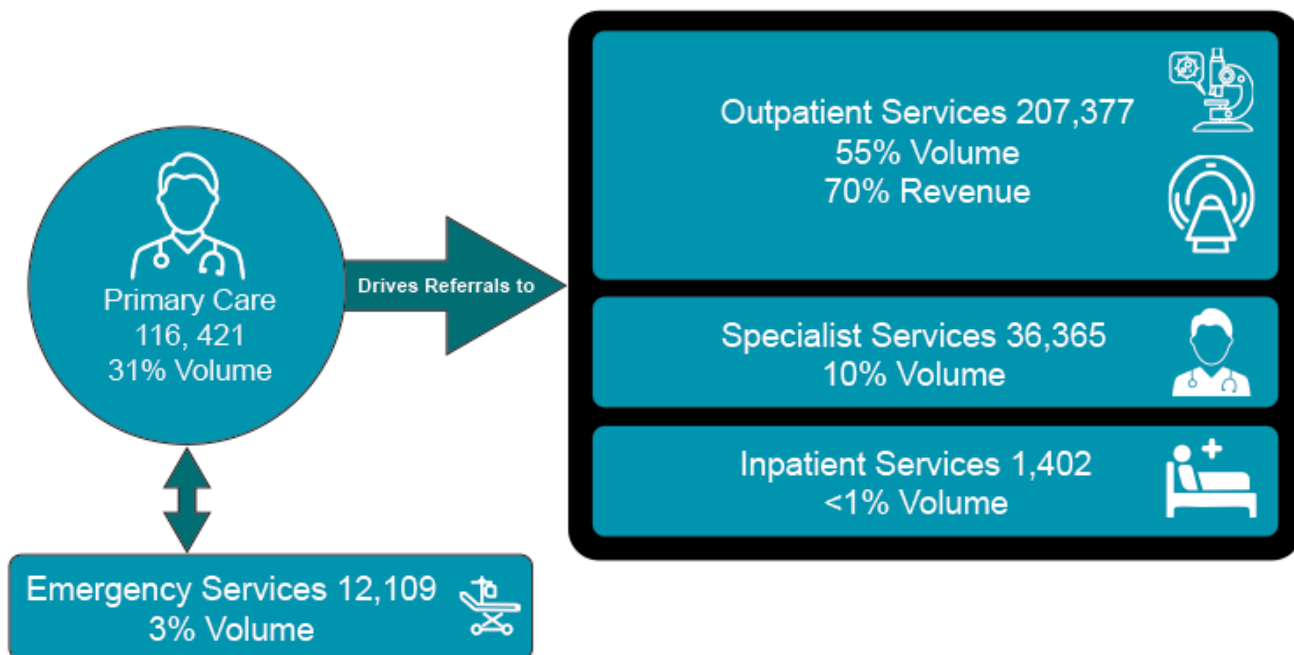


Figure ODC 3.2 Primary Care is Key to NLHD’s Success

ODC 3.2 Primary Care is Key to NLHDs Success

4 - What are your key applicable regulations, as well as accreditations, certifications, or registration requirements?

NLHD operates in the very highly regulated healthcare industry. NLHD meets and in many cases exceeds local, state, and federal regulatory requirements. The NLHD regulatory and accreditation environment is outlined in **Figure ODC 4.1**.

NLHD has four clinics licensed as rural health clinics due to the rural nature of the area and the Healthcare Professional Shortage Area (HPSA) designation of Lea County by the Health Resources and Services Administration (HRSA). The primary benefit is an enhanced reimbursement model for Rural Health Clinics (RHCs), which helps sustain healthcare services in underserved areas.

NLGH is accredited as a CAH designation by the Centers for Medicare and Medicare Services (CMS) and holds a special hospital status under the NM Department of Health (NMDOH). To maintain this designation, the hospital must meet the following requirements:

- Be located in a rural area
- Be designated as a necessary medical provider by the state
- Maintain an average Inpatient length of stay of less than 96 hours
- Have no more than 25 inpatient beds

There are significant challenges that rural hospitals are currently facing. Many traditional rural hospitals struggle with financial losses because of the fixed cost of hospital services and the low volume of hospital admissions. Rural hospitals frequently have supply chain delays, workforce shortages, transfer challenges, network dependability issues, and antiquated IT systems.

NLHD’s designation as a CAH helps address these and other challenges. The CAH designation alters the hospital's regulatory requirements and the reimbursement model. Rather than standard fee-for-service rates, Medicare reimburses CAHs for inpatient care at a daily per diem rate, which is then reconciled through a cost-based reimbursement annually. This approach helps offset financial losses associated with providing inpatient care in a rural setting, allowing CAHs to maintain services that might otherwise be unsustainable.

NLHD is a unique rural healthcare provider due to its large primary care footprint that supports the outpatient services offered at the hospital. Unlike many CAHs that struggle to expand services, NLHD has been able to grow its outpatient and specialty service offerings beyond what is typically available in a CAH facility.

Licensure		
Service	Agency	Required/Voluntary
NLGH CAH, LMC, TMC, FHC, HMC, ESHC, LSBC, THC, DME	CMS and NMDOH Requirements, OSHA, FDA, OIG	Required
Accreditation		
Service	Agency	Required/Voluntary
NLH CAH	DNV-CAH	Voluntary
NLGH Laboratory	CAP Laboratory	Voluntary
Sleep Lab	Sleep Lab AANEM	Voluntary
Radiology Mammography	Radiology ACR, Radiology Mammography FDA	Required
NLHD DME	DME HQAA	Voluntary
LMC, TMC, FHC, HMC	Compliance Team RHC	Voluntary
Certification		
Service	Agency	Required/Voluntary
Diabetes Education	Diabetes Education Program ADA	Voluntary
ESHC and LSBC	NMDOH School Based Clinic	Required
Figure ODC 4.1 Regulatory Environment		

ODC 4.1 Regulatory Environment

5 - Is there anything you consider unusual about your environment or business model that would aid in understanding your organization?

NLHD operates within a unique performance-driven framework that integrates structured process management, strategic development, and operational excellence. The NLHD Performance Excellence System, **Figure ODC 2.3**, is a comprehensive approach designed to listen to the needs of customers and drive organizational performance.

This system incorporates both operational - Run the Business (RtB), and strategic - Change the Business (CtB) rhythms to balance operational demands with long-term strategy. Through these, it evaluates performance, aligns and balances organizational needs, and leverages Lean Six Sigma methodology to design and improve all processes.

The CtB strategy, **Figure SP 2.1**, is a structured approach to assessing organizational performance and developing and deploying strategies to fulfill NLHD’s Mission and Vision. The operational RtB framework is guided by the Enterprise Process Model, **Figure ODC 5.1**, that consists of:

- An improvement system with three work systems and twelve key work processes.
- Process-based management is used to measure and manage key processes and identify opportunities for improvement.
- Subprocesses are defined within the twelve work processes, forming a detailed, adaptive work system.

This system is driven by customer requirements and monitors key performance indicators (KPIs) that include both predictive, in-process and outcome end-of-process performance measures.

CtB and RtB KPIs are tracked from an organizational level on the Monthly Quality Dashboard and on individual department scorecards that are uploaded monthly by each process owner to track performance of

processes on a more granular level.

NLHD uses Lean and Six Sigma (LSS) methodology for improvement, ensuring a structured approach to project execution. To support this critical work, NLHD has invested in the Center for Innovation, the Performance Excellence department and in building internal capabilities and capacity, including: two certified Master Black Belts, two certified Black Belts, 12 Green Belts, and 55 yellow belts. These trained facilitators assist process owners in achieving efficiency and reliability, ensuring that NLHD maintains high reliability processes, look for innovative solutions, and continuously enhances performance.

Unlike many rural healthcare organizations, NLHD has leveraged its core competency of innovation to implement robust primary care and outpatient service footprint, allowing it to expand services beyond those typically available in a Critical Access Hospital (CAH) setting. By leveraging its structured performance system, strategic agility, and a deep investment in LSS, NLHD maintains financial sustainability, operational efficiency, and superior patient outcomes. The ability to quickly adapt to changes, drive continuous improvement, and foster innovation makes NLHD a standout rural healthcare provider, ensuring an Exceptional Experience while working to Enhance Lives.

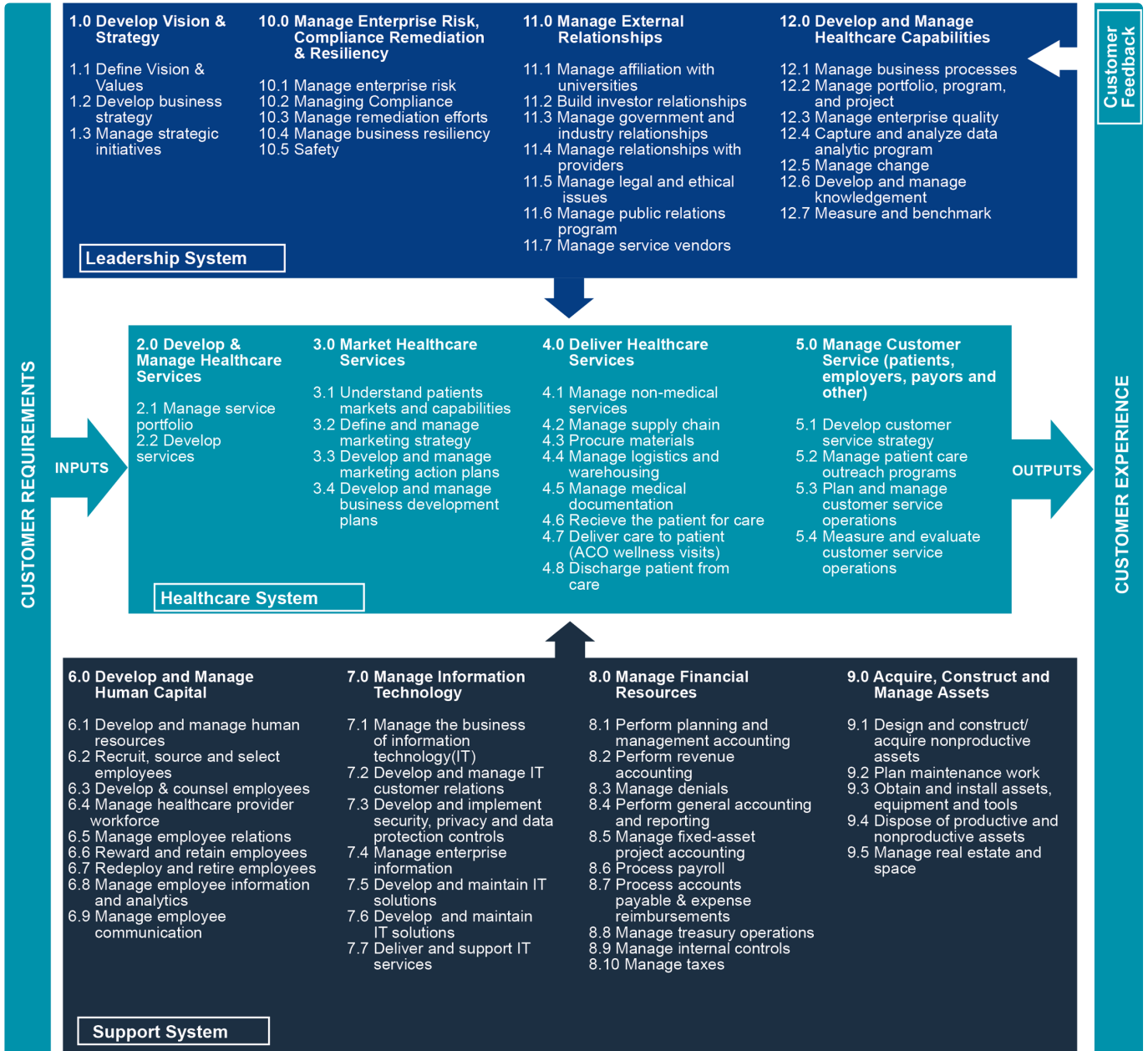


Figure ODC 5.1 NLHD Enterprise Process Model

ODC 5.1 NLHD Enterprise Process Model

Leadership and Governance

This section asks about your performance and processes related to senior leadership communication, governance and accountability, grievances, and complaints. It also asks about succession planning and societal contributions.

Context Questions

1 - Briefly describe and/or depict your leadership and governance structure.

NLHD's leadership and governance framework is designed to ensure efficient operation, uphold high standards of patient care, and fully align and engage the workforce with the MVV. This structure consists of a Board of Trustees (BoT), a Chief Executive Officer (CEO), a Senior Leadership Team (Team Leaders - TLs), and a Medical Staff (MS). See Organizational Chart.

The district is governed by an elected BoT, whose primary role is to provide oversight and strategic direction for NLHD. The BoT is composed of representatives from each of five districts in Northern Lea County, with community members electing trustees to ensure broad representation. There are no term limits for BoT members, allowing for continuity in leadership and decision-making.

A key responsibility of the BoT is the appointment of the CEO, who is entrusted with overseeing NLHD's operations and long-term strategy. In 1999, the BoT appointed David Shaw as CEO, a tenure that has contributed significantly to the district's success and stability. The CEO provides monthly performance updates to the BoT, ensuring transparency and accountability.

The TLs play a crucial role in managing the operational, financial, and clinical aspects of NLHD. The TL team consists of: Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Medical Officer (CMO), Chief Nursing Officer (CNO), Chief Human Resources Officer (CHRO), and Chief Primary Care Officer (CPCO). Together, the TLs are responsible for executing strategic initiatives, enhancing patient care services, and fostering a culture of excellence.

The Medical Staff (MS) consists of Physicians and Advanced Practice Providers (APPs), who play a fundamental role in delivering high-quality patient care. The MS reports to the CEO and operates under a well-defined set of bylaws that establish their roles and responsibilities, organizational structure, quality and performance standards.

NLHD has implemented a Leadership System (LS) **Figure LGC 1.1**, which serves as the foundation for effective leadership across the organization. This system standardizes leadership expectations by defining both the SERVANT Leadership attributes, how leaders are expected to behave, as well as leadership processes, what leaders are expected to do. The LS is fully deployed across NLHD, ensuring consistency in leadership training, evaluation, and performance expectations. Leadership training is aligned with this system, and all TLs, Directors, and Managers are annually evaluated based on both iCARE values and SERVANT leadership attributes. By integrating a servant leadership philosophy with structured leadership practices, NLHD fosters a collaborative, mission-driven culture that prioritizes patient care, operational excellence, and continuous professional development. The workforce development system effectively supports competencies and career growth at every level of leadership to ensure solid succession planning. See **Figure LGC 1.2 NLHD Workforce Development Model**.

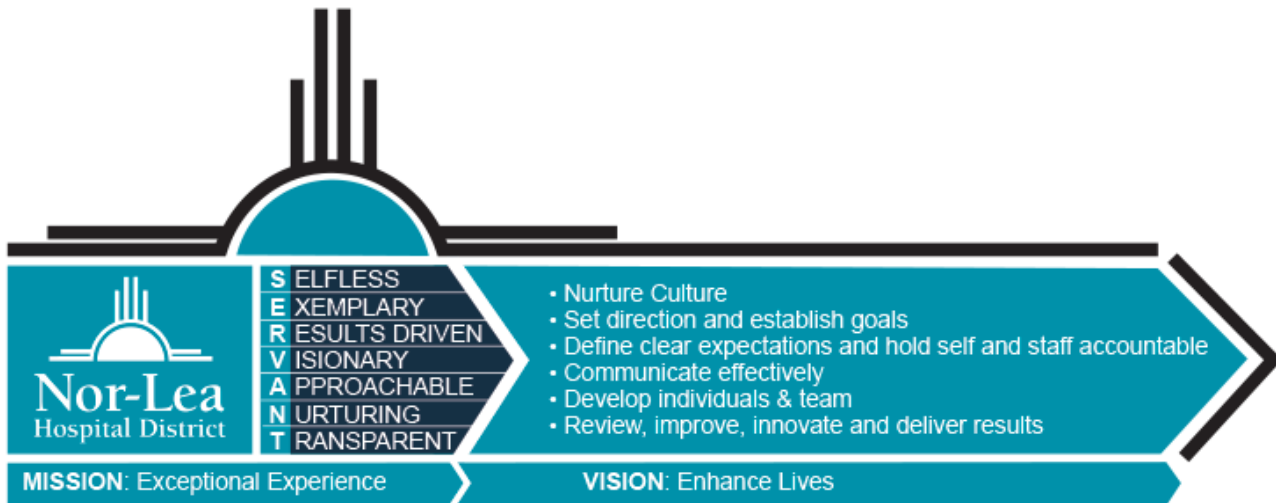


Figure LGC 1.1 NLHD Leadership System

LGC 1.1 NLHD Leadership System

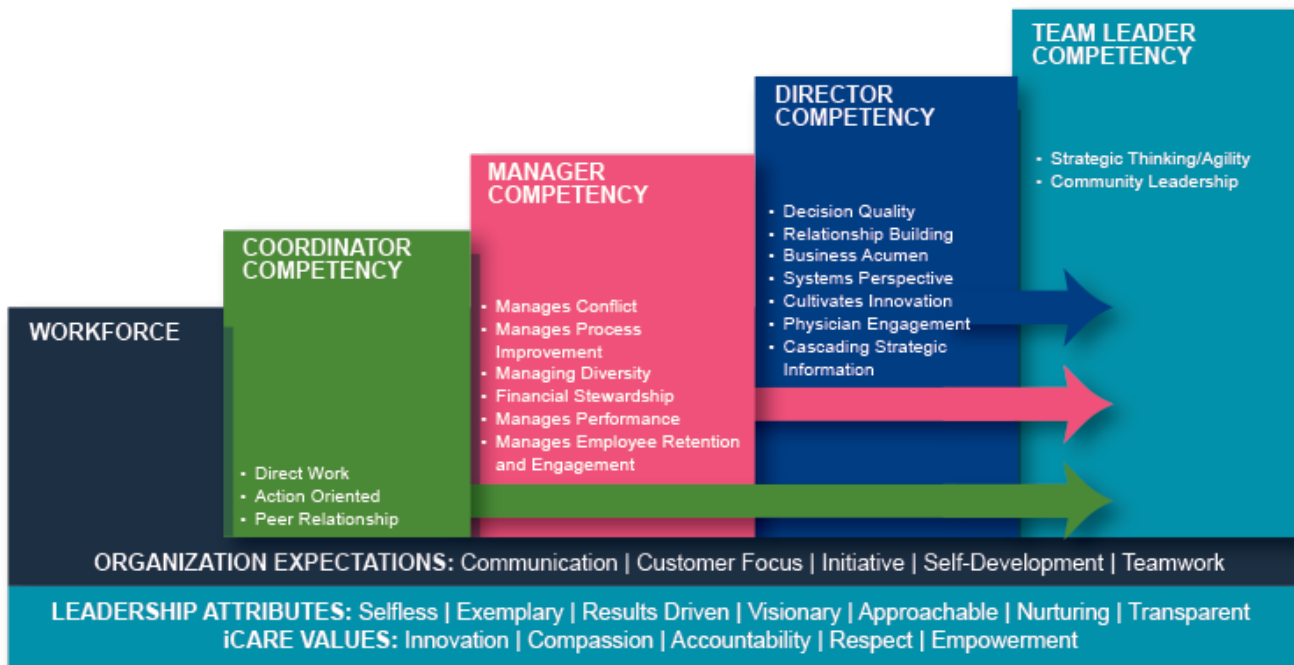


Figure LGC 1.2 NLHD Workforce Development Model

LGC 1.2 NLHD Workforce Development Model

Results Questions

1 - What are your results for senior leaders’ two-way communication with key workforce segments (e.g., workforce ratings of leaders by location, types of workers, etc.)?

NLHD systematically measures the effectiveness of senior leaders’ two-way communication with key workforce segments through a biannual workforce engagement survey. During the 2020 COVID pandemic WF surveys were suspended, due to radical change in operations and job duties for key personnel. This survey provides quantifiable insight into how well TLs connect with and respond to staff and provider needs across various job functions and locations. Grounded in its SERVANT leadership model and iCARE values, NLHD uses these results to refine its communication strategies, strengthen trust, and align leadership behavior with mission-driven care.

Recognizing the diversity of its workforce, including nursing, clinical, non-clinical staff, and providers. NLHD segments its communication results by multiple workforce categories to identify areas for improvement and

excellence, additional segmentation AOS.

Figure LGR 1.1 reflects NLHD's workforce perception of whether TLs listen to and respond to their concerns and ideas. From 2019 to 2024, all four workforce segments — nursing, clinical, non-clinical, and providers— consistently rated leadership at excellent levels, with 3 of the 4 areas achieving top decile for the past 5 years and, except for one year, providers achieving top quartile performance. Notably, the sustained excellence of the scores shows the impact of leader responsiveness, reinforcing the impact of leadership rounding, strategic alignment boards, service huddles, and transparent performance updates communicated across the organization.

Additionally, in **LGR 1.1**, the physician-specific question, “Hospital Administration is responsive to feedback from physicians,” demonstrates a sustained confidence in leadership’s attentiveness to provider concerns, a traditionally challenging area for healthcare systems. This result reflects the success of NLHD’s commitment to ongoing communication, involving providers in decision-making and continuous improvement in provider engagement.

Figure LGR 1.2 measures workforce and provider confidence in the senior leadership team. Results from all segments show top decile and top quartile performance for the past 5 years. The provider segment validates the trust in administrative transparency, follow-through, and accountability. This is attributed in part to consistent communication rhythms such as quarterly town halls, monthly organizational dashboard and alignment boards, monthly rounding, the newly deployed provider portal and employee portal and leadership evaluations tied to the SERVANT framework.

These results are particularly important in a rural healthcare environment, where workforce recruitment and retention are critical. Confidence in leadership strengthens workforce satisfaction and engagement, both of which support the strategic objective to hire and retain an exceptional workforce.

Figure LGR 1.3 captures workforce perception of how well TL’s actions reflect and support NLHD’s MVV. From 2019 to 2024, all segments reported sustained excellence. These results demonstrate deep cultural alignment and the successful deployment of leadership expectations through orientation, leadership development, performance evaluations, and daily practices.

NLHD’s results demonstrate a highly effective and consistently excellent system of two-way communication between TLs and all segments of the workforce. Top-quartile and top-decile ratings across measures of responsiveness, trust, and MVV alignment validate the impact of NLHD’s SERVANT leadership model, structured evaluation process, and commitment to open dialogue. These results are especially significant given the complexity of leading a diverse rural health workforce, and they support strategic goals related to engagement, retention, and organizational culture.

NLHD Hospital Leadership Listening and Responsiveness

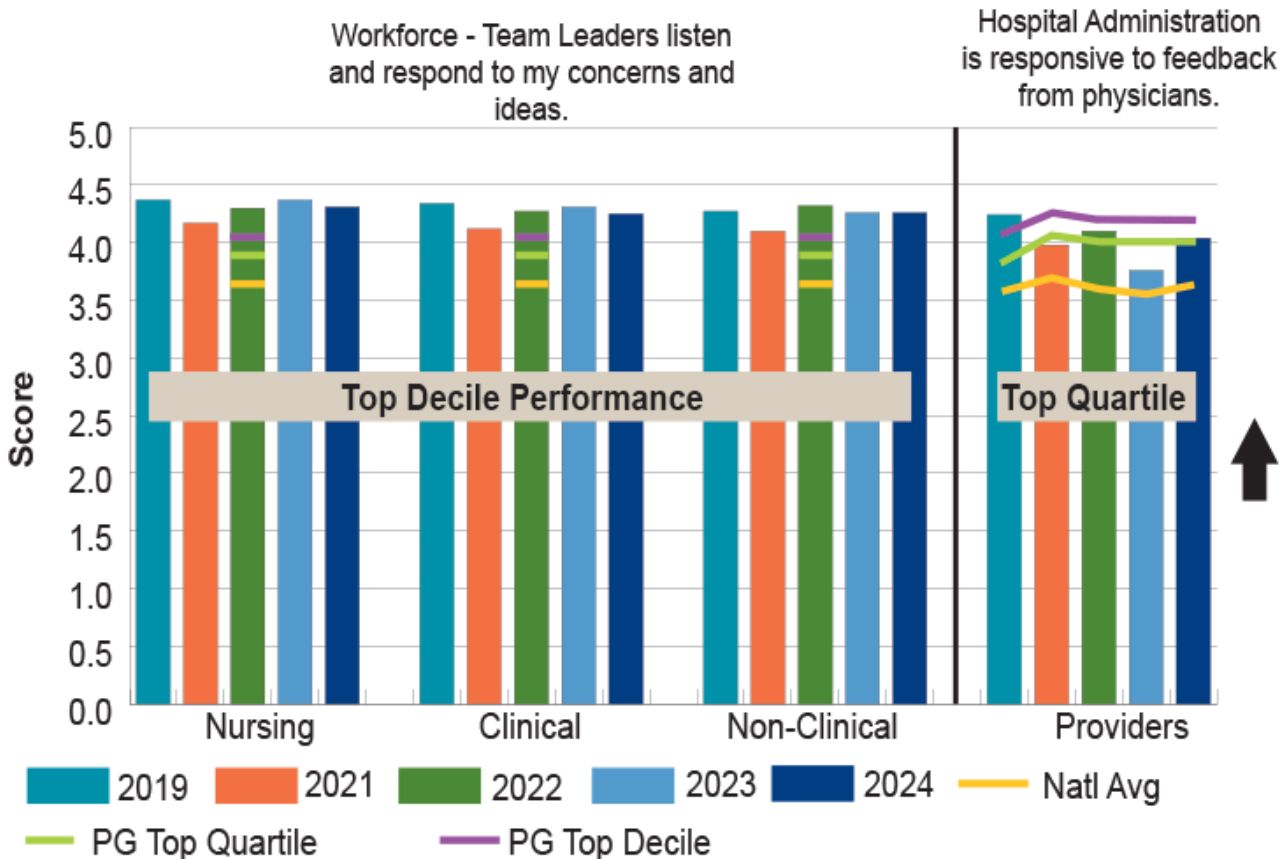


Figure LGR 1.1 Executive Leadership Communication Effectiveness

LGR 1.1 Executive Leadership Communication with Workforce - Listening and Responsiveness

NLHD Hospital Leadership - Confidence of Workforce/Providers

I have confidence in Team Leaders Leadership

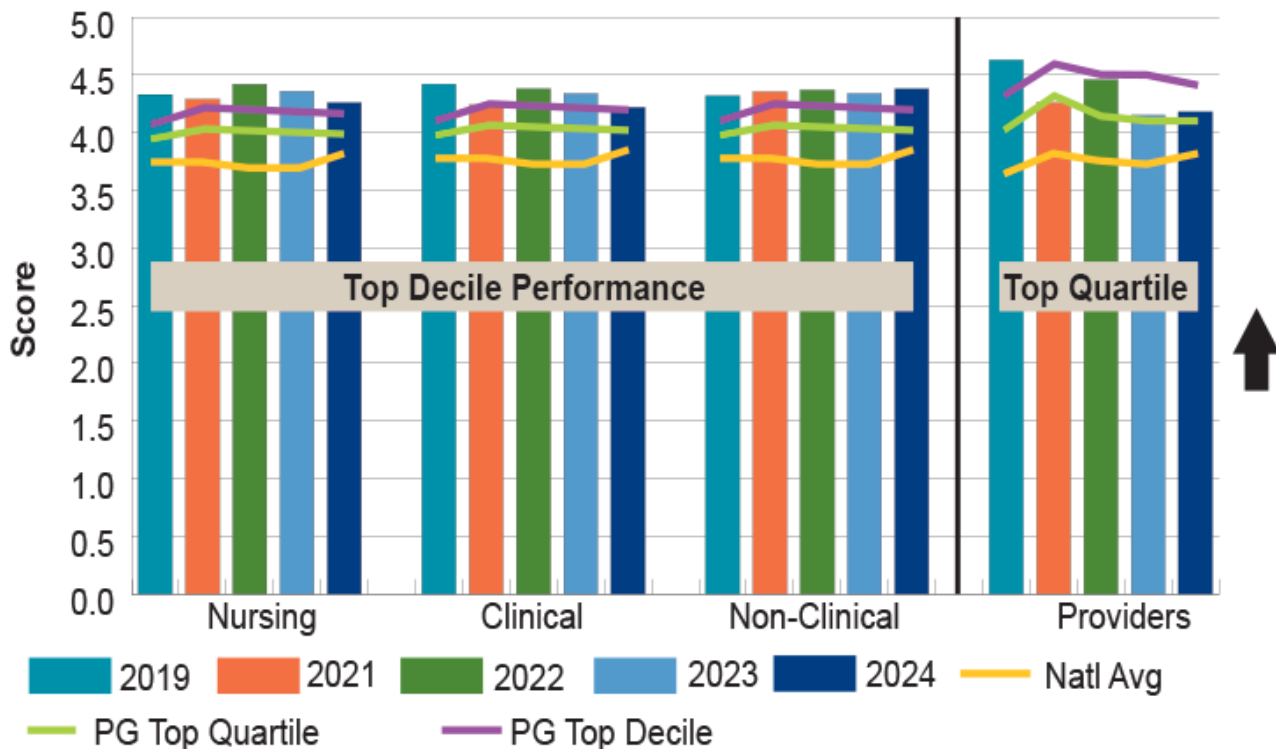


Figure LGR 1.2 Executive Leadership Communication Effectiveness with Workforce

LGR 1.2 Executive Leadership Communication with Workforce - Confidence in Leadership

NLHD Leaders Supporting MVV

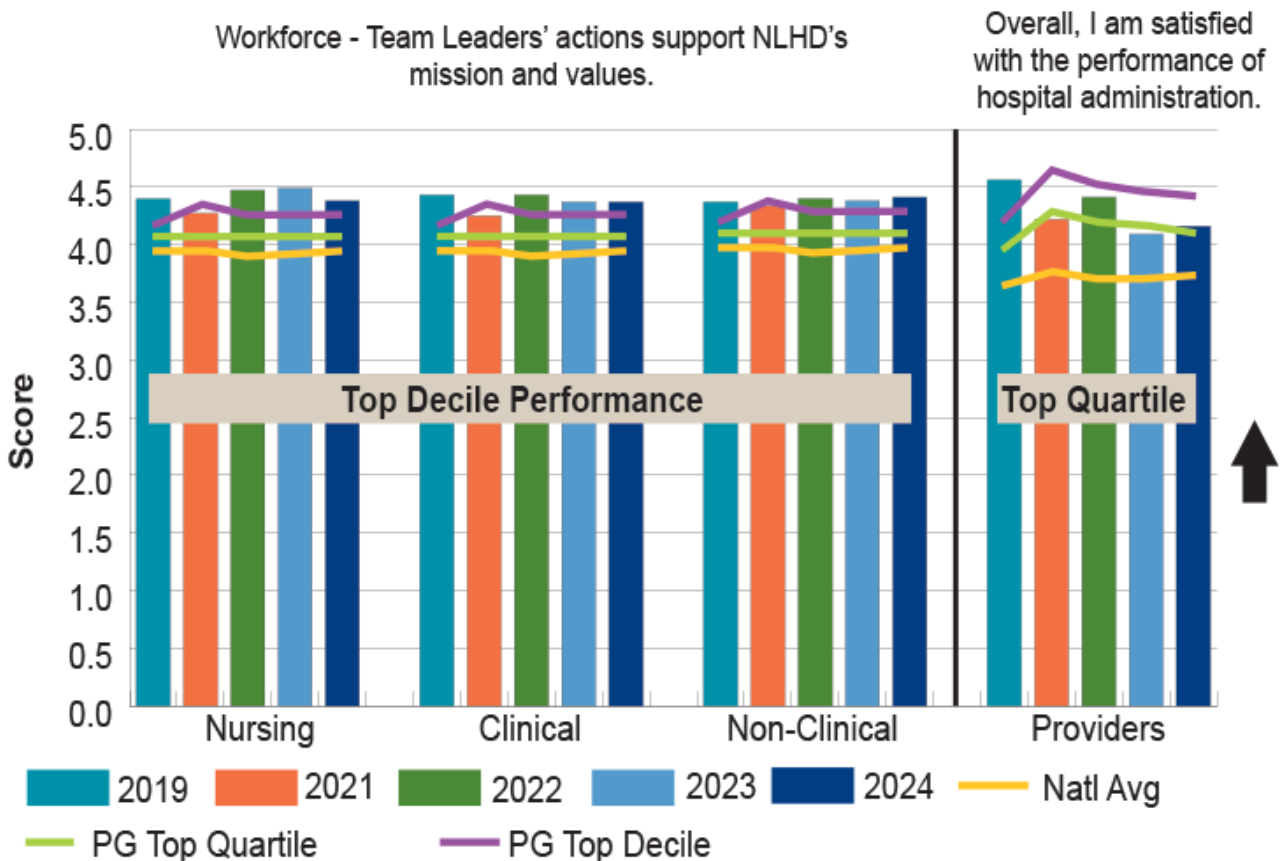


Figure LGR 1.3 Executive Leadership Communication Effectiveness with Workforce

LGR 1.3 Executive Leadership Communication - Support of MVV

2 - What are your results for senior leaders' two-way communication with key customer segments (e.g., customer ratings of leaders)?

NLHD measures the effectiveness of senior leaders' two-way communication with key customer segments through a combination of direct engagement strategies and validated survey feedback. Senior leaders leverage NLHD's core competency of Building and Strengthening Relationships of Trust to maintain open, meaningful dialogue with patients, families, and the broader community. These efforts are particularly essential in a rural setting, where the leadership team and healthcare providers are often deeply embedded in the fabric of the community.

NLHD's TLs maintain a visible and accessible presence through annual TOWS (Threats, Opportunities, Weaknesses, and Strengths) sessions with customer segments and community groups. These sessions allow for direct feedback and collaborative problem-solving. Additionally, NLHD's open-door policy enables patients and family members to voice concerns in real time. When concerns are complex or require executive-level decisions, TLs engage directly, often providing face-to-face follow-up to ensure resolution.

An example of NLHD's responsive leadership is seen in how leaders addressed public safety concerns about employees and patients crossing the highway adjacent to the hospital. Community members voiced apprehension about increased risk to both patients and staff due to the district's expanded operations across the road. TLs responded by working with the NM Department of Transportation to design and implement a crosswalk and reduce the speed limit—demonstrating clear action based on customer input.

The most direct measure of senior leader effectiveness in two-way communication with customers is tracked via Press Ganey patient experience surveys, which evaluate how effectively NLHD addresses concerns and complaints. These results are segmented by service lines—Inpatient, Outpatient, Emergency Department (ED), and Surgical Services

—and are benchmarked against national norms, including top quartile and top decile thresholds. The Press Ganey patient survey for the clinics does not include this survey question and therefore is not included.

As shown in **Figure LGR 2.1**, all service lines report results are at top decile and top quartile performance. In particular, the ED and Outpatient services consistently scored in the top quartile, indicating exceptional responsiveness in environments that are often the most operationally pressured. The sustained performance across multiple years (2019–2024) and segments reflects a deeply embedded culture of service, transparency, and accountability.

These results are especially meaningful because they highlight NLHD’s ability to listen and respond to patients even during high-volume or high-stress encounters. TLs reinforce this standard by empowering frontline staff, through a systematic service recovery process, to immediately resolve complaints when possible and encouraging escalation when a more complex or policy-level resolution is needed.

NLHD’s TLs consistently demonstrate excellence in two-way communication with customers, as evidenced by top-quartile and top-decile **performance** on responsiveness to concerns and complaints across all major service lines. Through structured community engagement, real-time responsiveness in-person and online, and visible leadership actions. NLHD maintains high trust and satisfaction among its customer base. These results validate NLHD’s mission of providing an Exceptional Experience, affirm the strategic importance of NLHD’s Servant Leadership model, and the NLHD core competency of Building.

Executive Leadership Communication - Response to Concerns or Complaints

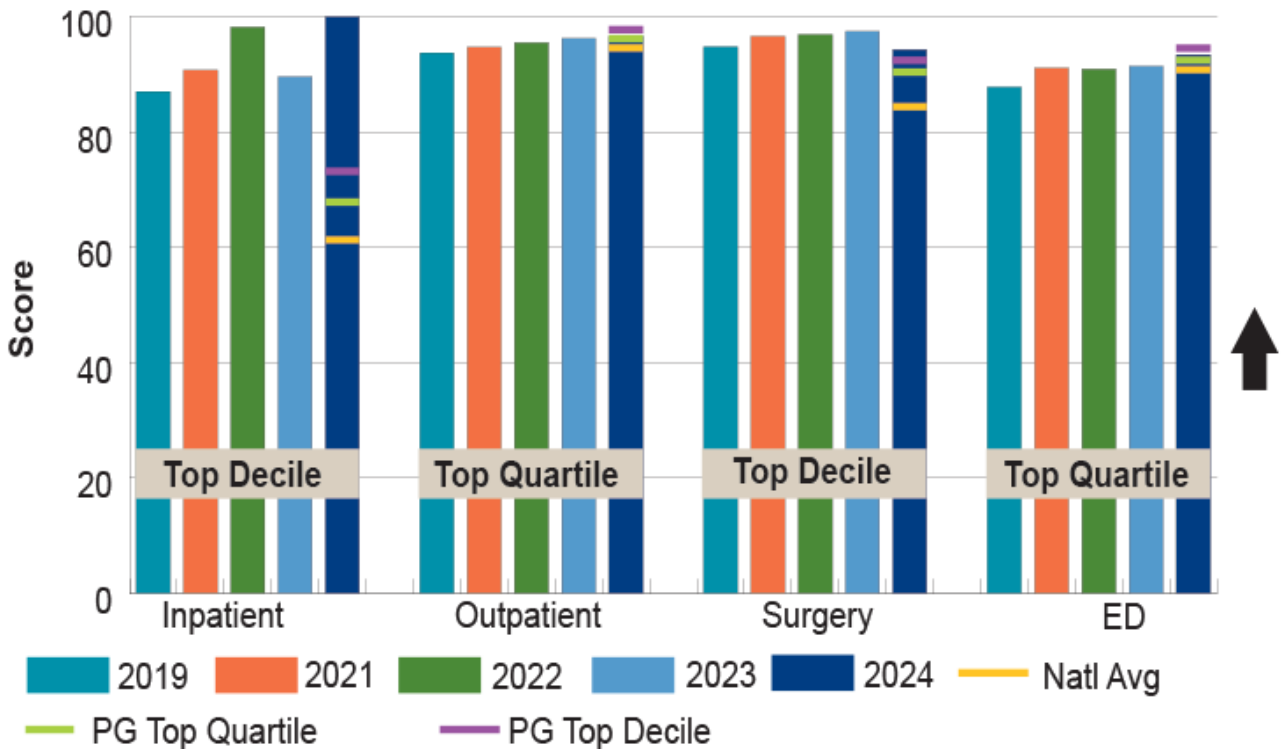


Figure LGR 2.1 Executive Leadership - Response to Concerns or Complaints

LGR 2.1 Executive Leadership Communications - Response to Concerns or Complaints of Customers

3 - What are your results for senior leaders’ two-way communication with key stakeholder segments, including suppliers, partners, and collaborators, as appropriate (e.g., stakeholder ratings of leadership)?

NLHD demonstrates highly effective two-way communication with key stakeholder segments—including its elected BoT, community members, through a combination of direct engagement, transparent governance,

and measurable trust-based outcomes. These results reflect NLHD’s core competency of Building and Strengthening Relationships of Trust and support its mission to deliver an Exceptional Experience.

BoT Communication Effectiveness

The BoT is one of NLHD’s most critical stakeholder groups, representing community interests and holding NLHD leadership accountable for strategic execution and performance. Communication effectiveness is assessed through structured board self-evaluations and benchmarking against national standards. As shown in **Figure LGR 3.1**, NLHD suspended board evaluations through the COVID pandemic 2019-2021 and in 2022 restarted with a refined board evaluation. Board Evaluations were not done in 2024 due to one of the long-serving members of the BoTs passing away and new community board members were added. NLHD’s 2022–2025 board results show top-quartile performance (90–100% “Strongly Agree”) in:

- Receiving needed information
- Participating in meaningful discussions
- Understanding risks and performance
- Engaging in effective, open meetings

These results, which exceed InSync.com benchmarks, confirm transparent and high-trust interactions between NLHD’s leaders and governing body.

Community Stakeholder Engagement

TLs maintain open dialogue with community members during community events, strategic planning forums (e.g. TOWS sessions), town halls, and partnerships. A key example is the Tatum town hall, where residents requested increased health education. In response, NLHD organized a health fair and AED donation with Lovington EMS, supported on-site by the BoT representative. The event’s success led to its annual continuation demonstrating senior leadership’s responsiveness and adaptability.

Broader community support is reflected in Mill Levy election results, which determine local tax-based support. As shown in **Figure LGR 3.2**, NLHD exceeded 60% voter approval in each cycle since 2019, despite a temporary dip in 2018 due to state law voting rule changes. These results compare favorably to other healthcare-related levies across the state:

- [Redacted]
- [Redacted]
- [Redacted]

This sustained public backing underscores stakeholder trust and validated NLHD’s engagement approach.

Digital Feedback and Ratings

Real-time input from patients and community members is captured through digital channels, most notably Google ratings. As shown in **Figure LGR 3.3**, NLHD’s score rose from 3.2 to 4.7 stars over five years, outperforming all regional competitors. For context other area healthcare ratings include:

- [Redacted] 2.6
- [Redacted] 4.6
- Others: 2.5–4.3

Though competitors’ data is limited to 2025, NLHD’s multi-year trend shows consistent improvement, driven by leadership accountability and responsiveness to feedback.

External Recognition

NLHD’s collaborative leadership model is recognized by numerous independent agencies. **Figure LGR 3.4** highlights awards such as:

- Top Workplace by the Albuquerque Journal
- Quality awards from Press Ganey, HealthInsight, NM Hospital Association
- Lea County Business of the Year
- CAPE Gold Award and 2024 Baldrige Finalist

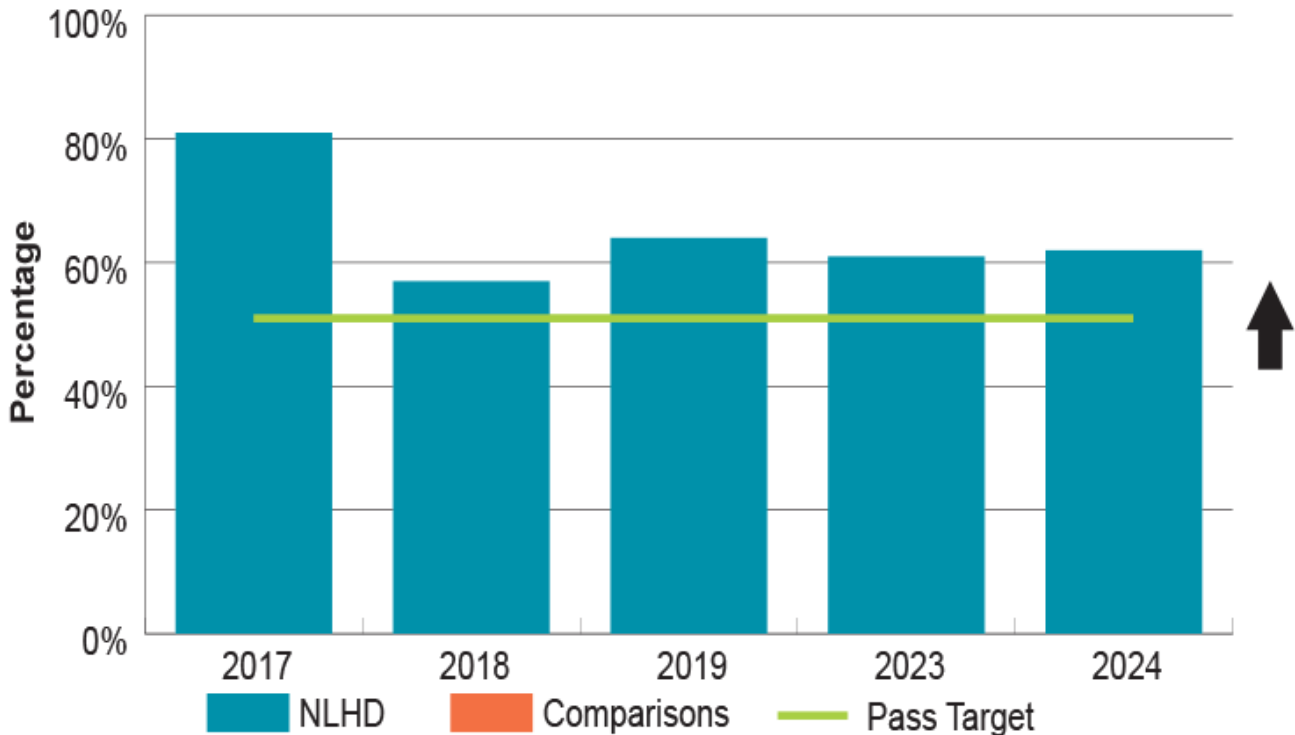
These achievements underscore the reputation NLHD’s has earned for excellence, transparency, and trustworthiness among stakeholders and collaborative partners across all sectors.

Across board evaluations, public voting, online feedback, and external awards, NLHD’s leaders demonstrate exceptional performance in two-way communication with stakeholders. These results confirm the strength of NLHD’s relationship-driven leadership and support its strategy to build trust, drive transparency, and partner with the community to enhance well-being across Northern Lea County.

Board Evaluation 2014-2018			Board Evaluation 2022-2025				Comparisons Insync.com Board and Governance		
	2017	2018	Board Evaluation 2022-2025	2022	2023	2025	Bottom Quartile	2nd-3rd Quartile	Top Quartile
The Boards needs are clearly communicated to the administrator The Board receives the information it needs.	100% (Strongly Agree)	100% (Strongly Agree)	Are you receiving clear and concise background information prior to Board meetings that helps you to understand and evaluate Board Agenda items? The Board receives the information it needs.	95% (Strongly Agree)	100% (Strongly Agree)	100% (Strongly Agree)	Strongly Disagree to Slightly Agree	Agree	Strongly Agree
Board members participate in discussions. The Board receives appropriate information on the organisations performance	100% (Strongly Agree)	100% (Strongly Agree)	Are Board meeting conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues? Board members participate in discussions. The Board receives appropriate information on the organisations performance	95% (Strongly Agree)	100% (Strongly Agree)	95% (Strongly Agree)	Strongly Disagree to Slightly Agree	Agree	Strongly Agree
Overall Effectiveness of Board The Board receives appropriate information on how the organisations risks are managed	99% (Strongly Agree)	93% (Strongly Agree)	Does the Board focus with management on the few high-profile risk issues that could have a significant impact on the Company? The Board receives appropriate information on how the organisations risks are managed	95% (Strongly Agree)	94% (Strongly Agree)	100% (Strongly Agree)	Strongly Disagree to Slightly Agree	Agree	Strongly Agree
Benchmarks (insync - Board and Governance)			Bottom Quartile includes *Strongly Disagree, Disagree, Slightly Disagree, Neither Agree or Disagree and Slightly Agree(<80%).						
			2nd-3rd quartile is Agree (80%-90%)						
			Top quartile is Strongly Agree (90%-100%)						
LGR 3.1 NLHD Effectiveness of Stakeholder Communication - Board of Trustees									

LGR 3.1 NLHD Effectiveness of Stakeholder Communication - BoT

Mill Levy Results



Area Hospitals		
2024 Mill Levy	2016 Mill Levy	2021
59%	43%	61%

Figure LGR 3.2 Mill Levy Election Results

LGR 3.2 Mill Levy Election Results

NLHD	2020	2021	2022	2023	2024	2025
Google Rating	★★★★☆ 3.2	★★★★☆ 3.2	★★★★☆ 3.2	★★★★☆ 3.2	★★★★★ 4.7	★★★★★ 4.7
Competitors	[Redacted]					
Google Rating	★★★☆☆ 2.6	★★★★☆ 4.3	★★★★☆ 4.3	★★★★☆ 3.5	★★★★★ 4.6	★★★★☆ 2.5
LGR 3.3 Google Rating						

LGR 3.3 Google rating

NLHD Recognition		
2018	Albuquerque Journal	Top Work Places
2018	Press Ganey Associates	Guardian of Excellence Award
2018	HealthInsight, Inc	Recognition of HCAHPS Performance
2018	New Mexico Hospital Association and HRET	HIIN Improvement Award
2018	HealthInsight, Inc	Quality Award
2018	Quality New Mexico	New Mexico Performance Excellence Award
2019	Albuquerque Journal	Top Work Places
2019	Press Ganey Associates	Guardian of Excellence Award
2019	Press Ganey Associates	Pinnacle of Excellence Award
2020	Albuquerque Journal	Top Work Places
2020	Press Ganey Associates	Pinnacle of Excellence Award
2020	Press Ganey Associates	Guardian of Excellence Award
2021	Albuquerque Journal	Top Work Places
2023	Economic Dev Corp of Lea County	Business of the Year
2023	New Mexico Hospital Association	Quest for Excellence Award
2023	Economic Dev Corp of Lea County	Human Energy Award
2023	California Counsel for Excellence (CAPE)	Eureka Award - CAPE Gold Level Recognition
2024	Malcolm Baldrige	Baldrige Finalist

Figure LGR 3.4 NLHD Recognition from Local, State, and National Organizations

LGR 3.4 NLHD Recognition from Local, State and National Organizations

4 - What are your organization’s results for external audits related to leadership and accountability (including certifications and accreditations)?

NLHD consistently demonstrates outstanding performance in external audits related to leadership and accountability, reflecting a disciplined, transparent, and compliant approach to governance. As a healthcare organization operating in a highly regulated environment, NLHD undergoes rigorous evaluations from multiple federal, state, and independent accrediting agencies. The results of these evaluations confirm the effectiveness of leadership systems, operational integrity, and regulatory compliance.

As shown in **Figure LGR 4.1**, NLHD has received zero findings and 100% compliance across all mandatory audits for the past five years. This includes:

- Office of Inspector General (OIG)
- Internal Revenue Service (IRS)
- Occupational Safety and Health Administration (OSHA)
- Annual Financial Audits
- Health and Safety Code (HSC) Fire Safety Inspections

Each of these audits serves as a critical measure of organizational compliance, ethical operations, and effective risk management. Achieving perfect results year over year reflects strong internal controls and leadership oversight.

NLHD also participates in a variety of accreditation and certification programs, many of which are voluntary. These results reinforce its commitment to exceeding regulatory requirements. Notable examples include:

- DNV Accreditation for CAHs: Fully accredited since 2014 with successful triennial and annual inspections.
- College of American Pathologists (CAP) Lab Accreditation: Maintained without deficiencies since 2013, placing NLHD among the best-in-class labs nationally.
- FDA and ACR Radiology Accreditations, RHC, and HQAA for DME: All fully accredited with no lapses.
- NM Board of Pharmacy Certification: Maintained annually for five consecutive years without any issues.

In total, NLHD achieved full compliance or full accreditation on 100% of audit and accreditation criteria from 2020 through 2024, across all areas assessed. This level of consistency and breadth of recognition validates NLHD's leadership effectiveness, risk mitigation practices, and accountability culture. These outcomes demonstrate NLHD's

exceptional performance in governance, compliance, and leadership accountability, reinforcing its role as a trusted healthcare provider and community partner.

External Audits	Required/ Voluntary	Measure	Goal	2020	2021	2022	2023	2024	Top Performance
OIG	Required	Findings	0	0	0	0	0	0	0
IRS	Required	Findings	0	0	0	0	0	0	0
OSHA	Required	Findings	0	0	0	0	0	0	0
Annual Financial Audit	Required	Findings	0	0	0	0	0	0	0
Annual HSC Fire Safety Audits	Required	% Compliance	100%	100%	100%	100%	100%	100%	100%
DNV-CAH Accreditation	Voluntary	Accreditation	Full	Full	Full	Full	Full	Full	Full
CAP Lab Accreditation	Voluntary	Accreditation	Full	Full	Full	Full	Full	Full	Full
RHC Accreditation	Required	Accreditation	Full	Full	Full	Full	Full	Full	Full
Radiology ACR Accreditation	Required	Accreditation	Full	Full	Full	Full	Full	Full	Full
Radiology Mammography FDA Accreditation	Required	Accreditation	Full	Full	Full	Full	Full	Full	Full
DME HQAA Accreditation	Required	Accreditation	Full	Full	Full	Full	Full	Full	Full
Sleep Lab AANEM Accreditation	Required	Accreditation	Full	Full	Full	Full	Full	Full	Full
Diabetes Education Program ADA Accreditation	Required	Accreditation	Full	Full	Full	Full	Full	Full	Full
NM Board of Pharmacy	Required	Certification	Full	Full	Full	Full	Full	Full	Full
							Exceptional Performance		
							Good Performance		
							Average Performance		
							Below Average		
LGR 4.1 NLHD Leadership and Governance Accountability									

LGR 4.1 NLHD Leadership and Governance Accountability

5 - What are your results for grievances and complaints for all the following: (1) safety, (2) the Equal Employment Opportunity Commission (EEOC), and (3) ethics?

NLHD tracks all safety, ethics, and compliance grievances through its centralized YES incident reporting system, which fosters an environment of transparency, non-punitive safety culture, and continuous learning. These reports are routinely reviewed by the Compliance Committee and the Performance Excellence Council (PEC), ensuring leadership responsiveness and organizational learning from every concern raised.

1. Safety

NLHD maintains an exceptionally strong safety culture, reinforced by internal incident tracking and workforce perception data. As shown in **Figure LGR 5.1**, NLHD consistently achieves top quartile and top decile scores across multiple safety culture indicators in its annual workforce engagement survey. Key items such as “I feel free to raise workplace safety concerns” and “We are actively doing things to improve patient safety” are consistently rated above national benchmarks.

Importantly, NLHD has received zero employee safety grievances in the past five years, and while safety complaints have ranged from 3 to 8 annually, 100% have been resolved with no unresolved cases since 2019. Reporting safety concerns is strongly encouraged; the YES system and anonymous reporting system allows leaders to get quick notification and take immediate actions to correct safety risk. These results highlight NLHD’s proactive approach to safety, early resolution of concerns, and strong partnership between employees and leadership to maintain safe work and care environments.

2. Equal Employment Opportunity Commission (EEOC) Complaints

NLHD also tracks all EEOC-related grievances and calculates the percentage of complaints relative to total workforce headcount. As illustrated in **Figure LGR 5.2**, NLHD’s performance has consistently outperformed both the NM state

average (0.30%) and the U.S. national average (0.10%), maintaining zero complaints from 2022 to 2024. This is on par with two high-performing Baldrige-winning organizations (both at 0.10%). These results reflect NLHD’s fair employment practices, inclusive work culture, and effective internal systems for early conflict resolution before escalation.

3. Ethics

NLHD’s performance in organizational ethics is also exemplary. Over the last five years, NLHD has recorded zero ethics-related grievances or formal incidents, as shown in **Figure LGR 5.1**. These results are further validated by workforce engagement scores. As shown in **Figure LGR 5.3**, when asked whether “NLHD conducts business in an ethical manner,” workforce members across all roles—including nursing, clinical, and non-clinical—rated NLHD at or approaching top-quartile and top-decile in 4 of the last 5 surveys.

This strong ethical culture is supported by:

- NLHD’s SERVANT leadership model and iCARE values
- Required compliance training and code of conduct reviews for all employees
- Systematic processes that reinforce ethical behavior including internal and external communication, transparency with stakeholders, leadership development around the Servant leadership model, and accountability mechanisms

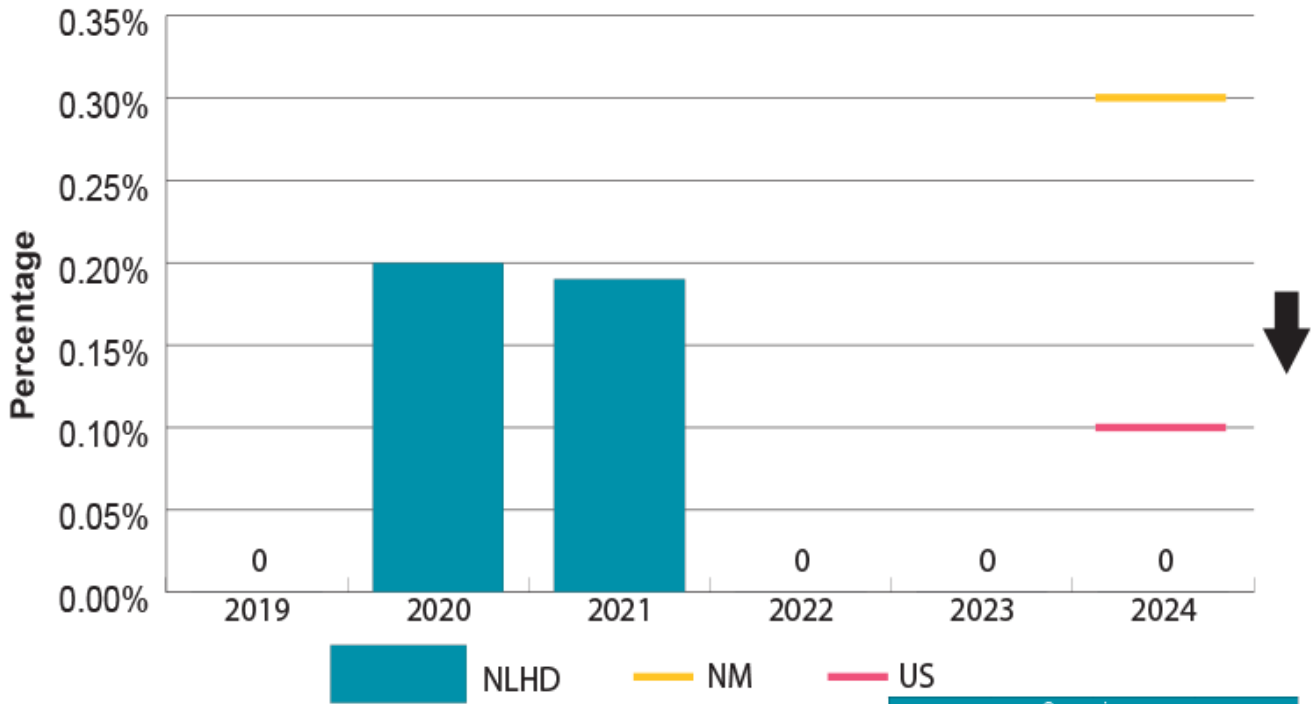
NLHD’s performance in tracking and responding to safety, EEOC, and ethics grievances demonstrates a robust, transparent, and high-performing culture. With top-decile workforce perceptions, zero safety grievances, zero EEOC complaints in recent years, and sustained ethical conduct across the organization, NLHD’s leadership has created a culture where team members feel empowered to report concerns and confident in leadership’s integrity and responsiveness.

Workforce Culture	NLHD CY2019	NLHD CY2021	NLHD CY2022	NLHD CY2023	NLHD CY2024	PG Ntl Avg 2024	PG Top Quartile 2024	PG Top Decile 2024
Nor-Lea makes every effort to deliver safe, error-free care to patients.	4.53	4.42	4.52	4.48	4.54	4.2	4.37	4.5
Employees in my department follow proper procedures for patient care/customer service.	4.48	4.41	4.54	4.48	4.53	4.35	4.47	4.56
In my department, we discuss ways to prevent errors from happening again.	4.43	4.35	4.5	4.5	4.48	4.26	4.38	4.5
We are actively doing things to improve patient safety.	4.47	4.37	4.49	4.46	4.49	4.23	4.36	4.5
Where I work, employees and management work together to ensure the safest possible working conditions.	4.43	4.31	4.5	4.36	4.43	4.1	4.27	4.42
I feel free to raise workplace safety concerns.	4.47	4.41	4.5	4.36	4.43	4.21	4.34	4.47
Communication between physicians, nurses, and other medical personnel is good at Nor-Lea.	4.14	4.02	4.13	4.02	4.1	3.78	3.98	4.15
Ethics Complaint	2020	2021	2022	2023	2024	Comparison: Baldrige Recipients		
Incident Reporting for Ethics	0	0	0	0	0	2021 Baldrige Recipient	0	
						2024 Baldrige Recipient	0	
Safety Process Measures	NLHD CY2019	NLHD CY2021	NLHD CY2022	NLHD CY2023	NLHD CY2024			
Employee Safety Grievance	0	0	0	0	0		Top Decile	
Employee Safety Complaints	3	3	4	8	6		Top Quartile	
Safety Complaints resolved	3	3	4	8	6		Above Average	
Safety Complaints pending resolution	0	0	0	0	0		Below Average	

LGR 5.1 Organizational Results for Safety and Ethics

LGR 5.1 Organizational results for Safety and Ethics

EEOC Claims per Employee Headcount



Comparisons			
Baldrige Recipient 1	Baldrige Recipient 2	Texas	Colorado
0%	0.10%	0.26%	0.28%

Figure LGR 5.2 Organizational Results for EEOC Complaints

LGR 5.2 Organizational Results for EEOC Complaints

NLHD conducts business in an ethical manner

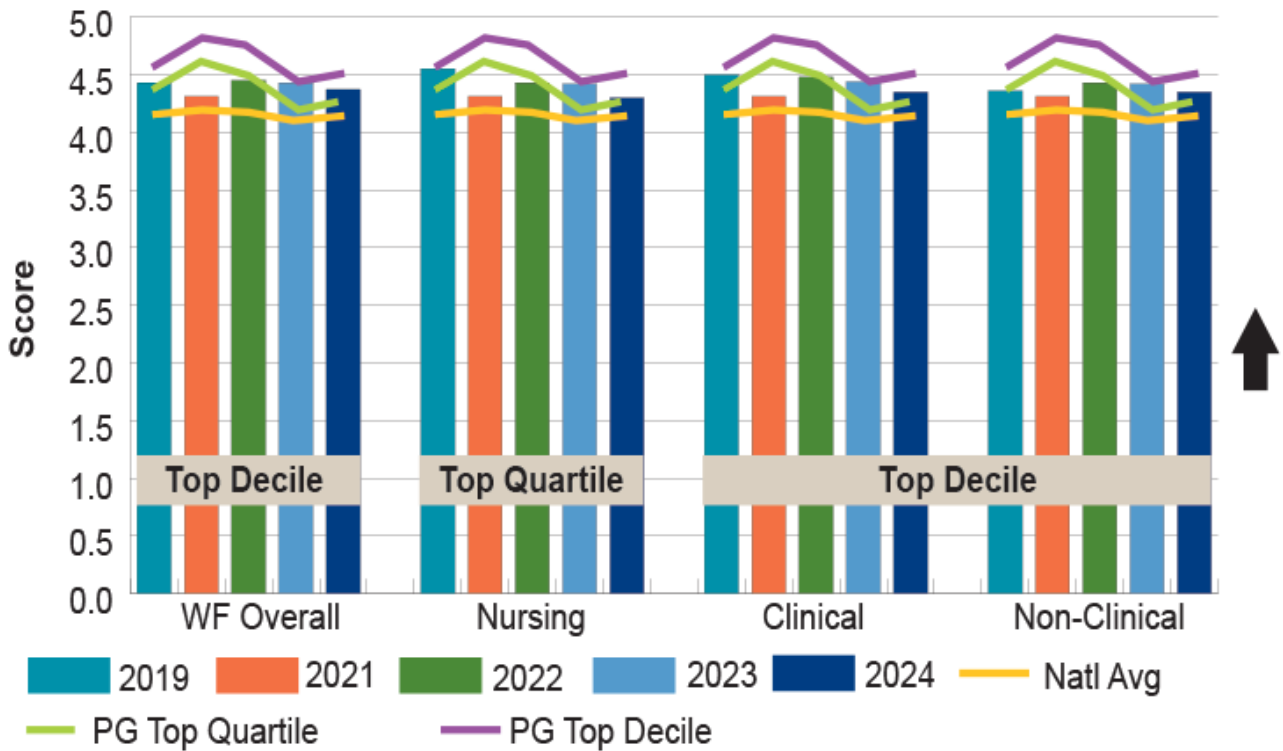


Figure LGR 5.3 Organizational Ethics Results

LGR 5.3 Organizational Ethics results

6 - What are your results for societal contributions?

Note: Examples of societal contributions (comparisons optional) include: reduced energy consumption; use of renewable energy resources and recycled water reduction of your carbon footprint; waste reduction and utilization; alternative approaches to conserving resources (e.g., increased virtual meetings); global use of enlightened labor practices; and donations of goods or services to promote housing, community health, and food security.

As the largest healthcare provider in Lea County, NLHD makes significant societal contributions by improving health outcomes, expanding access to care, reducing community health disparities, and serving as a leader in wellness and financial advocacy. These contributions align with NLHD’s vision to Enhance Lives and extend beyond clinical care to include infrastructure, education, and advocacy efforts that directly impact the social determinants of health.

Impact on Community Health Outcomes

NLHD’s most visible societal contribution is its sustained improvement in community health indicators. As shown in **Figure LGR 6.1**, the Lea County Health Outcomes Ranking improved from 20th in 2010 to 14th in 2024 (on a scale of 1–32). This improvement coincides with the expansion of NLHD’s primary care services and the 2014 opening of the NLHD Cancer Center, which contributed to a steady decline in cancer death rates, now below the NM and national averages. Additionally, deaths from influenza and pneumonia in the county have decreased by over 40% since 2010, further supporting NLHD’s population health impact.

Access to Care and Insurance Enrollment

NLHD has developed one of the most effective financial advocacy and enrollment programs in the state. NLHD provides dedicated community advocates and financial counselors to assist low-income, uninsured, and underinsured residents in accessing coverage, medications, and social services. These efforts are measured by the percentage of patients with health insurance.

As shown in **Figure LGR 6.2** and **LGR 6.3**, NLHD’s patient base maintained insurance coverage above 95% from 2020 to 2025, with the latest rate at 96.7%, significantly outperforming:

- Lea County average: 80.1%
- New Mexico: 85.1%
- U.S. national average: 87.9%
- Neighboring counties (e.g., Yoakum, TX): 80.2%

These outcomes illustrate NLHD’s ability to overcome regional access barriers and support widespread healthcare needs through proactive enrollment, particularly for vulnerable populations. NLHD’s program is now considered a best practice, with staff mentoring peers at other hospitals across the state.

Corporate and Community Wellness

NLHD also promotes wellness in the broader community through its corporate wellness programs and the Lovington Community Wellness Center. One measurable outcome of these programs is a sustained reduction in LDL cholesterol levels among participants, supporting improved long-term cardiovascular health. As shown in **Figure LGR 6.4**, corporate wellness participants have steadily improved LDL cholesterol ranges from 2019 through 2024 achieving at or approaching optimal results.

Additional Contributions

Beyond clinical initiatives, NLHD contributes to the community through:

- Hosting annual health fairs and vaccination drives
- Donating AEDs to community centers
- Providing health education events in underserved areas
- Offering mental health access via school-based clinics

NLHD also uses virtual care and telehealth, reducing carbon impact from travel and improving access for remote residents. NLHD supports energy-efficient operations and lean initiatives to minimize waste, furthering its environmental stewardship.

Measure	N/L	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	NM Avg	US Avg	Top Quartile
NM Health Outcomes County Health Ranking, Lea County 1-32	↓	19	20	20	16	14	17	10	14	11	7	12	13	16	14	14	N/A	N/A	8
Influenza and Pneumonia Deaths (3yr avg-Deaths/100,000)	↓	24.3	22.8	17.9	18	18.6	17.8	12.7	10	11.7	10.2	*	*	*	*	*	13.7	17.7	
Cancer Deaths-Overall (3yr avg-Deaths/100,000)	↓	150.9	160.1	169.8	164.6	162.1	165.1	158.4	149.1	152.7	152.6	144.2	133.9	*	*	*	139.2	158.1	
* Data currently Unavailable countyhealthrankings.org										Excellent Improvement, Outperforming Benchmark									
										Moderate Improvement									
										Under Performing, Worse than Benchmark									
Figure LGR 6.1 Lea County Health Outcomes																			

LGR 6.1 Lea County Health Outcomes

NLHD Patients							Comparison (Datausa.io/ameriahealthrankings)					Best in Class
Overall	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 YTD	Lea County 2022	NM 2023	TX 2023	Yoakum 2022	US 2023	Michigan 2023 (90%tile)
Patient with Insurance Coverage	95.6%	96.5%	96.1%	96.8%	96.2%	96.7%	80.1%	85.1%	83.4%	80.2%	87.9%	95.5%
Uninsured	4.4%	3.5%	3.9%	3.2%	3.8%	3.3%	19.9%	14.9%	16.6%	19.8%	12.1%	4.5%
Clinics												
Patient with Insurance Coverage	95.3%	95.1%	96.0%	97.2%	96.4%	96.8%						
Uninsured	4.7%	4.9%	4.0%	2.8%	3.6%	3.2%						
Hospital												
Patient with Insurance Coverage	95.7%	96.7%	96.2%	96.9%	96.2%	96.7%						
Uninsured	4.4%	3.4%	3.8%	3.1%	3.8%	3.3%						
										Top Decile		
										Top Quartile		
										Above Average		
										Below Average		

Figure LGR 6.2 NLHD Customers Health Insurance Enrollments

LGR 6.2 NLHD Customers Health Insurance Enrollments

% of People with Insurance Coverage

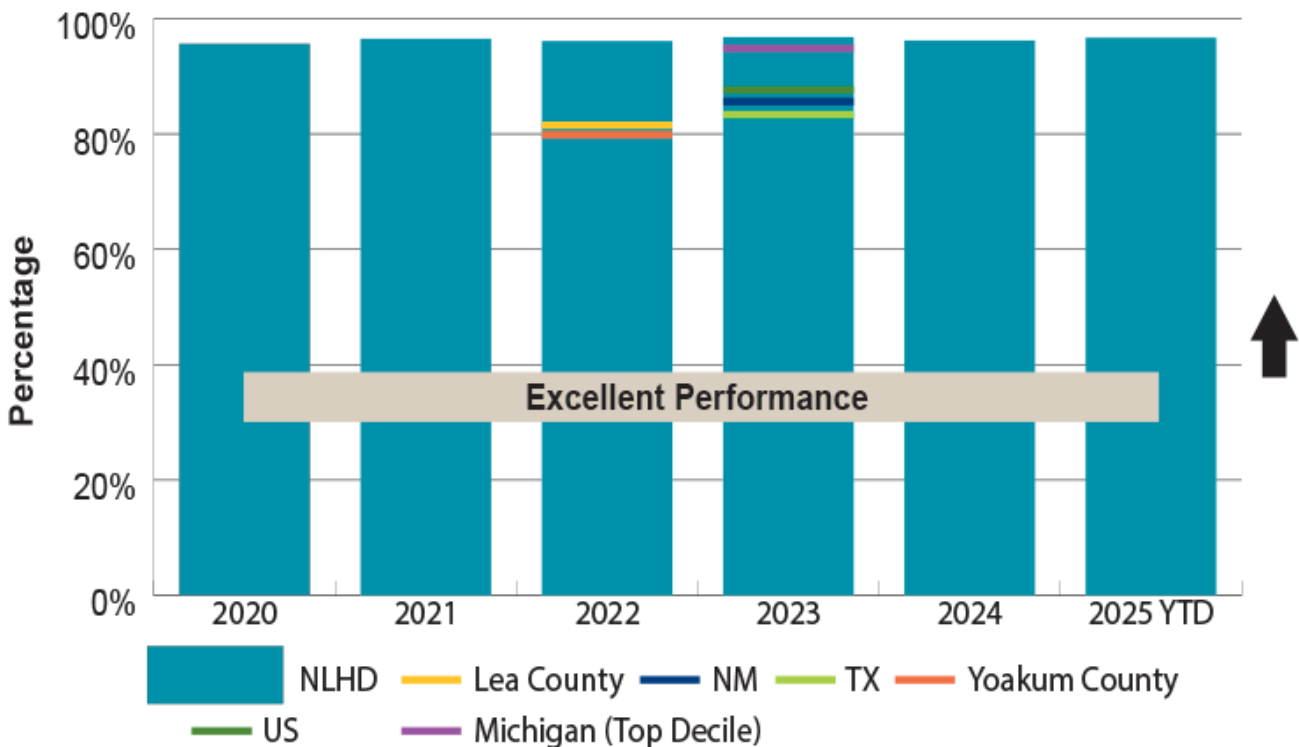


Figure LGR 6.3 % of People with Insurance Coverage

LGR 6.3 NLHD Customers Health Insurance Enrollments

NLHD Corporate Wellness Program Overall Program LDL Cholesterol Level

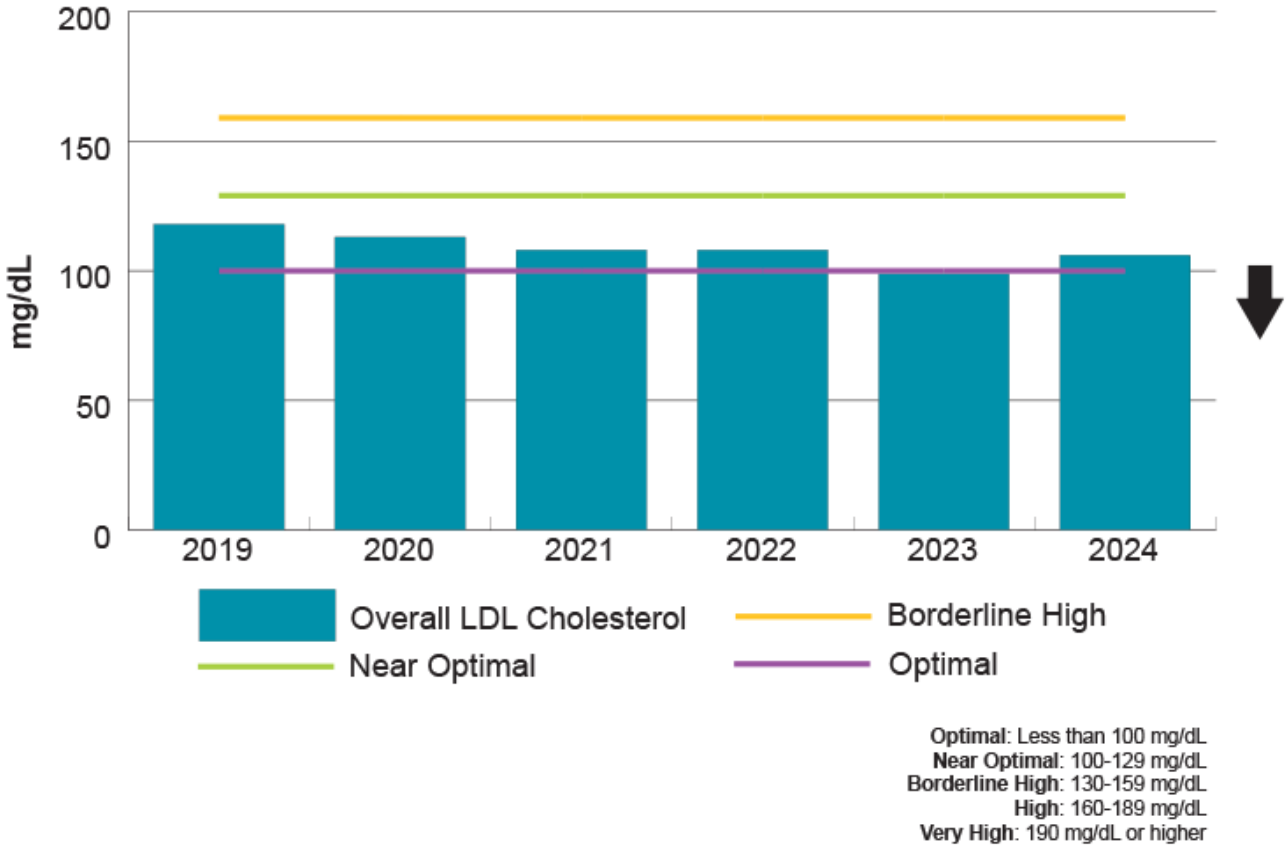


Figure LGR 6.4 NLHD Wellness Health Outcomes

LGR 6.4 NLHD Wellness Health Outcomes

Process Questions

- 1 - Briefly describe your key process(es) for your leadership succession planning.

- 2 - Briefly describe your key process(es) for senior leaders’ two-way communication with the workforce.

- 3 - Briefly describe your key process(es) for senior leaders’ two-way communication with customers.

- 4 - Briefly describe your key process(es) for senior leaders’ two-way communication with stakeholders.

- 5 - Briefly describe your key process(es) for ensuring responsible governance related to accountability for senior leaders’ actions, fiscal accountability, and transparency.

- 6 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

Operations

This section asks about your performance and processes related to your main products, services, and/or programs. Results requested pertain to the performance of your products, services, or programs and the efficiency and effectiveness of your processes for producing and providing them. Results are also requested regarding your supply-network management, cybersecurity effectiveness, risk management, emergency preparedness, and continuity of operations.

Context Questions

1 - What are your main products, and/or services, and/or programs? *

NLHD is a not-for-profit community-based healthcare system located in Northern Lea County New Mexico (NM). As the county’s second largest employer Nor Lea ensures high-quality access to care through Nor-Lea General Hospital (NLGH), a 25-bed Critical Access Hospital (CAH), a Cancer Center, 7 primary care clinics, a hospital-based specialty clinic, a mobile clinic, the Lovington Community Wellness Center (LWC), and Nor-Lea Home Medical (DME).

Hospital Medical Services– NLHD provides inpatient and observation care, including Swing-bed (SNF) services for recovery patients. Emergency Services handle trauma and urgent medical needs. A broad range of outpatient services is available, including a Cancer Center, Radiology, Laboratory, Respiratory, Wound Care, Cardiovascular, Nuclear Medicine, Sleep Lab and Diabetes Education Program. NLHD offers elective surgeries, and its Cancer Center provides both medical and radiation oncology treatments. Additionally, it supports rehabilitation with Physical, Speech, Occupational Therapies, and Cardiac Rehab.

Medical Provider Clinics– NLHD operates Rural Health Clinics (RHC) offering primary care for adults and children. It runs school-based clinics delivering primary and behavioral health services. Hospital-based specialty provider clinics (PPC) offer Cardiology, Neurology, Otolaryngology, Pain Management, Gastroenterology, Podiatry, Behavioral Health Care, Gynecology, and General Surgery.

Wellness Services– NLHD promotes well-being through the LWC, featuring an aquatics center, free weights, a rock-climbing wall, an indoor track, and athletic courts. The district also conducts corporate wellness programs, health fairs, and outreach initiatives.

NLHD’s main products and services are listed in **Figure OPC 1.1**.

Main Healthcare Products and Services	
Hospital Medical Services	<ul style="list-style-type: none"> Inpatient (Inpt)/Observation (Obs), Swing-bed (SNF) in-hospital care Emergency Services – trauma and medical emergency care Outpatient Services – Radiology, Laboratory, Respiratory, Cardiovascular, Nuclear Medicine, Elective Surgery Services, Cancer Center Medical and Radiation Oncology, Infusion Services, Wound Care and Rehabilitation/Physical Therapy
Medical Provider Clinics	<ul style="list-style-type: none"> Rural Health Clinics (RHC) – Primary – adult and pediatric healthcare services School-based clinics – Primary care and behavioral healthcare Hospital-based specialty provider clinics (PPC) – Cardiology Neurology, Otolaryngology, Pain management, Gastroenterology, Podiatry, Behavioral Health, Gynecology, General Surgery
Wellness Services	<ul style="list-style-type: none"> Wellness Center – aquatics center with warm water therapy, free weights, rock-climbing wall, indoor track, basketball/volleyball/pickleball courts Corporate Wellness Health Fairs Testing and vaccination outreach

Figure OPC 1.1 Main Healthcare Products and Service

OPC 1.1 Main Healthcare Products and Services

2 - Who are your key competitors (those that constitute 5 percent or more of your competitors)? *

NLHD operates within a highly competitive healthcare environment. Among the array of providers in its service area, only one key competitor, [REDACTED] accounts for a significant share of the competitive landscape, representing 5% or more of NLHD’s competitive market pressure.

[REDACTED] a 99-bed acute care hospital, opened in 2022 in Hobbs, NM, just 20 miles from NLHD’s Lovington-based facilities. Like NLHD, [REDACTED] offers a comprehensive suite of services including inpatient care, outpatient services, emergency medicine, and specialty clinics. Importantly, [REDACTED] is part of the [REDACTED] itself a regional extension of [REDACTED] one of the largest healthcare networks in the United States. This affiliation provides [REDACTED] with extensive operational resources and brand recognition, intensifying its competitive potential.

NLHD focuses on the Mission and Vision and leverages its core competencies of Primary Care, Building and Strengthening Relationships of Trust, and Innovation and Agility to compete with [REDACTED] as well as smaller competitors in the area. NLHD has strong community support because of ongoing community outreach, reputation for exceptional services, and building and strengthening relationships of trust with patients, family, and community leaders.

One example of this is NLHD can only own property in Northern Lea County due to its Hospital District designation. NLHD was invited by the county to provide healthcare services in the Hobbs community and was provided with the buildings as part of the partnership agreement to accomplish this expansion. Services were expanded to the South side of Hobbs at the Family Health Center, the North side at the Hobbs Medical Clinic, and recently a clinic on the campus at NMJC located near [REDACTED]

NLHD outperforms competitors in the area and in neighboring communities in providing access to care, exceptional service, community support, and in quality outcomes. NLHD continues to grow in services year after year, **Figure OPC 2.2**. Many patients who live in Hobbs drive past [REDACTED] as they make the trip to Lovington to receive their healthcare at NLHD. Of all patients who receive care at NLHD 43% live in Hobbs.

The two hospitals also vie for a limited pool of skilled healthcare professionals. Workforce competition includes clinical staff (nurses, physicians, therapists) and non-clinical support roles. NLHD has effectively countered this threat by cultivating a strong organizational culture that emphasizes employee engagement, professional growth, and mission alignment, resulting in high rates of staff attraction, engagement, and retention.

Annually, NLHD uses its Strategic Planning Process (SPP) to understand and assess the market and determine target markets for growth or expanded services. TLs review the strategic plan quarterly to identify and quickly implement changes necessary to maintain NLHD’s strong competitive position.

Services	Primary Competitor
Hospital Medical Services Medical Provider Clinics	<ul style="list-style-type: none"> <li data-bbox="539 1653 1401 1715">[REDACTED] a 99 bed acute care hospital 20 miles from NLHD with outpatient services and clinics
Figure OPC 2.1 Key Competitors	

OPC 2.1 Key Competitors

NLHD Strategic Growth

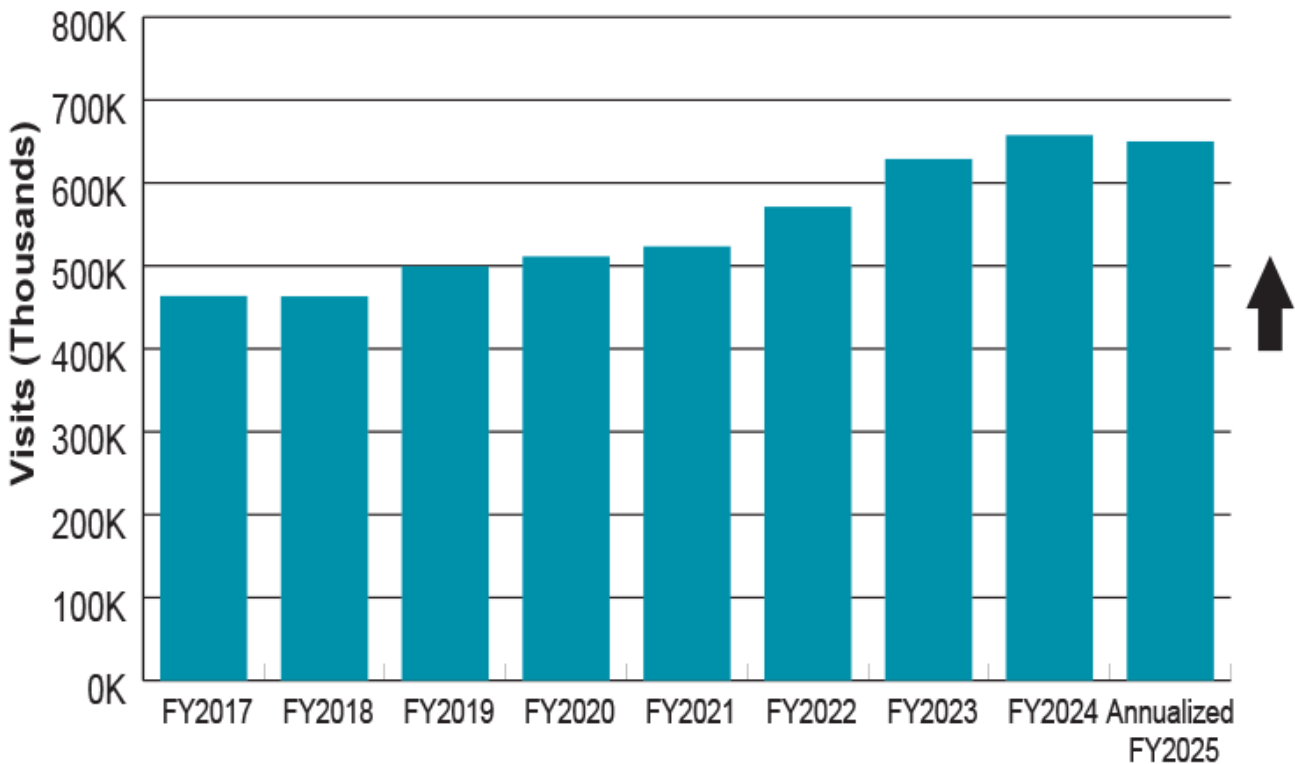


Figure OPC 2.2 NLHD Strategic Growth

OPC 2.2 NLHD Strategic Growth

3 - Who are your key suppliers/partners (those that constitute 5 percent or more of your suppliers/partners)? *

NLHD key suppliers (those that constitute 5 percent or more of its spend) are listed in **Figure OPC 3.1**. Key suppliers are categorized as:

1. Medical Suppliers provide NLHD with high quality medical and non-medical supplies. They help NLHD realize savings and efficiencies by aggregating purchasing volume to leverage discounts with manufacturers, distributors and other vendors.
2. Information Technology/Communication Support Suppliers providing the Electronic Medical Record System (EHR), Patient Portal, medical billing platform, ability to coordinate care within and outside the NLHD system, cybersecurity, communication expertise and security system support.

NLHD ensures supply network management through systematic processes to select, measure, and evaluate and collaborate with suppliers. It contracts with multiple vendors to maintain adequate levels of medical supplies at the point of service.

As part of the Performance Excellence system, **Figure OD 2.3**, NLHD has integrated Lean Six Sigma as an improvement methodology and process-based management philosophy. The supply management team partnered with individual process owners to implement a lean Kanban supply system in multiple areas in 2023 and 2024 improving both the availability of supplies at the point of service and reducing waste in the supply system. Partnering with Pegasus, a medical storage system vendor, NLHD was able to automate the supply ordering system for the emergency department to further streamline the supply chain. This best practice supply chain process has been implemented in multiple departments with high volume and high-cost inventory.

Figure OPC 3.1 also reflects key partners of the district. NLHD has leveraged its core competencies in primary medicine, building and strengthening relationships of trust, and agility and innovation to continuously grow by expanding healthcare services to meet community needs. NLHD has developed strong relationships with leaders throughout Lea County, the Cities

of Lovington and Hobbs, the Hobbs and Lovington School Districts to come together to innovatively address healthcare needs and improve community health. Examples include:

- Partnering with the City of Lovington and Lovington Schools, to build and operate the LWC. The wellness center helps improve overall community wellness and offers an indoor aquatics center with a warm therapy pool and many other popular features.
- During the COVID-19 pandemic, NLHD worked with county, city, state, and other healthcare partners to secure supplies, testing materials, vaccines, and therapeutics. NLHD led the fight in the community and coordinated drive through testing and vaccinations, mash style testing and infusion center and expanded the capability and capacity of the Inpatient and ED units.
- NMJC awarded NLHD the contract to have an on-campus medical clinic for students and faculty. The NMJC Thunderbird Clinic opened in February 2024.

Suppliers		
Medical Suppliers	<ul style="list-style-type: none"> • Cardinal Health • Abbott Diagnostics • Henry Schein • McKesson Medical Surgical 	
Information Technology/ Communication Support Suppliers	<ul style="list-style-type: none"> • Providence Community Connect • Mandry IT Technology • Mitel Phone Service • Arctic Wolf 	
Partners		
Type	Sample Partners	Role
Educational Key Partners	<ul style="list-style-type: none"> • Lovington School District • Hobbs School District • New Mexico Junior College 	<ul style="list-style-type: none"> • Provide space for direct care for students, faculty and families • Partnership to provide Simulation lab to build skills • NLHD has multiple agreements with educational partners for residency, preceptorships and clinical rotations. Partner to recruit potential employees who do rotations at NLHD.
Government Key Partners	<ul style="list-style-type: none"> • Lea County • City of Lovington • City of Hobbs • State Legislators • New Mexico Department of Health 	<ul style="list-style-type: none"> • Partner to expand access to care • Coordination of healthcare resources during emergencies
Healthcare Key Partners	<ul style="list-style-type: none"> • Covenant Health System of Lubbock • Joe Arrington Cancer Center 	<ul style="list-style-type: none"> • Provide critical care for transfer patients • Educational resources • Coordination of care for oncology patients
Figure OPC 3.1 Key Suppliers and Partners		

OPC 3.1 Key Suppliers and Partners

4 - Who are your key customers/users (those that constitute 5 percent or more of your customers/users)? *

Nor-Lea segments its patients by service/delivery mechanism. Key customer segments include Outpatient, Clinic, and Emergency Services. While Inpatients only account for 2% of revenue, NLHD’s status as a Critical Access Hospital (CAH) provides unique pricing and benefits for delivering inpatient care, so this segment is considered a Key Customer as well. NLHD key customer groups, and percentage of revenue for each are shown in **Figure OPC 4.1**. While most of

the district’s gross revenues come from outpatient hospital services, primary care clinics drive the business through generating referrals for outpatient, inpatient services, and specialty care, **Figure ODC 3.2**.

While not constituting 5% or more of customers, with the opening of the Lovington Wellness Center in 2018, NLHD has expanded its focus on prevention, wellness, and community population health. This strategic expansion enables NLHD to continue to strive towards its vision of Enhancing Lives.

NLHD tracks market share where available and is proud of its strong marketplace performance. Many NLHD patients drive by the larger hospital in Hobbs making the 20+ mile trip to receive care at NLHD because of a strong reputation for quality and excellent customer experience.

Service Segment	Volume FY2024	% Revenue FY2024
Outpatient • Services: Laboratory, Radiology, Nuclear Medicine, Endoscopy, Pain Management, Sleep Center, Cardiac Rehab, Physical Therapy, Cardiovascular Services, Cardiopulmonary Services, Outpatient Surgery, Outpatient medical oncology, Outpatient radiation oncology services, Outpatient Infusion, Wound Care, *Wellness Center, *Patient Oncology Navigation, *Patient Transportation Services, *Financial Counseling Services, *Community Health Worker coordination services, *Medication Assistance Services * Wellness services included in outpatient segment	55%	70%
Clinic Services • Primary Care • Specialty Care • Behavioral Health	41%	18%
Emergency Services • Emergency Department providing Medical and Trauma Emergency Services	3%	10%
Inpatient Services • Medical/Surgical Inpatients • Observation • Swing Beds	<1%	2%
Figure OPC 4.1 Key Customer Segments		

OPC 4.1 Key Customer Segments

Results Questions

1 - What are your results for the performance of your main products, or services, or programs?

NLHD tracks key performance results for its main products and services using a comprehensive set of in-process and outcome measures aligned with its Enterprise Process Model (EPM), **Figure ODC 5.1**. These results are monitored through departmental scorecards and the organizational dashboard, with regular review by leadership, the BoT, and frontline teams via Strategic Alignment Boards. This structure ensures visibility, ownership, and accountability at all levels of the organization.

Results for the performance of the main products and services are summarized in **Figure OPR 1.1**, with selected highlights across each product line below:

Outpatient Services

NLHD’s Wound Care program demonstrates exceptional outcomes in both healing rates and efficiency:

- Overall wound healing rate improved from 80% (2020) to 91.9% (2024), surpassing the Restorix national average of 90%.
- Diabetic wound healing maintained 100% success in 2023 and 2024, exceeding the 88.6% national average.
- Pressure wound healing reached 100% in 2023 and 2024, far outperforming the 91.8% benchmark.
- Median healing times are consistently below national averages, with venous wounds healing in just 11–27 days vs. the 28-day average.

NLHD's ACO utilization of inpatient and swing-bed services for ACO patients demonstrates efficient resource use:

- ACO Swing bed utilization decreased from 1,946 days (2020) to 154 days (2024), aligning with targeted efficiency goals.
- ACO inpatient discharges declined from 241 (2020) to 151 (2024), demonstrating better outpatient management and chronic disease coordination.

Clinics

Clinic performance data show significant gains in preventive care and chronic disease management:

- Diabetes control improved from 35% in 2020 to 21% in 2024, aligning with Epic's top decile benchmark.
- Weight assessment and BMI counseling has remained consistently high (98–99%) since 2021, placing NLHD in the top decile.
- Tobacco screening and cessation counseling remained high at 84.8% in 2024, exceeding ACO benchmarks of 72.2%.
- Preventive pediatric testing (e.g., lead and fluoride varnish) improved to 92.5% in 2024, well above top decile benchmarks.

Emergency Department (ED)

NLHD maintains strong emergency care efficiency:

- Left Without Being Seen (LWOBS) rate improved steadily from 1.32% (2020) to 0.56% (2024), exceeding Epic's top performance benchmark of <1%.

Inpatient Services

NLHD's inpatient performance reflects a high standard of clinical excellence and effective care transitions:

- Hospital-Acquired Conditions (HACs) have remained at 0% since 2020, significantly outperforming the CMS national average of 9.8%.
- Mortality rates for pneumonia and COPD remain well below national benchmarks. Pneumonia mortality averaged 12.0% vs. 18.2% CMS national average; COPD mortality averaged 6.9% vs. 9.8%.
- Readmissions show top performance across all measured conditions. Notably:
 - Readmission for Heart Failure and AMI was 0% in both 2023 and 2024.
 - COPD readmission decreased from 12% (2023) to 5.6% (2024), compared to the U.S. average of 19.3%.
 - Pneumonia readmissions declined to 1.8% in 2024, well below the national rate of 16.9%.

These performance results validate NLHD's commitment to high-quality, efficient, and patient-centered care across service lines. Measures are selected based on relevance to mission-critical services, national reporting requirements, and organizational priorities. Performance trends inform operational planning, resource allocation, and process improvement initiatives.

NLHD’s results for its main products and services reflect consistently high performance, with multiple areas achieving top quartile and top decile results. The data show strong execution of clinical excellence, operational efficiency, and preventive care—core to NLHD’s mission of delivering an Exceptional Experience and its vision to Enhance Lives.

Performance of your key products, services, and/or programs		Unit	H/L	2020	2021	2022	2023	2024	Avg	Top Quartile	Top Decile	
Outpatient	OP- Wound Care Healing	%	↑	80%	85.20%	90.80%	92%	91.90%	Restorix Avg 90%			
	OP- Wound Care Healing Diabetes	%	↑	84%	88.50%	100%	100%	90.50%	Restorix Avg 88.6%			
	OP- Wound Care Healing Pressure	%	↑	63.60%	72.70%	100%	100%	100%	Restorix Avg 91.8%			
	OP-Wound Care Healing	Median Time Days	↓	32	34	28	28	28	Restorix Avg 32			
	OP-Wound Care Healing Diabetes	Median Time Days	↓	28	35	28	29	32	Restorix Avg 42			
	OP- Wound Care Venous	Median Time Days	↓	32	21	28	11	27	Restorix Avg 28			
	ACO Swing Bed Utilization		↓	1946	1219	1086	211	154	1309	1329		
	ACO Inpatient Discharges		↓	241	226	241	155	151	250	246		
Clinics	Diabetes Controlled		↓	35%	29%	27%	24%	21%	Epic 28.6%	Epic 22.7%	Epic 21.8%	
	Statin Therapy with ASCVD		↑	69%	76%	81%	83%	78%	Epic 71.6%	Epic 77.3%	Epic 83.3%	
	Weight Assessment and BMI Counseling		↑	87%	98%	99%	98%	98%	Epic 88.87%	Epic 94.23%	Epic 97.47%	
	Tobacco Screening and Cessation		↑	88.4%	86.2%	86.4%	87.50%	84.80%	ACO Avg. 72.2%			
ED	ED- LWOBS Rate		↓	1.32%	1.19%	1.45%	1.10%	0.56%	Epic <3%	Epic <2%	Epic <1%	
Inpatient	Inpatient HAC	%	↓	0.00%	0.00%	0.00%	0.00%		CMS Ntl Avg 9.8%			
	Inpatient Pneumonia Mortality Rate	%	↓	5.9%	12.7%	16.1%	13.3%		CMS Ntl Avg 18.2%			
	Inpatient COPD Mortality Rate	%	↓	6.20%	7.10%	8.30%	5.90%		CMS Ntl Avg 9.8%			
	Inpatient Re-Admissions	%	↓	11.80%	5.00%	5.90%	10.90%	4.60%	US Ntl Avg 14.6%			
	Inpatient Re-Admission AMI	%	↓	12.50%	16.70%	25%	0%	0%	US Ntl Avg 14%			
	Inpatient Re-Admission COPD	%	↓	8.80%	8.30%	8.30%	12%	5.60%	US Ntl Avg 19.3%			
	Inpatient Re-Admission HF	%	↓	18.9%	17.40%	13.30%	0%	0%	US Ntl Avg 20.2%			
	Inpatient Re-Admission Pneum	%	↓	8.10%	7.70%	5.20%	0%	1.80%	US Ntl Avg 16.9%			
										Top Decile or Excellent Performance		
										Top Quartile or Very Good Performance		
										Above Average or Good Performance		
										Below Average or Poor Performance		

Figure OPR 1.1 Performance Measures for Main Products and Services

OPR 1.1 Performance Measures for Main Products and Services

2 - What are your results for efficiency/effectiveness in producing your products, or providing services, or providing programs?

NLHD uses a broad set of efficiency and effectiveness indicators to ensure services are delivered with timeliness, reliability, and optimal resource use. These indicators are monitored monthly and benchmarked against national sources, industry standards, or area hospital data. Results are integrated into department scorecards and reviewed by leadership and frontline teams to drive continual improvement.

As shown in **Figure OPR 2.1 through 2.3**, NLHD consistently outperforms top quartile and top decile benchmarks across multiple operational metrics:

Outpatient services

- Lab turnaround times (TATs) for critical STAT testing (CBC, CMP, Troponin I) are well below Epic's top decile benchmarks. For example, Troponin TAT decreased to 19 minutes in 2024, significantly faster than Epic's 45-minute top decile (and down from 26 in 2020).
- Blood culture contamination rates decreased to 2.2%, below the national industry average of 3%.
- Radiology diagnostic imaging TATs have remained below national averages, with median CT TAT at 52 minutes and MRI TAT at 34 minutes, compared to 92 and 87 minutes respectively.
- NLHD's use of peer group benchmarking is also evident in its participation in the NM Rural Health Network. As part of a regional quality initiative, NLHD focused on improving Troponin turnaround times for cardiac patients. As shown in **Figure OPR 2.2**, NLHD's TAT has improved from 26 minutes in 2020 to 19 minutes in 2024, outperforming all rural hospital peers participating in the initiative and surpassing the NIH benchmark of 30–55 minutes.

Clinics and System-wide Performance

- Clinic e-prescribing rates have remained at 100% since 2020.
- System-wide e-prescribing (across inpatient, outpatient, and ED) has also remained at 100% since 2023, outperforming Epic's 99.8% top decile level.
- ACO chronic care management (CCM) enrollment improved from 3.6% in 2020 to 7.1% in 2024, closely aligning with the national benchmark of 8.1% for ACO programs.

Emergency Department

- ED medication errors remained extremely low at 0.02%, far outperforming AHRQ's national top decile (3%) for hospital-based emergency departments.
- ED throughput to discharge averaged 117 minutes in 2024, reaching Epic's top quartile of 119 minutes.
- Arrival-to-provider time held steady at just 7 minutes in 2024, meeting Epic's top decile.
- Left Without Being Seen (LWOBS) rates decreased to 0.56% in 2024, placing NLHD well within the top decile range and outperforming regional competitors.
- NLHD also uses external CMS hospital data to compare performance with area facilities. As shown in **Figure OPR 2.3**, NLHD's LWOBS rate is significantly lower than area hospitals such as ██████ (2%), ██████ (3%), and ██████ (3%). These results confirm NLHD's continued strength in service efficiency and responsiveness, even in a competitive and resource-constrained environment.

Inpatient Services

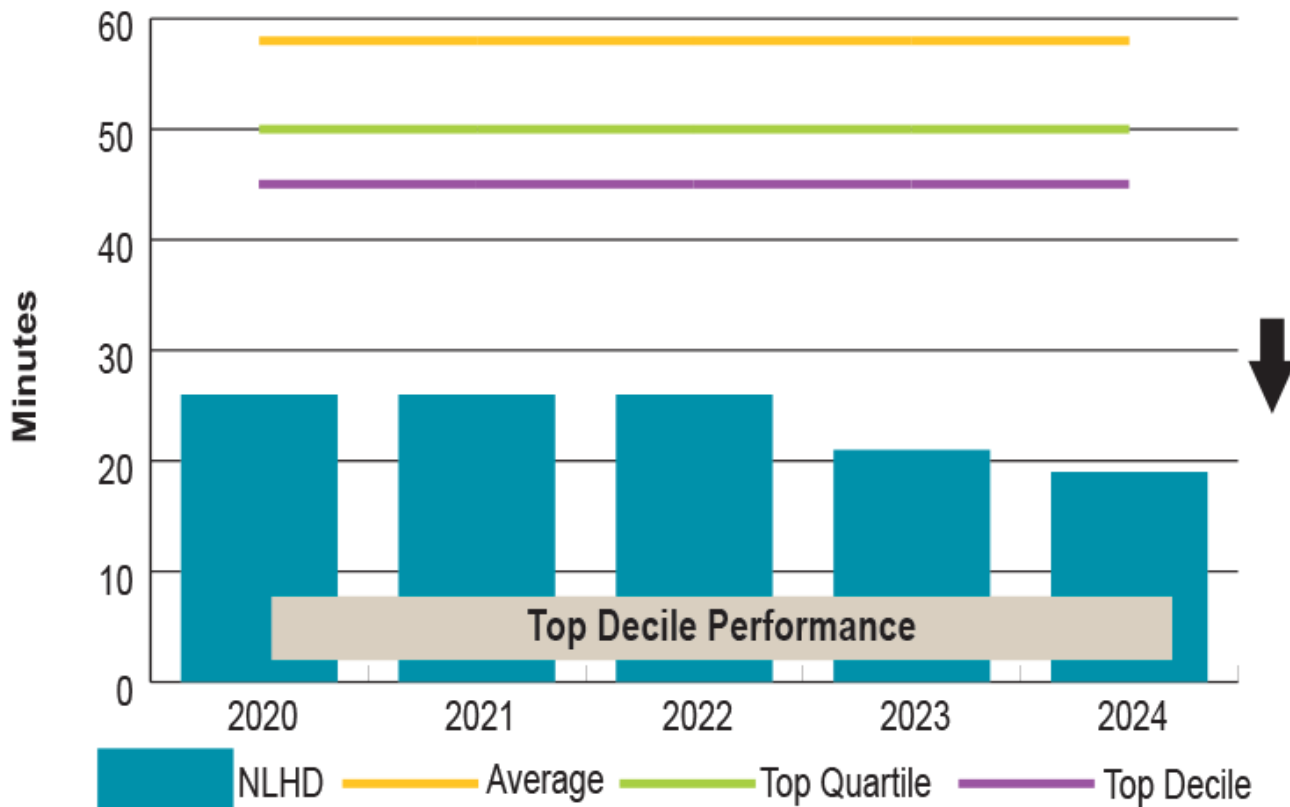
- Length of stay (LOS) has steadily decreased from 4.26 days in 2021 to 2.82 in 2024, outperforming the national CAH average (4.0) and nearing top decile (2.4).
- Inpatient pressure ulcers remained at 0.0% for five consecutive years, better than the NM average of 0.20%.
- Inpatient medication errors improved to 0.09%, far exceeding AHRQ's national benchmarks of 8–10%, and outperforming top decile levels.

NLHD's results reflect highly efficient and effective delivery of outpatient, clinic, emergency and inpatient services. From top-decile ED throughput and medication safety to outstanding lab and radiology turnaround times, NLHD consistently outperforms benchmarks. These results validate NLHD's ability to deliver timely, high-quality services while managing resources effectively in a rural setting.

Heathcare Work System											
Key Performance Indicators	Unit	H/L	2020	2021	2022	2023	2024	Avg	Top Quartile	Top Decile	
Outpatient	Lab STAT CBC TAT	Min.	↓	11	9	10	7	7	Epic 28	Epic 21	Epic 18
	Lab STAT CMP TAT	Min.	↓	28	30	27	24	23	Epic 45	Epic 37	Epic 29
	Lab STAT Trop-I TAT	Min.	↓	26	26	26	21	19	Epic 58	Epic 50	Epic 45
	Lab Blood Cult Contam. Rate	%	↓	2.7%	3.7%	2.3%	2.4%	2.2%	Industry Standard 3% Top Decile 1%		
	Radiology - Median TAT Dx Imaging	Min.	↓	22	21	22	17	49	NIH 77		
	Radiology - Median TAT CT Scan	Min.	↓	33	33	38	34	52	NIH 92		
	Radiology Median TAT MRI	Min.	↓	41	40	52	33	34	NIH 87		
	ACO CCM Patient % of patients	%	↑	3.60%	5.80%	6.50%	36.7%	7.10%	ACO 8.1%	ACO 7.1%	N/A
	IP/ED/OP e-prescribing	%	↑	59.7%	99.1%	96.8%	100%	100%	Epic 91%	Epic 98.1%	Epic 99.8%
Clinics	Clinics E-Prescribing	%	↑	100%	100%	100%	100%	100%	100%		
ED	ED med Errors	Errors/Visits	↓	0.02%	0.06%	0.03%	0.03%	0.02%	AHRQ 10%	AHRQ 8%	AHRQ 3%
	ED Throughput to Discharge	Min.	↓	139	128	114	126	117	Epic 170	Epic 119	Epic 95
	ED throughput to Admissions	Min.	↓	280	241	257	251	269	Epic 443	Epic 270	Epic 207
	ED Arrival to Provider	Min.	↓	8	8	8	7	7	Epic 26	Epic 13	Epic 8
	ED LWOBS	%	↓	1.32%	1.19%	1.45%	1.10%	0.56%	Epic <3%	Epic <2%	Epic <1%
Inpatient	Inpatient length of Stay	Days	↓	2.46	4.26	3.21	2.47	2.82	CAH 4	CAH 3.2	CAH 2.4
	Inpatient Falls	Fall/Pt Days	↓	0.47%	0.19%	0.20%	0.5%	0.2%	AHRQ 0.39%		
	Inpatient Pressure Ulcers	%	↓	0.0%	0.0%	0.0%	0.0%	0.0%	NM 0.20%		
	IP Utilization	Med Unneccesary Days	↓	0.04%	1.50%	0.20%	0.00%	0.00%	NIH US >20%		
	IP med Errors	Error/Pt Days	↓	0.17%	0.10%	0.05%	0.10%	0.09%	AHRQ 10%	AHRQ 8%	AHRQ 3%
Best available benchmarks shown, additional benchmark information AOS							Top Decile or Excellent Performance				
							Top Quartile or Very Good Performance				
							Above Average or Good Performance				
							Below Average or Poor Performance				
Figure OPR 2.1 Effectiveness and Efficiency Measures for Main Products and Services											

OPR 2.1 Effectiveness and Efficiency Measures for Main Products and Services

NLHD Troponin TAT



Area Hospitals				
2022	2022	2022	2022	2022
30	27	34	51	55

Figure OPR 2.2 NLHD Troponin TAT

OPR 2.2 NLHD Troponin TAT

Emergency Room - % Patients Left Without Being Seen

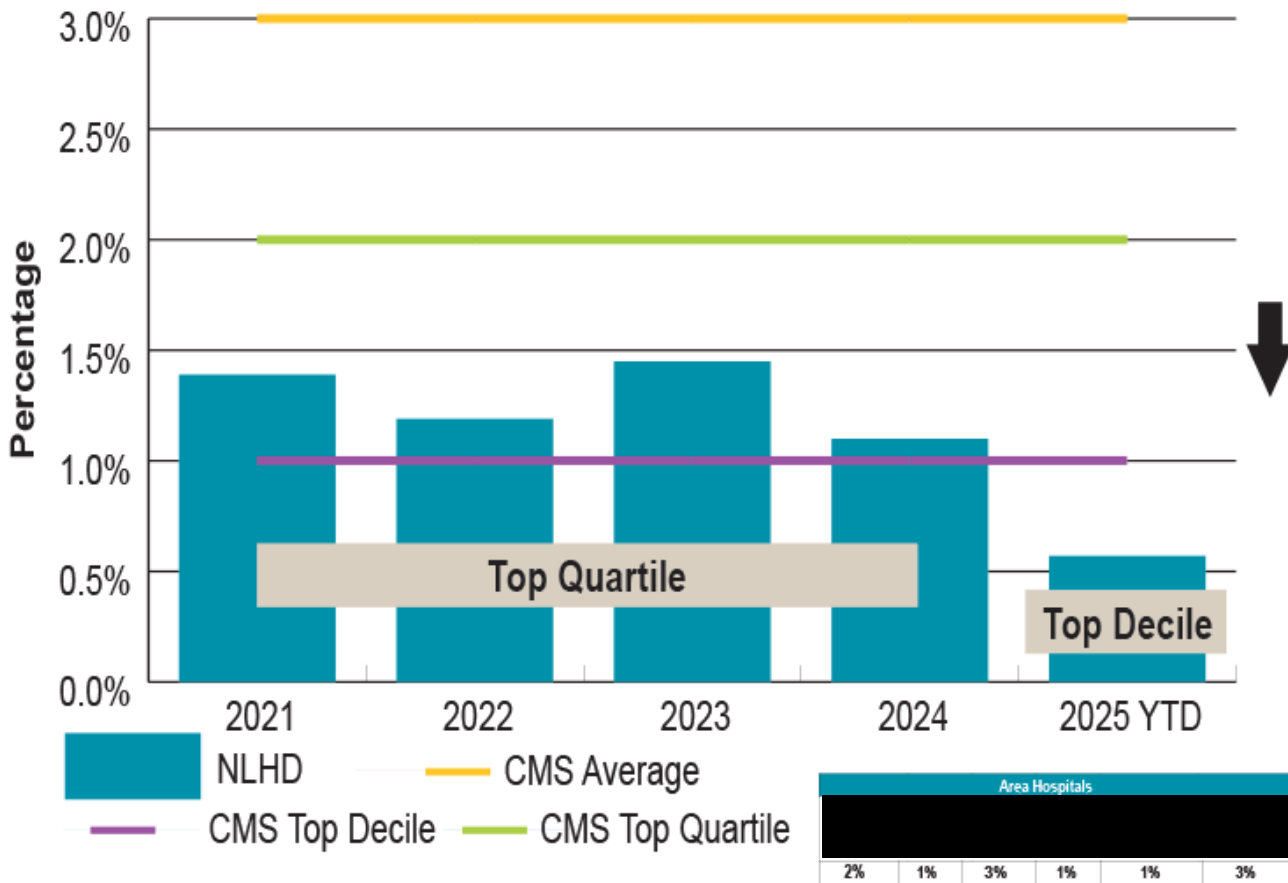


Figure OPR 2.3 Efficiency of ER - % Patients Left Without Being Seen

OPR 2.3 Emergency room - Patients Left Without Being Seen

3 - What are the results for the performance of key components of your supply network (e.g., on-time delivery, availability of critical materials, quality)?

NLHD continuously monitors the performance of its supply network to ensure materials are available when and where needed, without waste or unnecessary cost. Key components include centralized inventory control, just-in-time distribution systems, and frontline staff engagement to assess quality and reliability. Performance metrics are regularly evaluated to identify efficiencies, optimize inventory management, and maintain patient care standards.

As shown in **Figure OPR 3.1**, NLHD’s total medical supply expense per adjusted discharge has met or outperformed both the Truven national average and Truven top quartile benchmarks for five consecutive years. NLHD’s cost per adjusted discharge remained at or well below the top quartile benchmark, indicating strong performance in managing material costs relative to service volume. These results reflect robust purchasing strategies, effective vendor management, and strong alignment between utilization and clinical need.

Inventory turnover is another key measure of supply efficiency. As shown in **Figure OPR 3.2**, NLHD’s supply chain inventory turn rate has steadily improved over the past five years, increasing from under 8 turns in FY 2020 to nearly 15 turns in FY 2025 YTD. This places NLHD well above the average for medium-sized hospitals and approaching top decile benchmarks from CSI Market data. These results suggest optimal inventory flow, reduced waste, and efficient stock replenishment—all indicators of a lean, responsive supply chain.

NLHD’s pharmacy inventory turn rates, displayed in **Figure OPR 3.3**, show similar favorable trends. From FY 2021 through FY 2025 YTD, inventory turnover has increased from 7.6 to 16.9, exceeding the small hospital

average and nearing the CSI market top decile. The benchmark for small hospitals is based on the American Society of Health-System Pharmacists' guidelines, and NLHD's performance demonstrates its ability to maintain the right balance of pharmaceutical inventory without overstocking or risking shortages.

These outcomes are achieved through a combination of technology, workforce feedback, and process innovation. For example, NLHD piloted an electronic Pegasus Kanban system in the Emergency Department supply room. This wireless, real-time tracking system triggers reordering when supplies run low and has reduced the footprint needed for storage—from three rooms to one—without impacting availability. Based on its success, NLHD is expanding this best practice to other high-usage, space-constrained departments.

NLHD's pharmacy utilizes Pyxis automated dispensing systems to support safety, traceability, and availability of critical medications. The system allows real-time inventory updates and ensures proper controls for high-risk or regulated pharmaceuticals. Through real time feedback from the end user's pharmacy is able to make necessary adjustments to ensure availability of medications and avoid errors. Daily reviews by pharmacy and nursing leaders ensure consistent performance and rapid resolution of any medication access issues.

Supply network effectiveness is further supported by frontline input. Staff regularly provide feedback on product usability, delivery delays, and quality concerns. The Materials Management and Pharmacy departments act on this information, working with suppliers to resolve issues and vetting new products before introduction.

NLHD demonstrates consistently strong supply network performance across cost, inventory efficiency, and pharmacy management. NLHD outperforms national benchmarks for supply expense per discharge and inventory turnover while leveraging frontline input and innovative systems to streamline operations. These results validate a well-integrated supply network that supports clinical quality, safety, and operational efficiency.

Total Medical Supply Expense per Adjusted Discharge

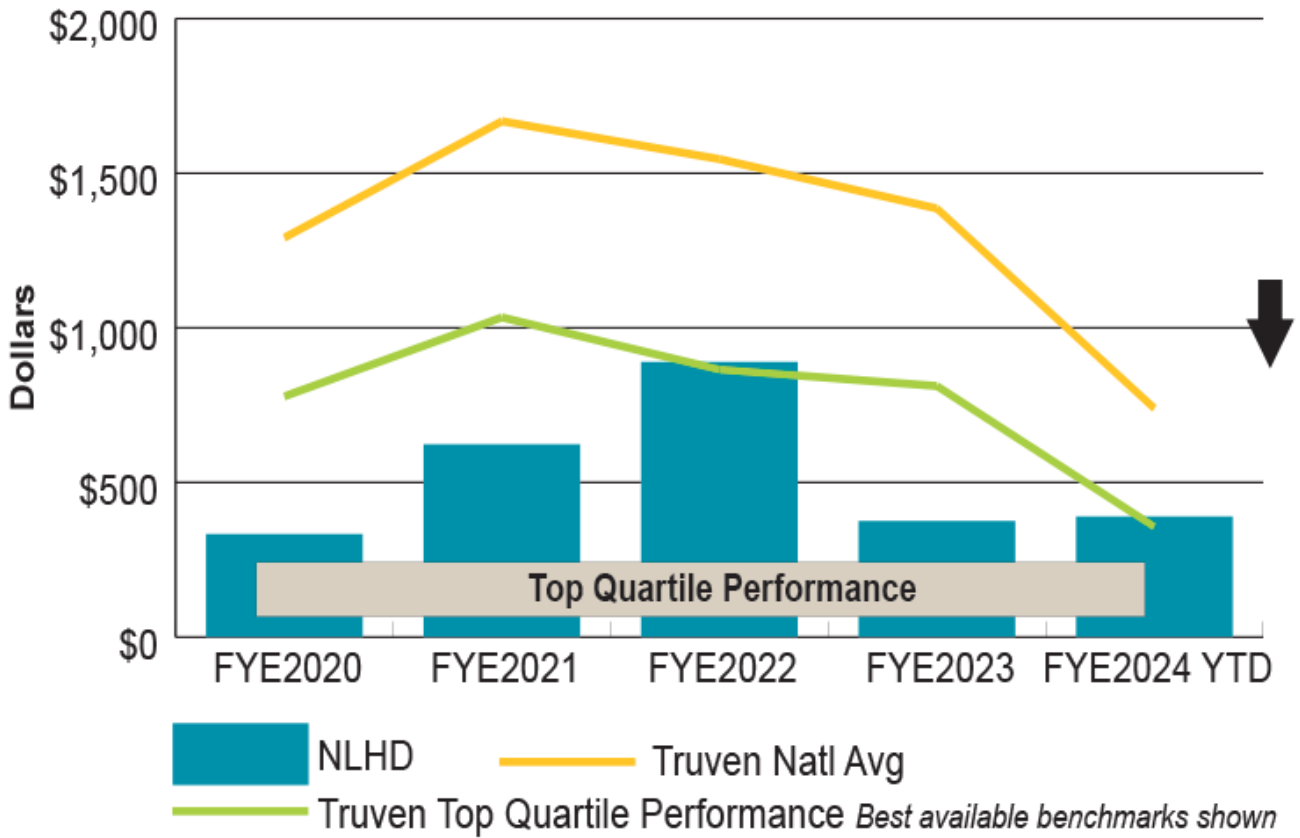


Figure OPR 3.1 NLHD Total Supply Expense per Adjusted Discharge

OPR 3.1 NLHD Total Supply Expense per Adjusted Discharge

Total Supply Inventory Turn Rate

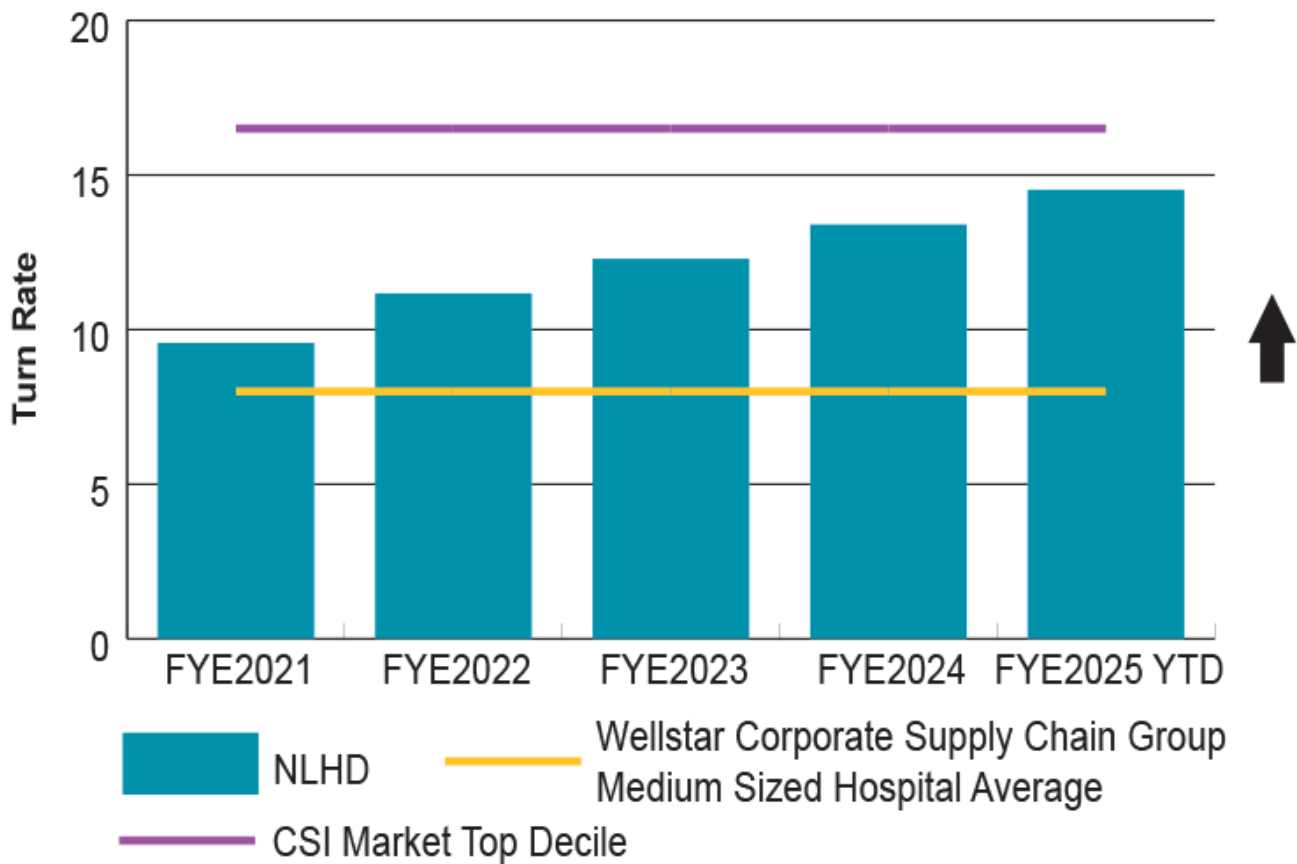


Figure OPR 3.2 NLHD Supply Chain Inventory Turn Rate

OPR 3.2 NLHD Supply Chain Inventory Turn rate

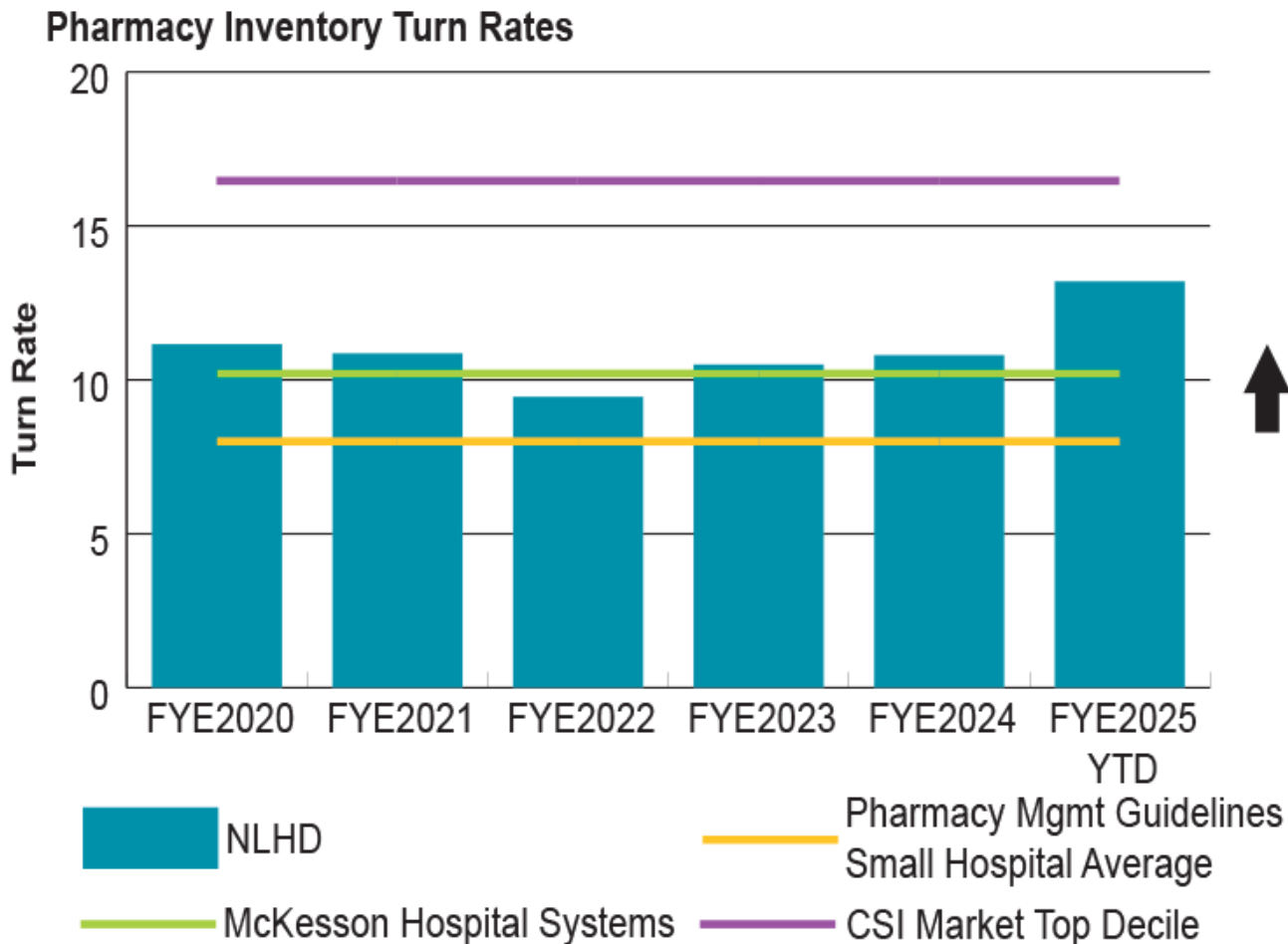


Figure OPR 3.3 NLHD Pharmacy Inventory Turn Rates

OPR 3.3 NLHD Pharmacy Inventory Turn Rate

4 - What are your results for cybersecurity effectiveness, include intrusion attempts versus incidents?

NLHD demonstrates strong and proactive cybersecurity performance through a comprehensive approach that includes workforce training, 24/7 network monitoring, phishing testing, external risk assessments, and breach tracking. These efforts are supported by partnerships with Mandry Technology and Arctic Wolf, along with full organizational involvement through daily safety huddles and monthly executive reporting.

As shown in **Figure OPR 4.1 through 4.4**, NLHD’s multi-year cybersecurity metrics reflect consistent and strong performance:

- Ransomware incidents: NLHD has experienced zero ransomware attacks for the past five years, outperforming national business averages (59% impacted in 2024 per Sophos) and a 10% attack rate among peer hospitals in New Mexico.
- Security breaches: Only one incident involved a third-party data vendor (Change Healthcare) in 2023, which affected 27% of NLHD’s served population. This incident was part of a national breach affecting 190 million people nationwide. See **Figure OPR 4.2**
- Internal breaches: Minimal events have occurred (██████ in five years), none resulting in data loss since 2021.

NLHD’s phishing testing results are tracked through simulated phishing campaigns conducted by Mandry Technology. As shown in **Figure OPR 4.3**, NLHD’s click rate fell to ██████ in 2023 and while there was a slight increase in 2024 (██████), this still is well below the industry average.

To ensure robust threat prevention and visibility, NLHD partners with Arctic Wolf to conduct 24/7 network surveillance and cybersecurity scoring. As shown in **Figure OPR 4.4**, NLHD’s Arctic Wolf surveillance score improved from 85% in 2021 to 95% in 2024. This exceeds the Arctic Wolf Healthcare customer average of 84.8% and is higher than the general Arctic Wolf client average of 81%. Notably, NLHD achieved 100% continuous surveillance beginning in 2022, while fewer than 90% of NM rural hospitals have implemented around-the-clock monitoring.

In addition to external scores, NLHD tracks incidents of personal data exposure compared to national averages. As seen in **Figure OPR 4.2**, while the U.S. population experienced steadily increasing exposure (from 8.13% in 2020 to 76.17% in 2024), NLHD impact has been minimal. All other years, except 2023, since 2020 remained below 0.03% of the population served—far better than the national trajectory.

NLHD’s cybersecurity system is built upon daily threat assessments, layered technical defenses, ongoing phishing tests, and workforce education. All employees receive monthly cybersecurity training and are trained to report suspicious activity. Any system anomalies are investigated promptly, and results are integrated into ongoing security improvements.

NLHD’s results demonstrate highly effective cybersecurity performance, with zero ransomware events, near-zero breach exposure, and superior phishing resilience. NLHD exceeds industry benchmarks in 24/7 surveillance coverage, Arctic Wolf security scoring, and training-driven awareness. These outcomes validate a well-integrated, responsive, and resilient cybersecurity program that protects patient data and ensures service continuity in an evolving threat landscape.

IT System Cybersecurity	2020	2021	2022	2023	2024	Benchmark
Mandry Phishing Test Results		4.20%	1.80%	0.50%	2.30%	Industry Average 8%
Artic Wolf Coverage Score, Network Monitoring Roll up Security Score for Network Configuration, Monitoring, Ticketing, and External Scans.		85%	85%	95%	95%	Artic Wolf Customers- 81%, Artic Wolf Healthcare Avg.- 84.8%
Ransomware Events	0	0	0	0	0	59% of business in the last 12 months were attacked by ransomware (Sources: Sophos). 10% of Hospitals
24-7 Network Surveillance	Partial Scanning	Partial Scanning	100%	100%	100%	Less than 90% of NM Rural hospitals have 24-7 network surveillance
IT Security Breach - NLHD but no loss of data	0	0	0	0	1	
IT Security Breach - NLHD loss of data	0	0	1	0	0	
IT Security Breach - Third Party (Not NLHD) but with NLHD Data	0	1*	0	2	1	
NLHD Individuals Affected as % of Population Served	0.00%	0.00%	0.03%	27.10%	0.03%	Compares with USA Data
USA - Individuals effected as % of Population	8.13%	13.83%	15.57%	39.73%	76.17%	
* Data Not Available						Exceptional Performance
						Good Performance
						Above Average Performance
						Below Average Performance

Figure OPR 4.1 NLHD Cybersecurity Effectiveness

OPR 4.1 Cybersecurity

NLHD Cybersecurity Performance

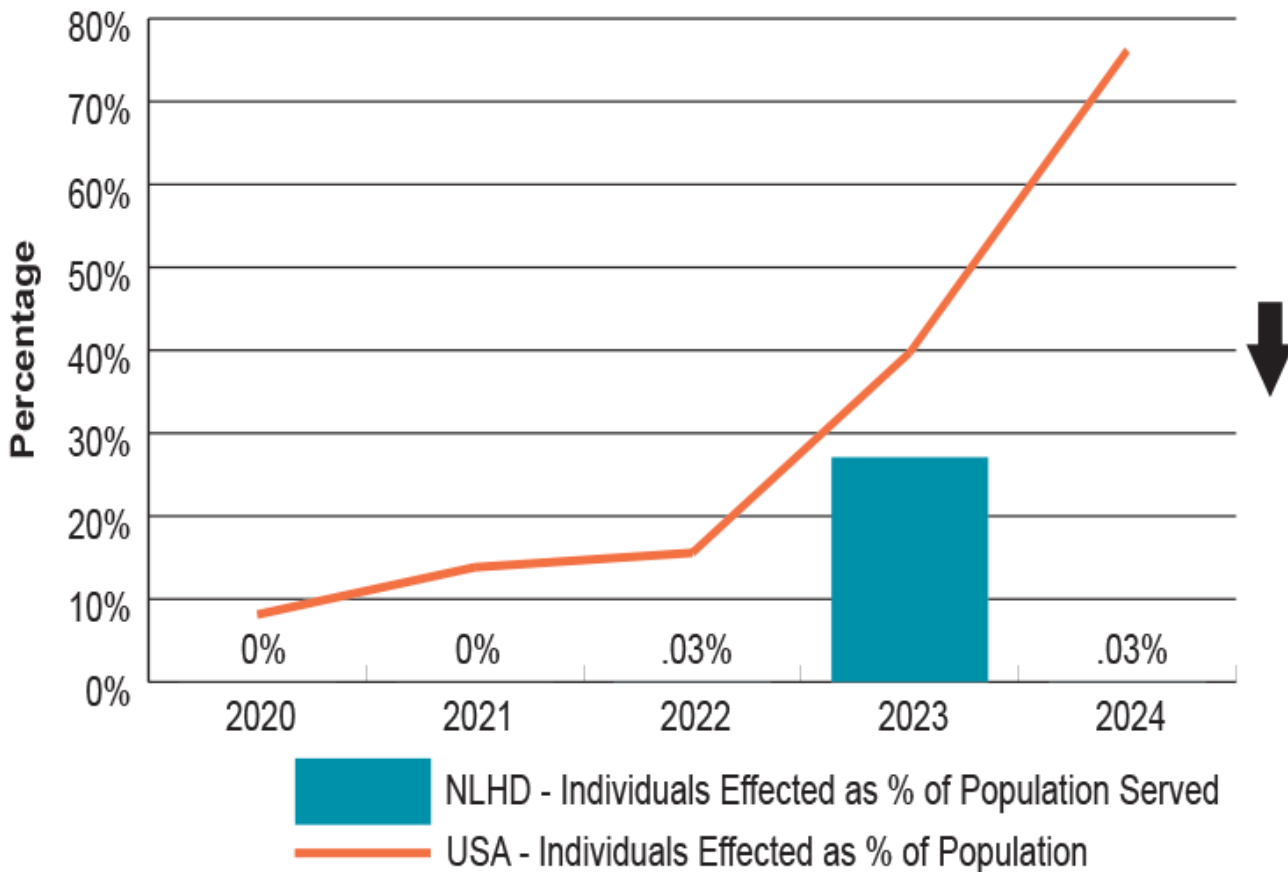


Figure OPR 4.2 Individuals Effected as a % of Population

OPR 4.2 Individuals Effected as Percentage of Population

NLHD Phishing Testing Results

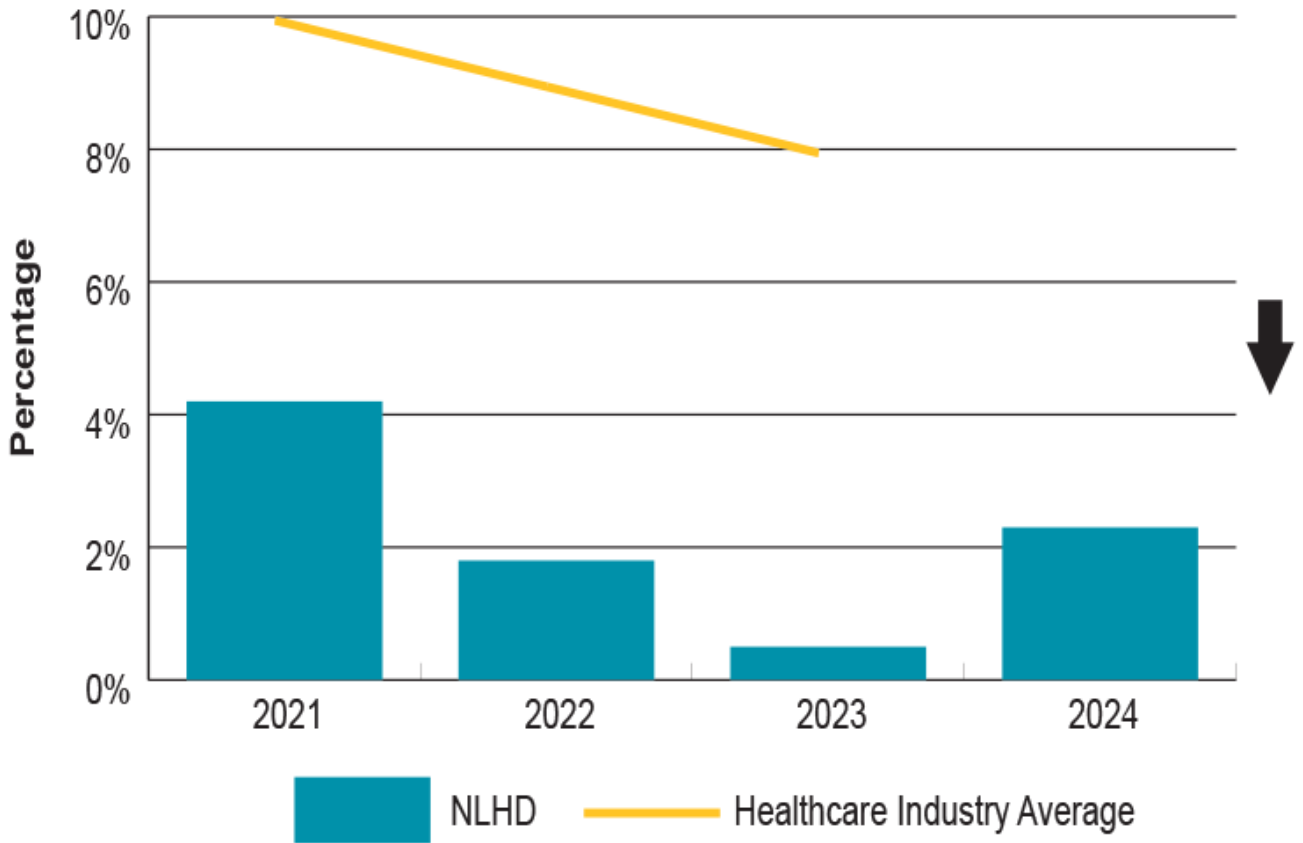


Figure OPR 4.3 NLHD Phishing Testing

OPR 4.3 Phishing testing

NLHD Cybersecurity Performance - Artic Wolf 24-7 Surveillance Score

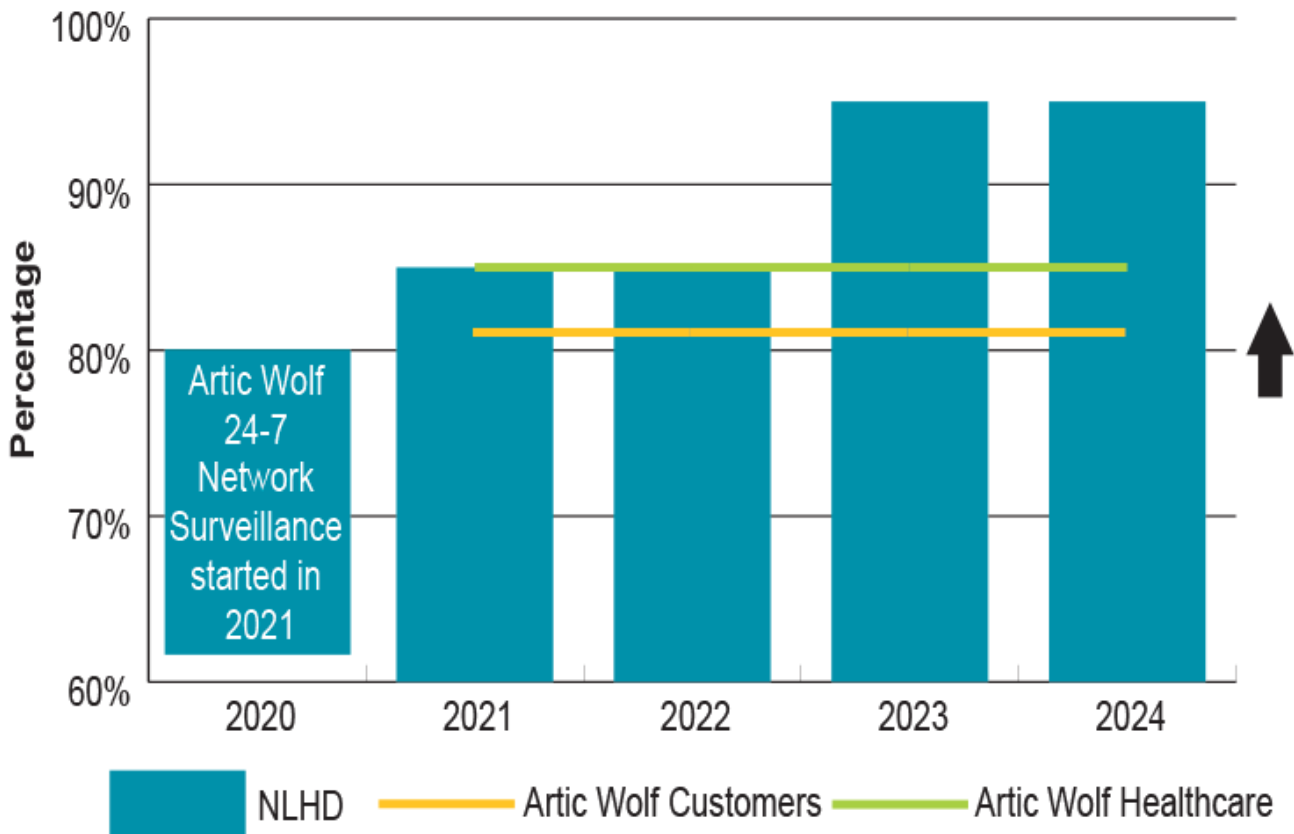


Figure OPR 4.4 NLHD Artic Wolf 24-7 Surveillance Score

OPR 4.4 NLHD Arctic Wolf 24-7 Surveillance Score

5 - What are the results for the effectiveness of your risk management plan (e.g., number of risks identified versus number of risks mitigated, cost of losses)?

NLHD’s risk management system emphasizes early detection, mitigation, and continuous improvement. Core to this approach is a strong organizational culture that supports just culture reporting, leadership accountability, and workforce participation in identifying and preventing risks. The system includes routine tracking of incidents, near misses, and mitigation activities, with results reviewed by TLs, the BoT and departmental leaders.

As shown in **Figure OPR 5-1**, NLHD demonstrates strong results across key risk management performance indicators:

- The number of risk incidents identified annually has remained low (between 1 and 6 over the past six years), with all incidents in 2024 (6 total) successfully mitigated.
- The number of risks mitigated aligns closely with identified incidents each year, confirming a responsive and effective risk resolution process.
- The total reserves of risk peaked at ██████ in 2021 and ██████ in 2022, followed by a significant reduction to ██████ in 2023, before a one-time spike to \$1.2M in 2024 due to a large external claim. This is the dollars attributed to what the legal outcome expense could be.
- NLHD’s actual legal cost as a percentage of net revenue was just 0.01% in 2024, outperforming both the Wolters Kluwer (0.36%) and Health Management Academy (0.20%) benchmarks.
- Cost savings from risk mitigation actions totaled over ██████ in 2024, showing that early action and systemic risk controls can significantly reduce financial exposure.

NLHD’s risk management success is built on a culture of safety and trust. Employees are encouraged to report concerns, and department leaders are required to act on reports and share outcomes with their teams. This shared accountability results in top-tier workforce safety culture outcomes, which are essential to proactive risk management.

- **Figure OPR 5.2** shows that the workforce scored “I feel free to raise workplace safety concerns” in the top quartile or top decile for five consecutive years.

- **Figure OPR 5.3** reflects strong agreement and top decile results with “Employees and management work together to ensure safe working conditions,” a key indicator of collaborative safety culture.
- In **Figure OPR 5.4**, the statement “In my department, we discuss ways to prevent errors from happening again” also achieved top quartile/decile performance, showing NLHD's focus on learning and continuous improvement.

These workforce safety culture results are especially notable because they remained stable or improved over five years across both nursing and non-nursing segments. The sustained high scores validate the effectiveness of NLHD’s risk governance practices and its ability to build psychological safety, encourage real-time reporting, and embed lessons learned into operations.

NLHD’s risk management strategy includes formal incident tracking, analysis of financial impact, and deployment of risk reduction strategies in clinical, operational, and support functions. Trends are monitored through department dashboards and escalated to the Risk Committee and Performance Excellence Council (PEC) for review.

NLHD’s results confirm a highly effective risk management system. NLHD consistently identifies and mitigates risks, maintains low incident volumes, and contains cost exposures well below industry benchmarks. These outcomes are supported by a strong culture of safety, high levels of workforce engagement, and a responsive leadership structure that ensures issues are addressed and resolved.

Risk Management	H/L	2019	2020	2021	2022	2023	2024	Health Mgmt. Academy Comparison	Walters Kluwer 2022
NLHD Total Legal Cost, Cost as a % Net Revenue	↓	0.0048%	0.0067%	0.2646%	0.3049%	0.0403%	0.01%	0.20%	0.36%
Number of Risk Incidents	↓	2	3	2	3	1	6		
Number of Risk Mitigated	↑	2	3	1	2	1	6		
Total Risk	↓								
Cost Savings of Risk Mitigated	↓								
								Exceptional Performance	
								Good Performance	
								Average Performance	
								Below Average Performance	
Figure OPR 5.1 Risk Management Effectiveness									

OPR 5.1 Risk Management Effectiveness

Risk Management Effectiveness

I feel free to raise workplace safety concerns

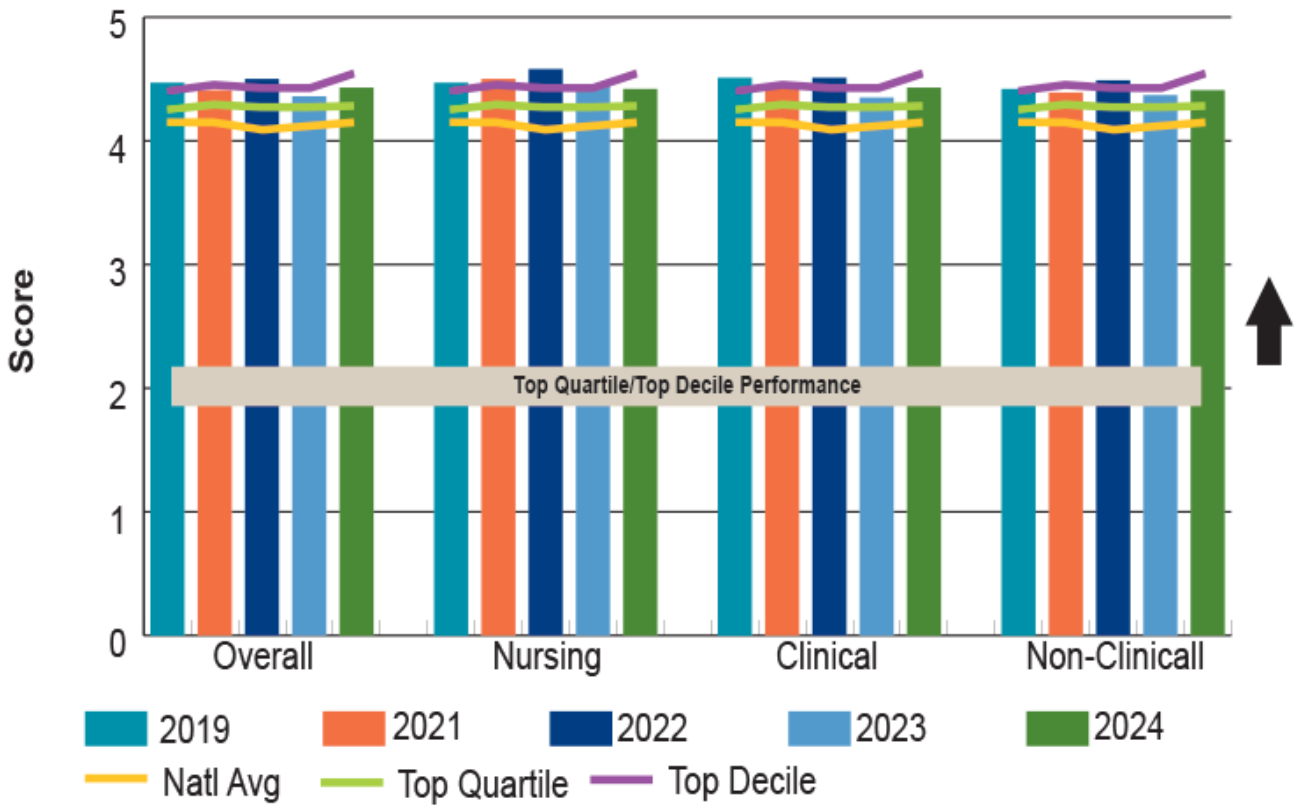


Figure OPR 5.2 NLHD Workforce Culture of Safety

OPR 5.2 NLHD Workforce Culture of Safety - Feel Free to raise Concerns

Where I work, employees and management work together to ensure safe work conditions

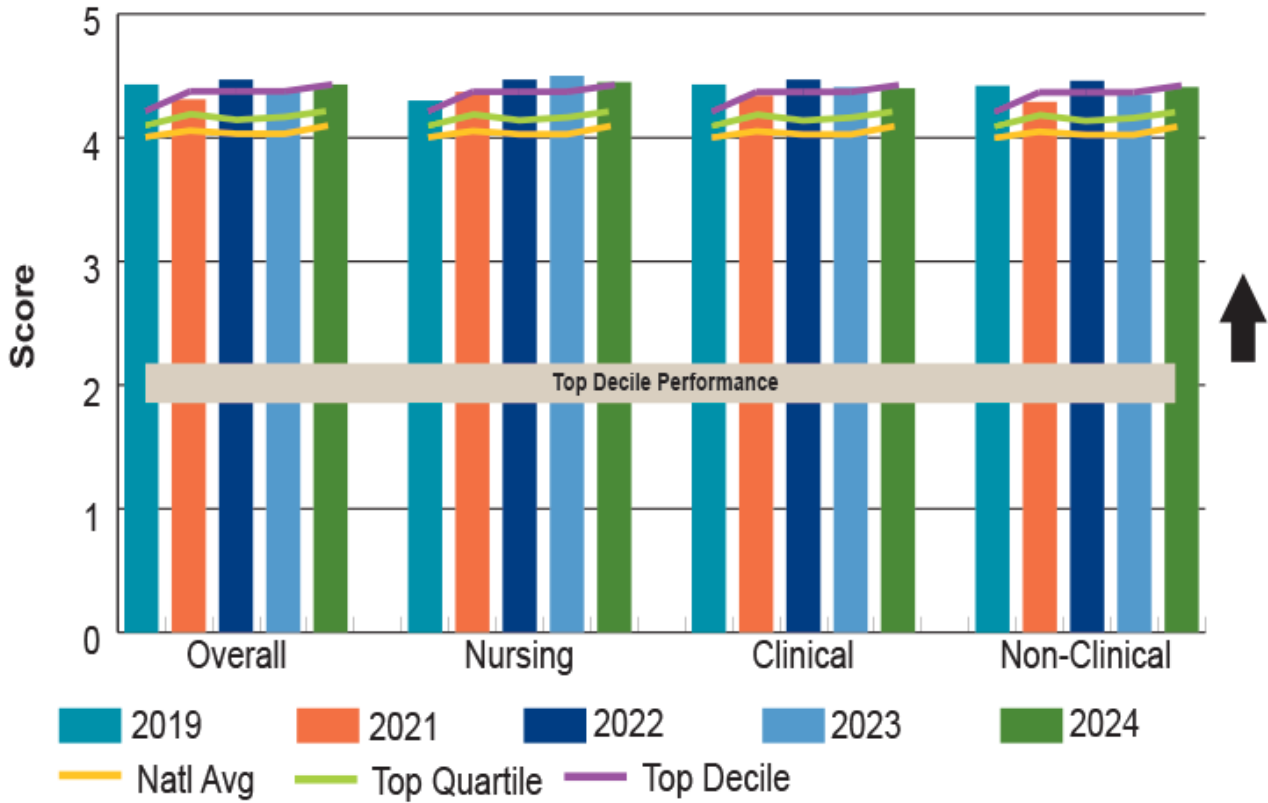


Figure OPR 5.3 NLHD Workforce Culture of Safety

OPR 5.3 NLHD Workforce Culture of Safety - Ensure Safe Work Conditions

In my department, we discuss ways to prevent errors from happening again

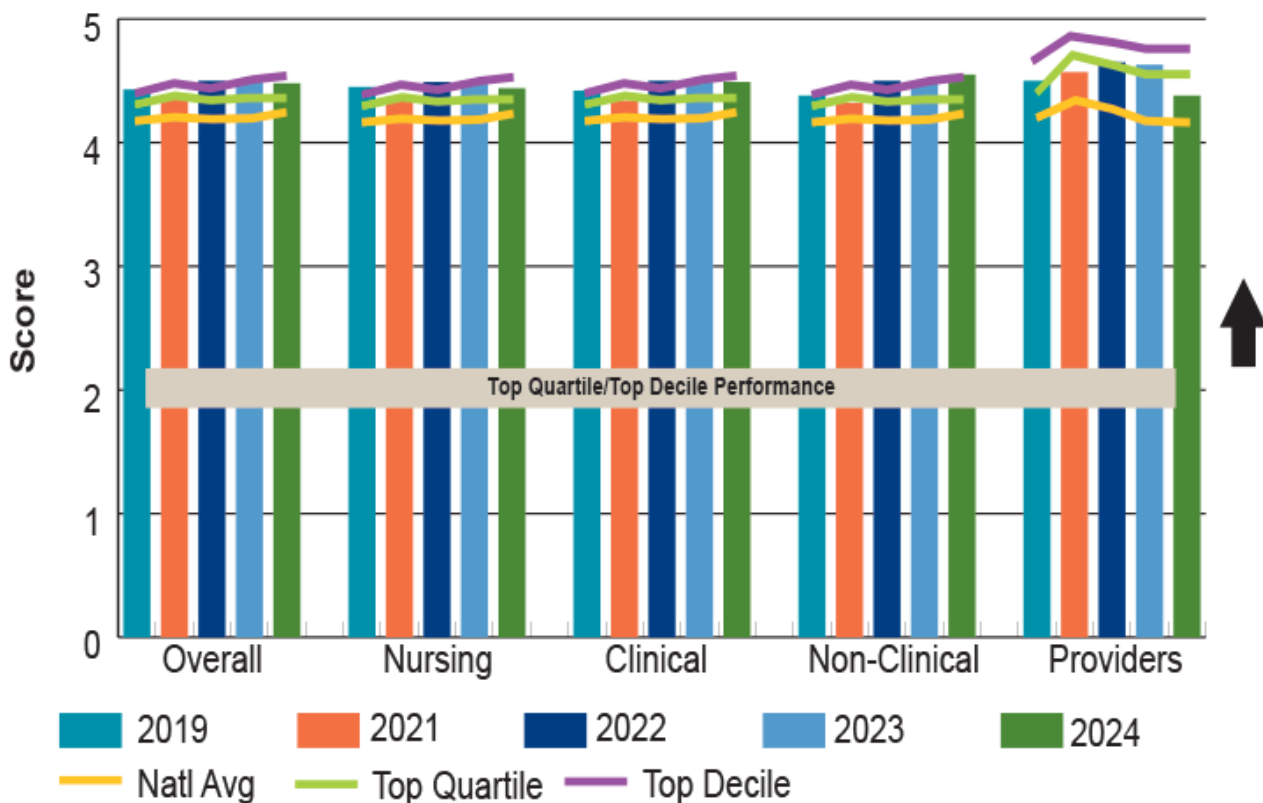


Figure OPR 5.4 NLHD Workforce Culture of Safety

OPR 5.4 NLHD Workforce Culture of Safety - Discuss to Prevent Errors

6 - What are the results for the testing of your emergency preparedness plans (e.g., time to evacuate your facility, emergency response time)?

NLHD maintains a comprehensive emergency preparedness program designed to ensure readiness for a wide range of potential disruptions, including internal clinical emergencies, natural disasters, mass casualty events, and cyber threats. NLHD follows an all-hazards approach, guided by annual risk assessments and federal emergency management guidelines. The emergency preparedness program is tested regularly and includes both real-world activations and scheduled drills across clinical and non-clinical environments.

During the COVID-19 pandemic, NLHD fully activated its Incident Command System (ICS) to coordinate operations, staffing, supplies, and communications across departments and community partners. This real-time emergency response served as a large-scale stress test of NLHD’s preparedness systems. Leadership developed a pandemic action-tracking dashboard, which ensured transparency and accountability throughout the evolving crisis. This experience reinforced the importance of cross-functional collaboration and highlighted NLHD’s agility and resilience in sustaining operations.

To maintain readiness, NLHD conducts multiple preparedness drills each year, tailored to the highest-priority risks identified in its annual hazard vulnerability analysis. Recent drills over the past five years have included:

- Emergency communication drills using backup radios
- Telestroke protocol testing
- Adult and pediatric Code Blue simulations
- Stat Nurse and rapid response drills
- Active shooter scenarios
- AeroCare flight coordination for unstable trauma patients

All drills are debriefed, and after-action reviews are conducted to identify opportunities for improvement. Action plans are tracked and reviewed by the Emergency Preparedness Committee to ensure follow-through and ongoing system

enhancements.

As shown in **Figure OPR 6.1**, NLHD achieved 100% completion across all key performance categories for emergency preparedness over the last five years:

- Everbridge Emergency Mass Communication System functionality: 100% uptime from 2020 to 2024, meeting or exceeding performance from peers such as Charter School of San Diego, a national Baldrige recipient.
- Review and updating of Emergency Preparedness Plans: Achieved 100% completion annually, reflecting continuous readiness, comparable to best-in-class municipalities such as the City of Henderson (Baldrige Recipient).
- Completion of all required emergency drills: 100% across all five years, aligning with high-reliability organizations like Midway Transplant, which also reports 3 or more drills annually.
- Fire safety system operational status and required fire drills: Maintained 100% compliance every year, reinforcing NLHD’s commitment to safety infrastructure and process integrity.

NLHD’s preparedness testing results reflect not only full compliance but a mature and embedded culture of safety and responsiveness. Key emergency response functions, such as communication, physical infrastructure, and team-based simulations, are fully integrated into operations. The consistent 100% results across multiple categories over a five-year period signal not only compliance, but sustained readiness for both planned and unplanned events.

Threat	Mitigation	2020	2021	2022	2023	2024	Baldrige Winner
Communication Failure	Everbridge Emergency Mass Communications System Functionability	100%	100%	100%	100%	100%	Baldrige Recipient 2021 - 100%
Disaster	Review of Emergency Preparedness Plans	100%	100%	100%	100%	100%	Baldrige Recipient 2024 - 100%
	Emergency Exercises - Completed Required Drills	100%	100%	100%	100%	100%	Baldrige Recipient 2021 - 100%
Fire	Completion of Required Fire Drills	100%	100%	100%	100%	100%	Baldrige Recipient 2024 - 100%
	Fire System Operational	100%	100%	100%	100%	100%	Baldrige Recipient 2024 - 100%
							Excellent Performance
							Good Performance
							Average Performance
							Low Performance

Figure OPR 6.1 NLHD Effectiveness of Emergency Preparedness Plans

OPR 6.1 NLHD Effectiveness of Emergency Preparedness Plans

7 - What are the results for the testing of your continuity of operations plan (plan for how the business operates in disruption)?

NLHD’s Continuity of Operations Plan (COOP) is structured to ensure uninterrupted delivery of critical services during utility, IT, or facility disruptions. Risk assessments are conducted annually to identify vulnerabilities, and action plans are put in place to mitigate the impact of potential outages. Key continuity strategies include system redundancy, routine testing of backup systems, and workforce education on operational continuity protocols.

To address utility disruptions, NLHD performs monthly testing of backup generators to ensure readiness in the event of a power failure. As shown in **Figure OPR 7.1**, NLHD has achieved 100% completion of generator testing annually from 2020 to 2024. This result meets or exceeds the performance standard set by Baldrige-recognized organizations, reflecting a mature and disciplined approach to continuity testing.

To prevent data loss or delays during IT system failures, daily server backups are completed without fail. As shown in **Figure OPR 7.2**, NLHD has maintained a 100% compliance rate for server backups over the past five years. This aligns with the gold standard for hospital IT continuity, ensuring data integrity and rapid recovery capabilities.

NLHD tracks real-time IT disruptions, recovery times, and system uptime to monitor the effectiveness of its mitigation strategies. **Figure OPR 7.3** highlights excellent performance in IT operational continuity:

- Unplanned IT events were zero in 2020, 2022, and 2024, with only minimal occurrences in 2021 and 2023. The measurement system was improved in 2022, adding down time hours and % up time.
- Downtime in 2024 was just 8 hours, well below the vendor benchmark of fewer than 9 hours annually (Epic Systems).
- System uptime remained between 99.4% and 99.8% over the past three years.
- The average IT recovery time was zero in 2020, 2022, and 2024, with only minor delays in 2023.

These outcomes demonstrate NLHD’s strong capacity to prevent, detect, and respond to IT system interruptions, preserving operational continuity even during unexpected disruptions.

Power grid instability is another potential threat. NLHD tracks power outage events and response time through its facilities management systems. As shown in **Figure OPR 7.4**, NLHD’s power continuity results from 2020 to 2024 include:

- Zero to two unplanned power events annually, consistent with rural infrastructure norms.
- The performance of the Lovington power-grid shows an average downtime remaining well below the national benchmark of 5.5 hours per year set by the U.S. Energy Information Administration, with 2024 reporting just 1 hour of downtime and full back-up activation.
- Backup power performance at 100% reliability for five consecutive years, ensuring uninterrupted power to clinical and support systems during outages.

NLHD also conducts the required testing of sprinkler systems, fire alarms, medical gas, biomedical systems, and emergency communication platforms as part of its comprehensive COOP program. Each system is maintained per regulatory requirements and included in NLHD’s safety and facilities inspection schedule.

NLHD’s results for continuity of operations testing show sustained excellence in readiness for both IT and utility disruptions. With 100% compliance in generator and data backup testing, exceptional IT uptime, and full power redundancy, NLHD ensures it can continue delivering care and protecting patient data even under disruptive conditions. These outcomes reinforce NLHD’s operational resilience and commitment to uninterrupted, safe healthcare delivery.

Operational Continuity Testing
Threat: Loss of Power
Mitigation: Monthly Backup-Generator Testing

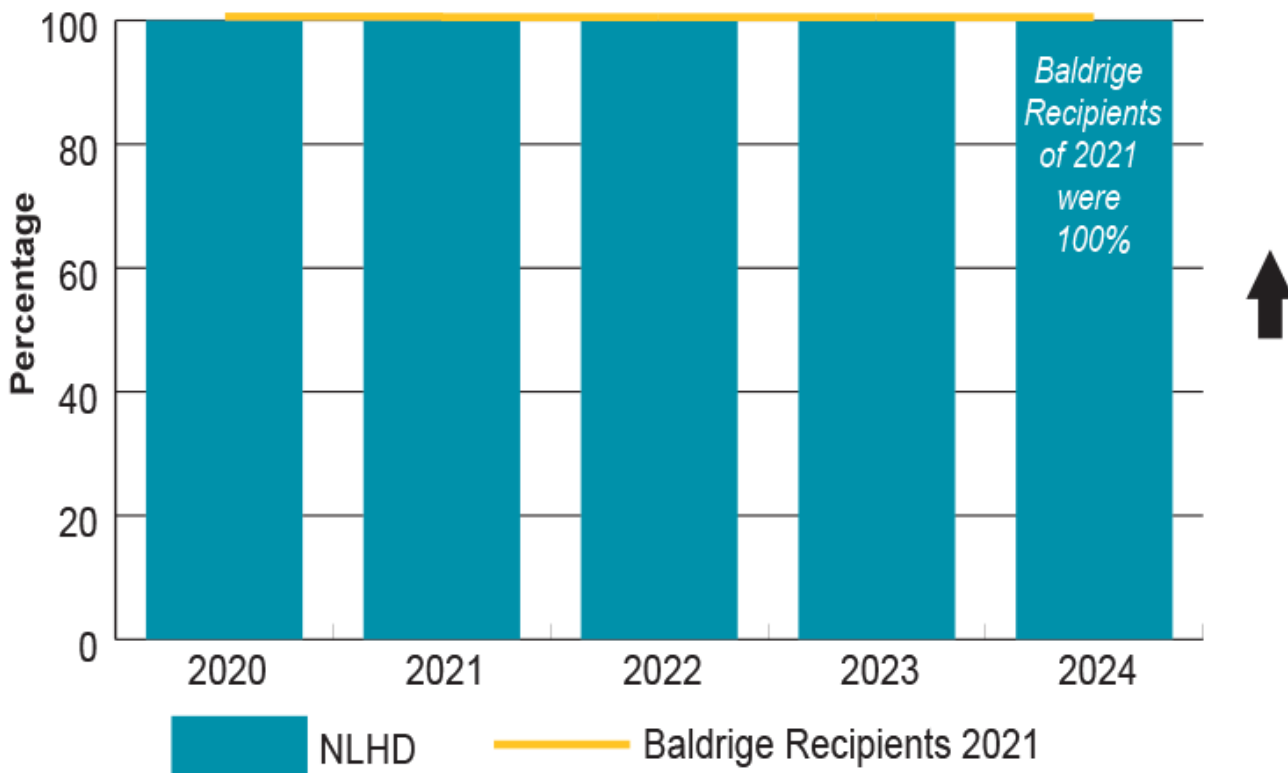


Figure OPR 7.1 Operational Continuity Testing

OPR 7.1 Operational Continuity Testing - Backup Generators

Operational Continuity Testing
Threat: Server Crash
Mitigation: Daily Backup of Server Data

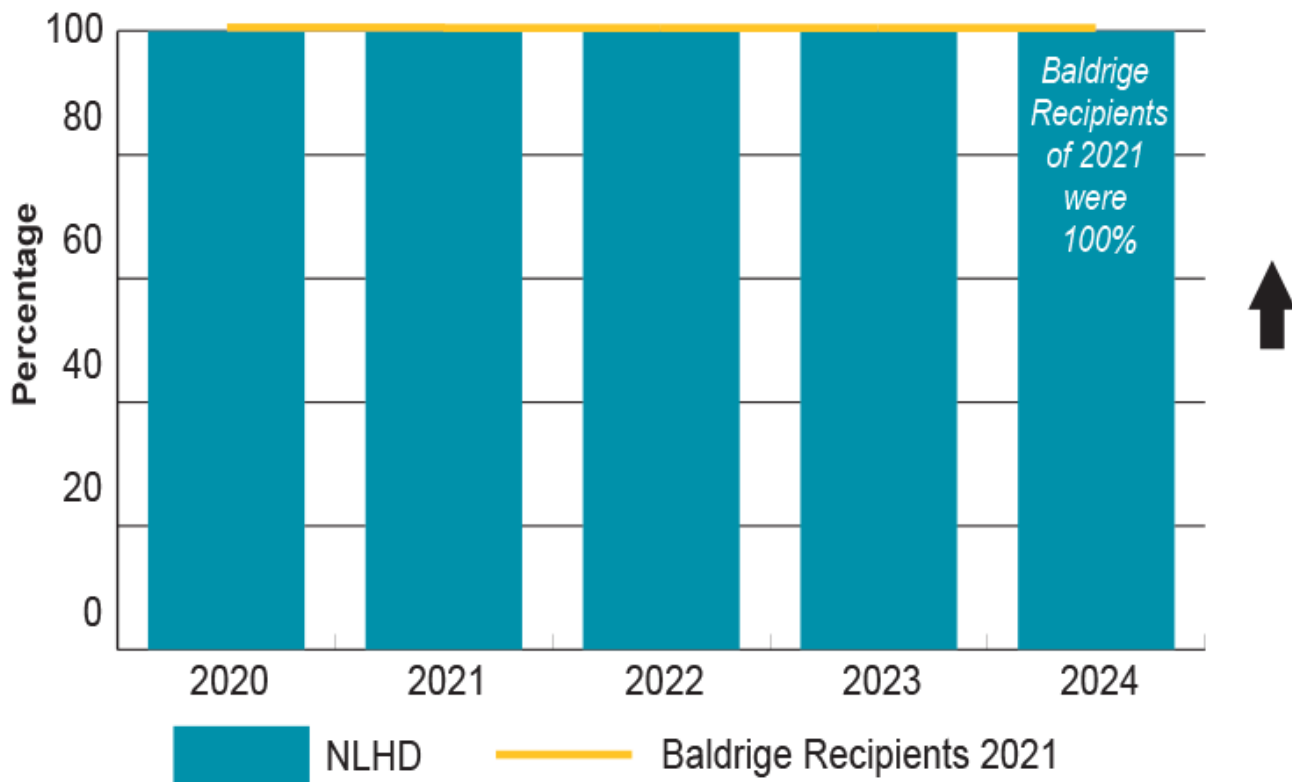


Figure OPR 7.2 Operational Continuity Testing

OPR 7.2 Operational Continuity testing - Daily Backup of Server Data

Event	H/L	2020	2021	2022	2023	2024	Comparison
Unplanned EHR Downtime Events	↓	0	1	0	2	0	
Unplanned EHR Down Time in Hours	↓	*	*	17	19.8	53.5	
Systems Up Time %	↑	*	*	99.8%	99.4%	99.9%	99.70%
EHR Systems Average Recovery Time in Hours	↓	0	0.01	0	1.35	0	
* Data Unavailable Benchmark Source: Epic/Dashhealth.com							Exceptional Performance
							Good Performance
							Average Performance
							Below Average Performance

Figure OPR 7.3 NLHD Results for Operational Continuity - IT Systems Disruptions

OPR 7.3 NLHD Results for Operational Continuity - EHR Systems Disruptions

Event	H/L	2020	2021	2022	2023	2024	Comparison
Performance of Lovington Power Grid							
Unplanned Power Outage Events	↓	0	1	0	2	1	
Power Unplanned Down Time in Hours	↓	4	0.01	6	19.8	1	<5.5/Year
Power Systems Up Time %	↑	99.9%	100.0%	99.8%	99.3%	100%	99.80%
Performance of NLHD Mitigation of Power Outages							
Backup Power	↑	100%	100%	100%	100%	100%	100%
Electricity Average Recovery Time in Hours	↑	0	0.01	0	1.35	1	
<i>Benchmark: US Energy Information Administration</i>				<i>Exceptional Performance</i>			
				<i>Good Performance</i>			
				<i>Average Performance</i>			
				<i>Below Average Performance</i>			
Figure OPR 7.4 NLHD Results for Operational Continuity - Power Outages							

OPR 7.4 NLHD Results for Operational Continuity - Power Outages

Process Questions

- 1 - Briefly describe your key process(es) for producing your products and services.

- 2 - Briefly describe your key process(es) for supply network management.

- 3 - Briefly describe your key process(es) for risk management.

- 4 - Briefly describe your key process(es) for emergency preparedness.

- 5 - Briefly describe your key process(es) for continuity of operations.

- 6 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

Workforce

This section asks about your performance for key processes related to your workforce. This section about the performance of your key processes for engaging and developing/training your workforce members, as well as ensuring their health and safety in the workplace. Results requested pertain to the performance of these processes as reflected in measures of workforce satisfaction, engagement, turnover, and absenteeism. This section also asks about the development of your organization's current and future leaders, workforce training, safety-related incidents, and additional indicators of workplace health and safety.

Context Questions

1 - Please describe your workforce profile including key workforce segments (e.g., location, types of workers, etc.).

NLHD has an engaged workforce (WF) of more than 700 dedicated to the MVV of NLHD. The WF operates across multiple NLHD locations including the main hospital campus – including the LWC and DME – as well as seven primary care clinics throughout Lea County. Four clinics are designated RHCs, extending care to medically underserved populations, while three operate within local schools, ensuring access for students and faculty.

NLHD has a tiered leadership structured including TLs (Executives), Directors, Managers, and coordinators. Exempt leader roles, Team Leader through managers, comprise 6% of the workforce. Leadership development is a priority, with over 80% of leaders promoted internally. This investment fosters organizational loyalty, retains institutional knowledge and strengthens commitment to the mission, vision, and iCARE values.

NLHD segments its workforce by job categories and by geography and by category, **Figure WFC 1.1**.

1. Nursing Staff (84): Supports patient care in hospital, clinical and emergency settings
2. Clinical non-nursing staff (295): Includes medical assistants and other ancillary professionals.
3. Non-Clinical Staff (278): Provide support in areas such as materials management, clerical work, business operations, finance, IT, HR, marketing, patient advocacy, facilities etc.
4. Providers (95): Clinic-based providers, specialists, surgeons, hospitalists and emergency room providers. Including physicians, advanced practitioners, and behavioral health practitioners.

Burnout in the healthcare industry and fewer entering the healthcare field has resulted in nationwide labor shortages, increasing competition for skilled staff. Other health systems have relied on costly contract labor to address these shortages. NLHD has proactively addressed these challenges leveraging its core competencies of innovation, organizational agility and building and strengthening relationship of trust. Examples of this include:

- Strategic partnerships with colleges, universities, medical schools, nursing and radiology programs are enabling NLHD to attract and retain staff.
- Recognizing the critical role of medical assistants, NLHD launched its Medical Assistant Program in 2016. Employees gain certification, equipping them with skills to support providers and improve care. To date over 80 people have been certified.
- NLHD partnered with Burrell College to launch a Family Residency Program to address the region's primary care provider shortage. Accredited in 2024, the program welcomes its first residents in July 2025. This program will provide a pipeline for providers in Lea County and strengthen NLHD's core competency in primary care
- Through these, and other, innovative initiatives, NLHD has successfully sustained a stable, highly skilled workforce that delivers high-quality care and experience.

Job Category Segmentation	Total Excluding Contract/Agency	Contract/Agency Workforce	Total
Nursing	80	4	84
Other Clinical Staff	266	29	295
Non-clinical Staff	255	23	278
Providers – Medical Staff (Physicians and APPs)	72	23	95
Total Workforce	673	79	752
Geographic Segmenation	Total Excluding Contract/Agency	Contract/Agency Workforce	Total
Main Campus	573	79	652
Lovington Off-campus	6	0	6
Hobbs	88	0	88
Tatum	4	0	4
Remote workers	2	0	2
Total Workforce	673	79	752
Figure WFC 1.1 Workforce Profile			

WFC 1.1 Workforce Profile

Workforce Profile

Results Questions

1 - What are your survey results for workforce satisfaction?

NLHD uses a comprehensive system to assess workforce satisfaction across all key segments, incorporating formal and informal methods, **Figure OLP 3.1**. The primary measure is the annual workforce engagement survey, supplemented by operational data such as absenteeism, overtime, turnover, employee rounding feedback, and productivity. These results are reviewed monthly by leadership, communicated through multiple channels, and used to inform improvement planning.

As shown in **Figure WFR 1.1**, overall workforce satisfaction has remained in the 90th percentile or higher for the past five years, reflecting consistent alignment between employee expectations and the work environment. Satisfaction scores for key workforce segments—nursing, clinical, non-clinical have remained at top decile for the past 5 years. Engagement scores at or above the 90th percentile meet the strategic metric set by the Board of Trustees during strategic planning. Providers have remained at or near top quartile performance since 2020. Providers, who are just below top quartile, show particularly strong scoring in their key requirements at NLHD.

The leadership team also evaluates satisfaction by examining how well NLHD is meeting the identified key requirements of the workforce. These include effective communication, recognition, respect, professional development, and alignment with organizational values. Key requirements are identified through the annual engagement survey and validated through listening rounds, anonymous feedback, and direct supervisor input.

Results for satisfaction with these workforce key requirements are displayed in **Figure WFR 1.2**. Across all segments, satisfaction with key drivers such as communication, teamwork, training, and respect has remained at or above the national top quartile for the past three years. Notably:

- Nursing staff reported improved satisfaction in supervisory communication (4.28), interdepartmental teamwork (4.24), and benefits of pay (4.17).
- Non-clinical staff showed strong satisfaction with career development (4.40), work-life balance (4.33), and recognition (4.09).
- Providers rated pride in affiliation at 4.51 and willingness to recommend at 4.60 which are top quartile benchmarks.

Leadership has used this data to guide actionable changes such as introducing flexible scheduling, formal recognition programs, expanded development pathways, and improvements to provider onboarding. These efforts are grounded in NLHD’s core values and reflect NLHD’s ability to maintain a responsive and supportive culture.

This workforce-centric approach contributes directly to NLHD’s mission to deliver an Exceptional Experience and supports the vision to Enhance Lives. Segment-specific results are reinforced through local huddles and real-time scorecard visibility, helping maintain transparency and trust throughout NLHD.

NLHD’s workforce satisfaction results reflect a strong, stable, and engaged culture across all job categories. Sustained performance in the top quartile and decile across multiple years and segments demonstrates the effectiveness of NLHD’s approach to listening, responding, and investing in its people.

NLHD Employee Satisfaction

“Overall, I am a satisfied employee”

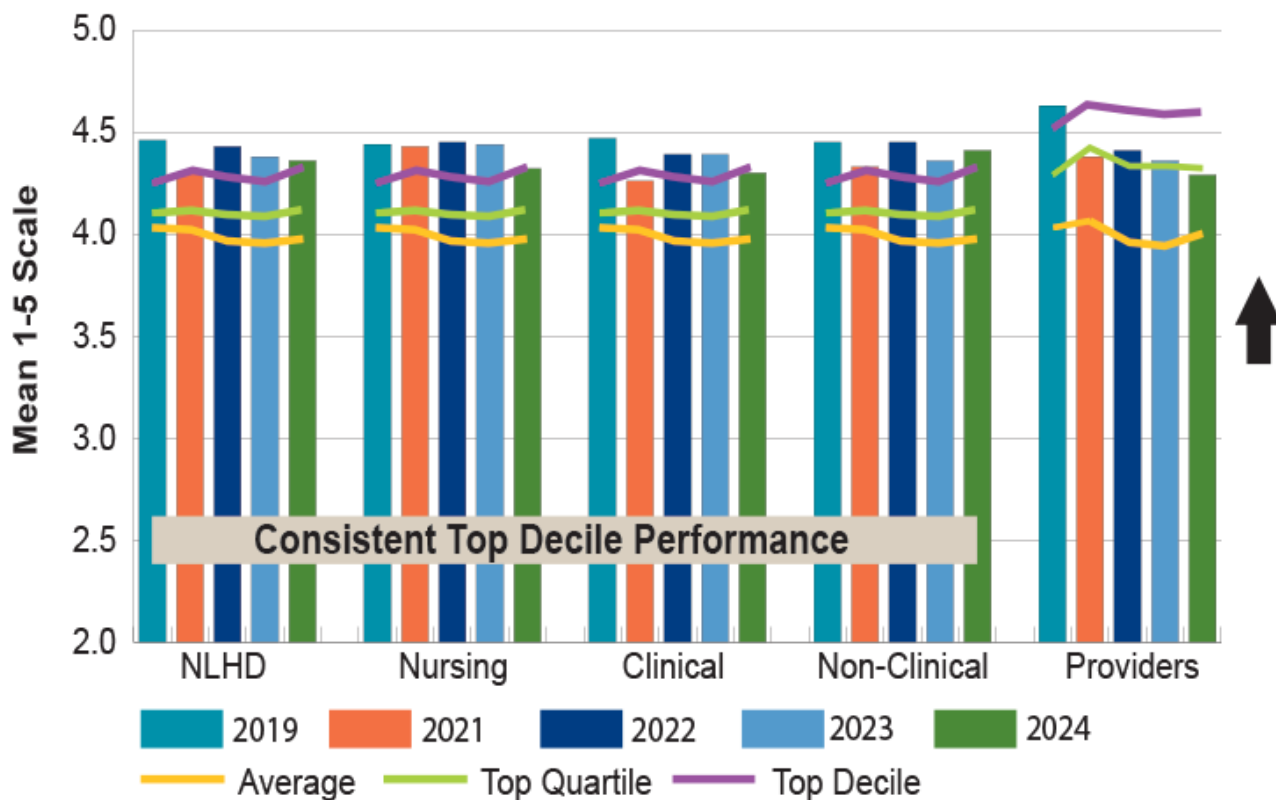


Figure WFR 1.1 NLHD Workforce Satisfaction

WFR 1.1 NLHD Workforce Satisfaction

Item		H/L	CY2019	CY2021	CY2022	CY2023	CY2024	2024 Avg	2024 Top Quartile	2024 Top Decile
Nursing	The person I report to is a good communicator. Direct Supervisor	↑	4.27	4.2	4.42	4.39	4.28	4.11	4.28	4.44
	I am involved in decisions that affect my work.	↑	4.09	3.95	4.19	4.15	3.98	3.72	3.92	4.11
	Communication between physicians, nurses, and other medical personnel is good in this organization.	↑	4.17	4.16	4.23	4.1	4.24	3.78	3.98	4.15
	I get the training I need to do a good job.	↑	4.39	4.15	4.3	4.26	4.24	4	4.14	4.31
	Nor-Lea provides high-quality care and service.	↑	4.68	4.52	4.58	4.58	4.43	4.2	4.37	4.52
	My pay is fair compared to other healthcare employers in this area.	↑	4	4.01	4.08	4.26	4.17	3.27	3.53	3.76
Non-Nursing Staff	The person I report to is a good communicator.	↑	4.41	4.17	4.36	4.32	4.38	4.11	4.28	4.44
	I am satisfied with the recognition I receive for doing a good job.	↑	4.11	3.94	4.19	4.09	4.09	3.84	4.02	4.21
	Nor-Lea supports me in balancing my work life and personal life.	↑	4.44	4.3	4.41	4.34	4.33	4	4.2	4.35
	Nor-Lea provides career development opportunities.	↑	4.32	4.34	4.37	4.37	4.40	3.81	3.98	4.14
Providers	I am proud to tell people I am affiliated with Nor-Lea.	↑	4.72	4.7	4.67	4.45	4.51	4.17	4.43	4.67
	Nor-Lea provides high-quality care and service.	↑	4.69	4.57	4.73	4.55	4.56	4.22	4.49	4.67
	I would recommend this organization to family and friends who need care.	↑	4.2	4.59	4.69	4.58	4.6	4.17	4.43	4.67
							Top Decile Performance or Above			
							Top Quartile Performance or Above			
							Below Top Quartile Performance			
							Below National Average			
Figure WFR 1.2 NLHD Key Workforce Requirements and Results										

WFR 1.2 NLHD Key Workforce Requirements and Results

2 - What are your results for workforce engagement (e.g., employee survey findings)?

NLHD evaluates workforce engagement annually using the Press Ganey employee engagement survey, supplemented with internal pulse surveys and feedback mechanisms. Engagement results are analyzed by segment to identify patterns and address emerging needs. NLHD’s approach reflects its commitment to workforce well-being and its focus on enabling employees to fulfill the mission of delivering an Exceptional Experience and advancing the vision to Enhance Lives.

As shown in **Figure WFR 2.1**, NLHD has achieved sustained top decile performance in overall workforce engagement over the last five years. National benchmarks for engagement are decreasing across all workforce segments as shown in **Figure WFR 2.1**. NLHD scores have remained well above national benchmarks across all major segments nursing, clinical, non-clinical, and (with the exception of 2024), providers. The consistent high engagement reflects alignment between organizational practices and the evolving needs of the workforce, including opportunities for development, purpose-driven work, and collaborative culture.

Provider engagement results, shown in **Figure WFR 2.2**, were above national average but slightly below top quartile in 2024. The overall engagement score of 4.21 prompted NLHD, in collaboration with the Medical Staff, to implement a focused improvement project titled “Improve Provider Communication.” Early results from an internal follow-up survey conducted in late 2024 show engagement rebounding to 4.30, returning

providers to the top quartile range. Project details AOS. Additionally, providers reported they would “recommend NLHD for care” has approached top decile for the past five years, an indicator of both personal commitment and belief in the quality of services delivered.

Engagement results across all segments are reviewed regularly and integrated into scorecards, strategic planning, and leadership performance assessments. Segment-specific data is used to guide department-level improvement efforts and inform organizational priorities related to workforce satisfaction, culture, and retention.

NLHD demonstrates consistently excellent levels of engagement across all workforce segments, with most meeting or exceeding top quartile or top decile benchmarks. Strong results in nursing, non-clinical, and clinical staff, along with renewed improvements in provider engagement, reflect NLHD’s responsiveness to workforce feedback and its ability to sustain a supportive, purpose-driven work environment.

NLHD Workforce Engagement

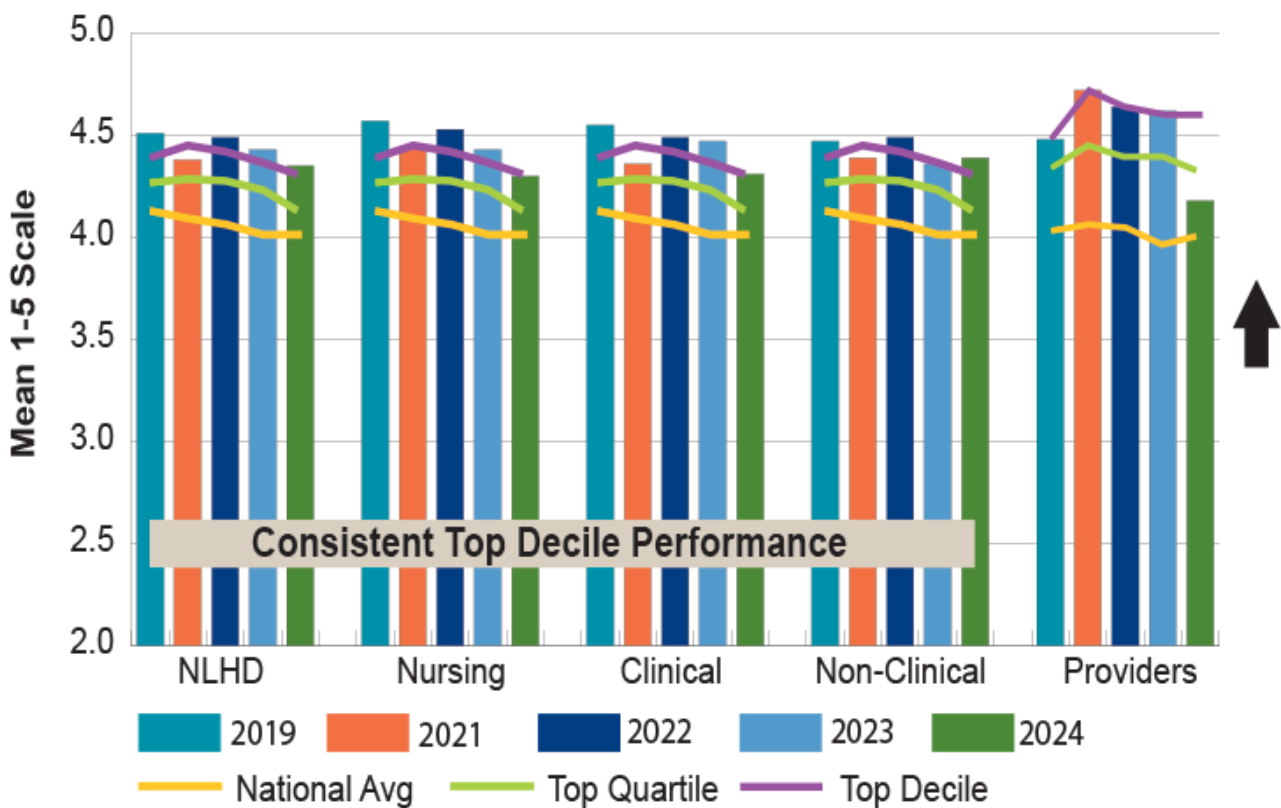


Figure WFR 2.1 NLHD Workforce Engagement by Key Segment

WFR 2.1 NLHD Workforce Engagement by Key Segment

NLHD Workforce Engagement by Key Segment - Providers

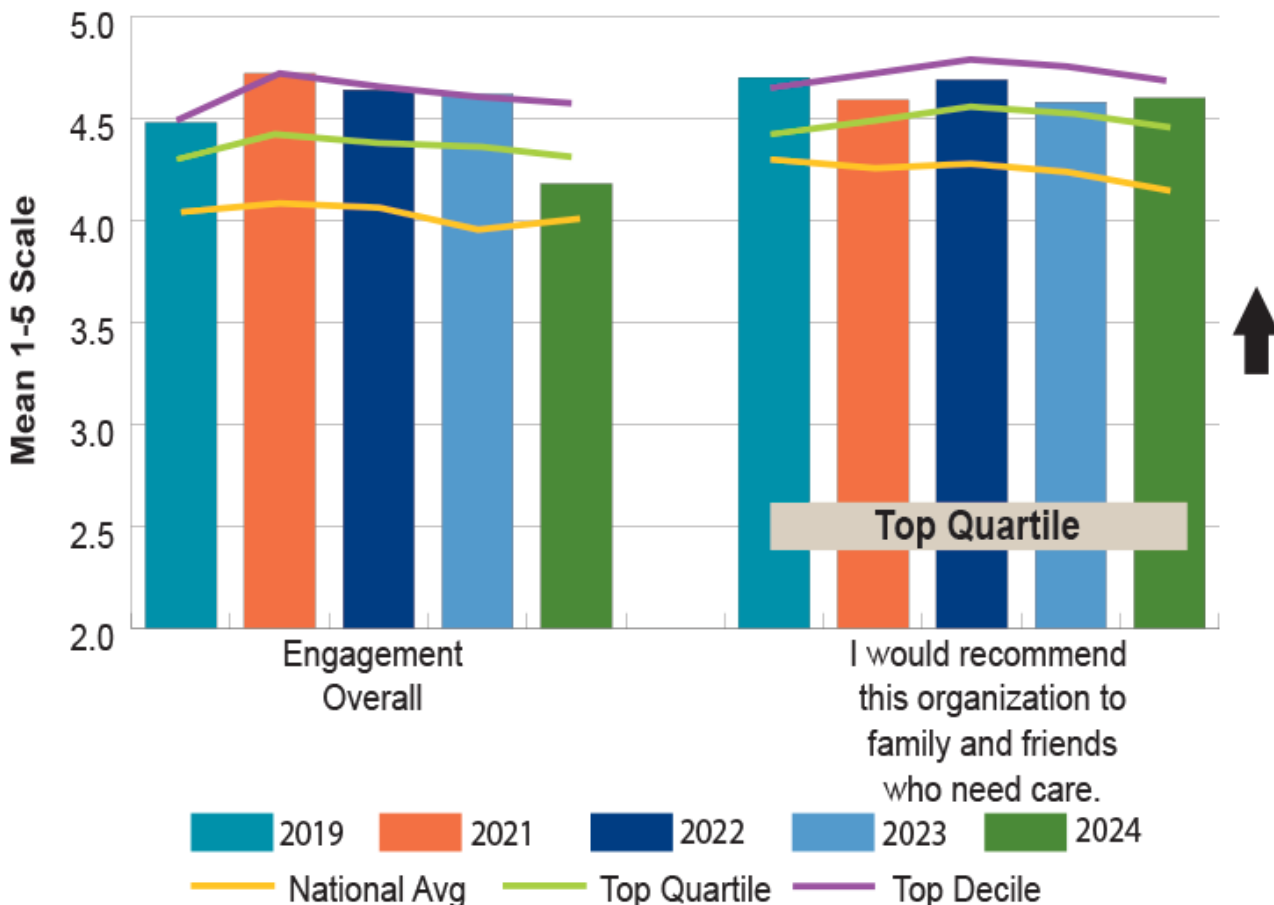


Figure WFR 2.2 NLHD Workforce Engagement by Key Segment - Providers

WFR 2.2 NLHD Workforce Engagement - Providers

3 - What are your results for turnover?

NLHD considers workforce turnover a key indicator of organizational health, directly tied to employee satisfaction, engagement, and the ability to meet its mission of delivering an Exceptional Experience. Turnover was elevated in 2021 due to pandemic-related disruptions but has steadily improved through targeted strategies focused on retention, communication, and workforce support.

As shown in **Figure WFR 3.1 and 3.2**, NLHD’s overall turnover peaked at 27.3% in 2021 during the COVID-19 pandemic. In response, leadership prioritized workforce stabilization through retention incentives, rapid communication, and flexible staffing solutions. As a result, overall turnover declined each year, reaching 20.6% by CY2025 YTD, outperforming the national average of 21.4% (ASHHRA 2023 benchmark). The 2025 rate approaches national top quartile performance (18.1%) despite ongoing rural and economic challenges, including recruitment competition from the Permian Basin energy sector.

While NLHD cannot fully control external labor market factors or regional competition, it can, and does, manage internal drivers of turnover. Press Ganey results show NLHD is in the 92nd percentile for workforce engagement, **Figure WFR 2.1**, and maintains an absenteeism rate of only 0.15%, **Figure WFR 4.1**, validating that employees are not leaving due to dissatisfaction or disengagement.

More granular insight is provided in **Figure WFR 3-1**, which presents segmented turnover trends over a six-year period:

- **Nursing:** Turnover fluctuated due to national staffing shortages but has improved from a high of 27.1% in 2024 to 21.2% in 2025. Although still slightly above national top quartile benchmarks, this progress reflects the success of targeted leadership rounding, schedule redesign, and incentive pay strategies.
- **Other Clinical Staff:** Clinical support staff turnover decreased to 17.0% in 2025, outperforming the national average and approaching top quartile levels. Investments in cross-training and professional development contributed to this improvement.

- **Non-Clinical Staff:** Turnover remains an area of focus. At 26.4% in 2025, performance is above the national average and influenced by entry-level job competition from higher-paying oil and gas jobs. However, leadership continues to work on recognition, flexible scheduling, and career pathway programs to improve stability.
- **Providers:** Overall provider turnover decreased from 19.2% in 2021 to 8.9% in 2025, achieving national top decile performance. Physician-specific turnover declined to just 6.9% in 2025, a significant achievement that ensures continuity in patient care. APP turnover also improved to 11.1%, achieving top decile performance.

Comparative analysis reinforces NLHD’s performance. Local peer organizations, including ██████ Hospital (approx. 35% in 2024 and 44% in 2023) and ██████ Hospital (36%) reported significantly higher turnover, showing the challenges of the remoteness of the region and the strong competition for the labor force in the Permian Basin, which is the largest oilfield in the United States. In contrast, NLHD’s results trend consistently downward and compare favorably despite more limited access to the labor pool and reliance on external recruitment for clinical professionals.

The segmented turnover data is reviewed regularly by HR and senior leaders and incorporated into department performance evaluations. This allows NLHD to adjust retention efforts based on department-specific needs and workforce feedback.

NLHD’s turnover results demonstrate effective control over internal factors driving workforce stability. With strong performance across provider and clinical segments and positive trends in nursing and support staff, NLHD is mitigating the impacts of external labor market forces. These results are validated by high workforce engagement and low absenteeism, confirming that NLHD’s people are committed, connected, and staying by choice-not leaving due to disengagement.

								ASHHRA 2023			Area Hospitals		
	H/L	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025 YTD	50 th	75 th	90 th	2023	2024	2022
											Hospital	Hospital	Hospital
Overall	↓	20.2%	27.3%	22.6%	22.0%	21.8%	20.6%	21.4%	18.1%	15.6%	44%	35.7%	36%
Nursing	↓	20.0%	24.0%	26.7%	16.3%	27.1%	21.2%	21.4%	18.1%	15.6%			
Other - Clinical	↓	23.1%	28.3%	18.1%	25.1%	17.5%	17.0%	21.4%	18.1%	15.6%			
Non-Clinical	↓	21.1%	29.6%	27.1%	23.4%	26.1%	26.4%	21.4%	18.1%	15.6%			
Providers Overall	↓	4.4%	19.2%	17.0%	13.0%	12.7%	8.9%	21.4%	18.1%	15.6%			
US Nursing Turnover NSI		18.7%	27.1%	22.5%	18.4%	16.4%							
US Hospital Turnover NSI		19.5%	25.9%	22.7%	22.2%	19.6%							
											Top Decile Performance		
											Top Quartile Performance		
											Above Average Performance		
											Below Average Performance		
WFR 3.1 NLHD Workforce Turnover													

WFR 3.1 NLHD Workforce Turnover

NLHD Turnover

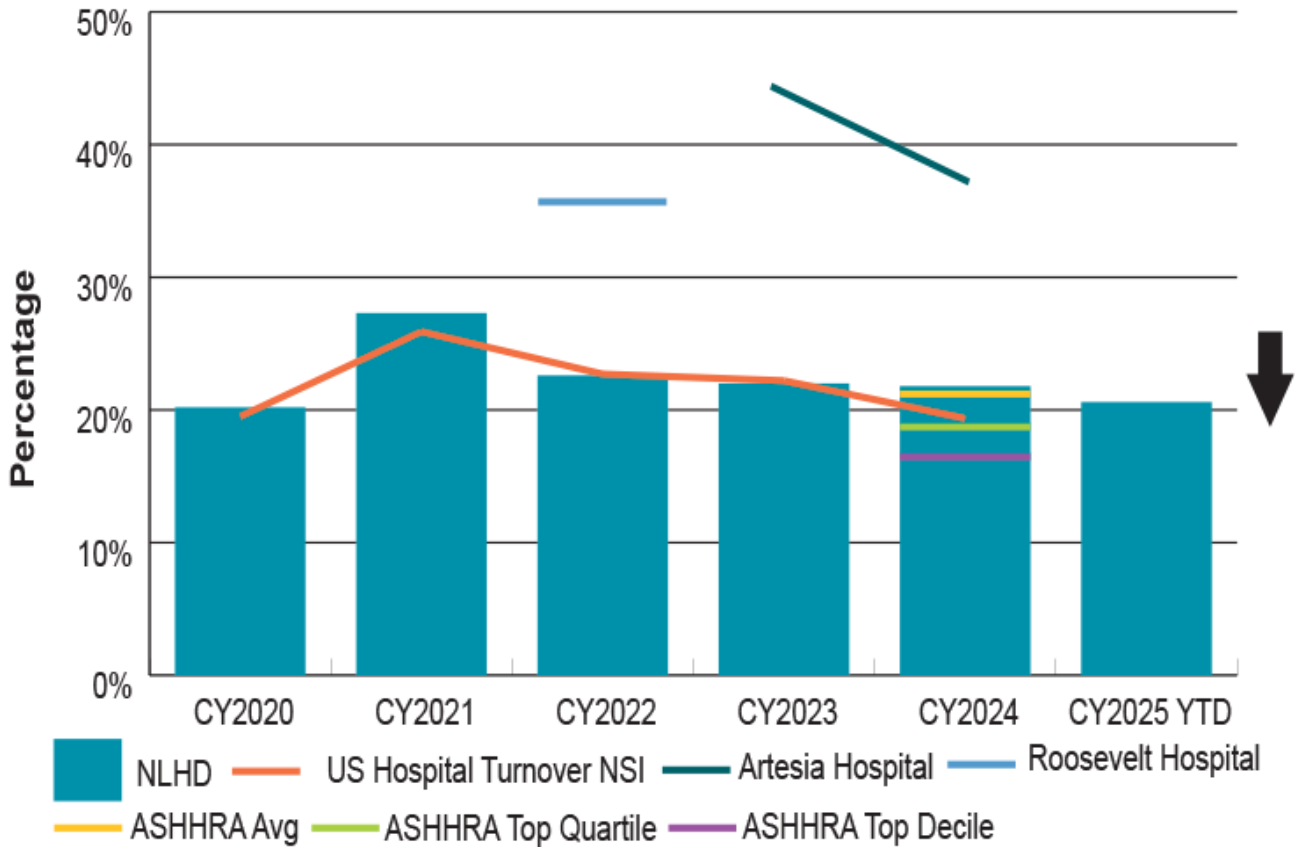


Figure WFR 3.2 NLHD Turnover

WFR 3.2 NLHD Turnover

4 - What are your results for absenteeism?

High workforce engagement at NLHD results in low absenteeism. The NLHD key metric for absenteeism is the percentage of employees terminated for absenteeism. The Bureau of Labor Statistics states that the average company has a 3.1% employee absenteeism. NLHD terminations for absenteeism have been <0.5% for the last 5 years. See **Figure WFR 4.1** NLHD Overall Workforce Absenteeism terminations as well as key workforce segments see **Figure WFR 4.2** NLHD Absenteeism terminations segmented.

NLHD Overall Absenteeism

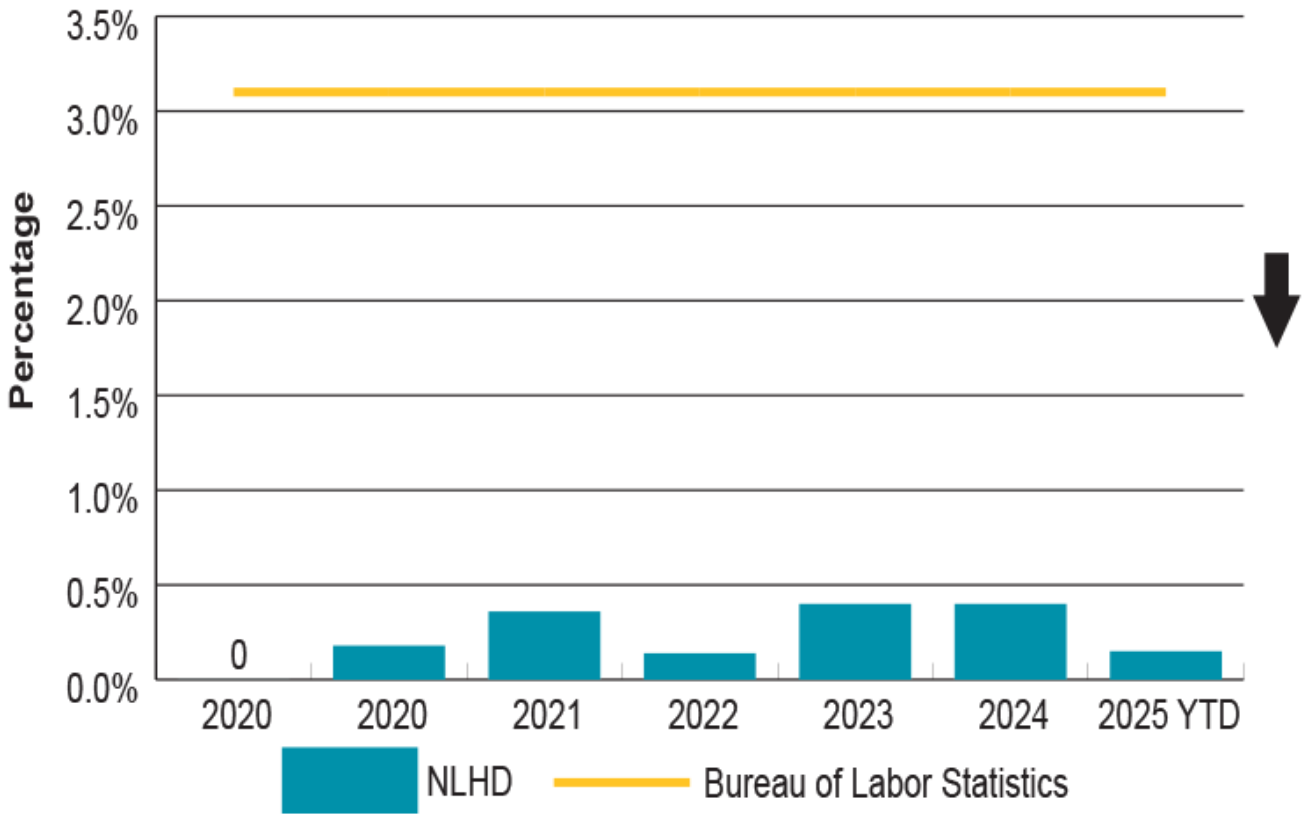


Figure WFR 4.1 NLHD Overall Workforce Absenteeism

WFR 4.1 NLHD Overall Workforce Absenteeism

NLHD Overall Absenteeism by Key Workforce Segments

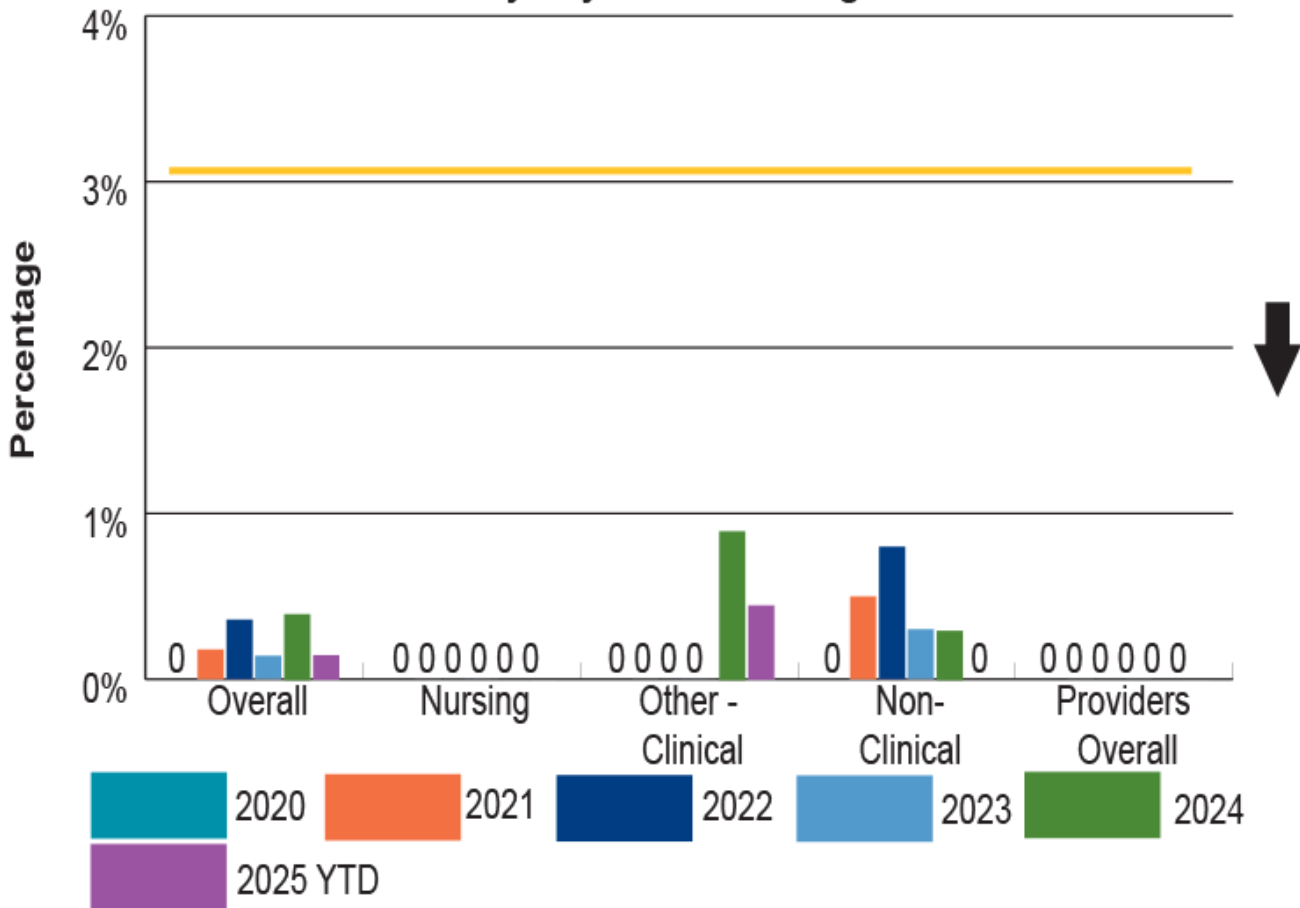


Figure WFR 4.2 NLHD Overall Absenteeism - Segmented

WFR 4.2 NLHD Overall Workforce Absenteeism Segmented

5 - What are your results for leadership development (i.e. current and future leaders)?

NLHD supports leadership development as a foundational element of workforce strategy, ensuring a strong leadership pipeline for both current and future roles. The Leadership Development Institute (LDI) provides structured training for current leaders and emerging talent, while Six Sigma Yellow Belt certification is a requirement for all leaders, with Green Belt opportunities offered to enhance skills in project management, process improvement, and data-driven decision-making.

As shown in **Figure WFR 5.1**, leadership satisfaction with the development program has exceeded top quartile/decile benchmarks for the past five years. Survey items evaluating training, growth, and career advancement opportunities have maintained scores consistently above 4.5 on a 5-point scale, reflecting strong alignment between program content and leader needs. In 2024, NLHD leaders rated the statement “I get the training I need to do a good job” at 4.64, with “Nor-Lea provides career development opportunities” and “I have opportunities to learn and grow” receiving similarly high marks. This level of satisfaction highlights the effectiveness of the LDI and NLHD’s investment in building leadership capability.

Strong internal promotion outcomes further validate the impact of NLHD’s leadership development system. As displayed in **Figure WFR 5.2**, NLHD has significantly outperformed national benchmarks for internal promotions to leadership positions. In 2024, 31.4% of leadership roles were filled internally, well above the SHRM 75th percentile benchmark of 8.0% and the SHRM median of 4.0%. Over the past five years, internal promotions have increased steadily, indicating a strong leadership pipeline and effective succession planning. These results demonstrate NLHD’s ability to retain and advance talent from within the organization, reducing turnover, improving morale, and ensuring continuity in mission-driven leadership.

In addition to formal leadership training and promotion outcomes, NLHD monitors feedback from the broader workforce on access to growth opportunities, which are essential for developing future leaders. As shown in **Figure WFR 5.3**, results for the statement “I have opportunities to learn and grow at Nor-Lea” remain above top quartile/decile benchmarks across all workforce segments.

All groups have shown sustained or improving trends over the past three years, with multiple segments exceeding top decile performance. These results affirm that NLHD fosters a culture of continuous learning and career development, supporting both current role effectiveness and future leadership readiness.

Leadership development data is reviewed annually and incorporated into strategic workforce planning. NLHD uses this information to identify high-potential individuals, tailor leadership content, and improve succession planning. The process ensures that leadership skills are cultivated in alignment with NLHD’s service goals and long-term vision.

Results from NLHD’s leadership development system demonstrate a high-performing and responsive approach. Satisfaction among leaders, increasing internal promotions, and strong feedback from the broader workforce all confirm that NLHD is effectively building leadership capability across levels. These outcomes support organizational resilience and reinforce NLHD’s commitment to investing in its people and preparing the next generation of leaders.

Leadership Development - Feedback from Leaders

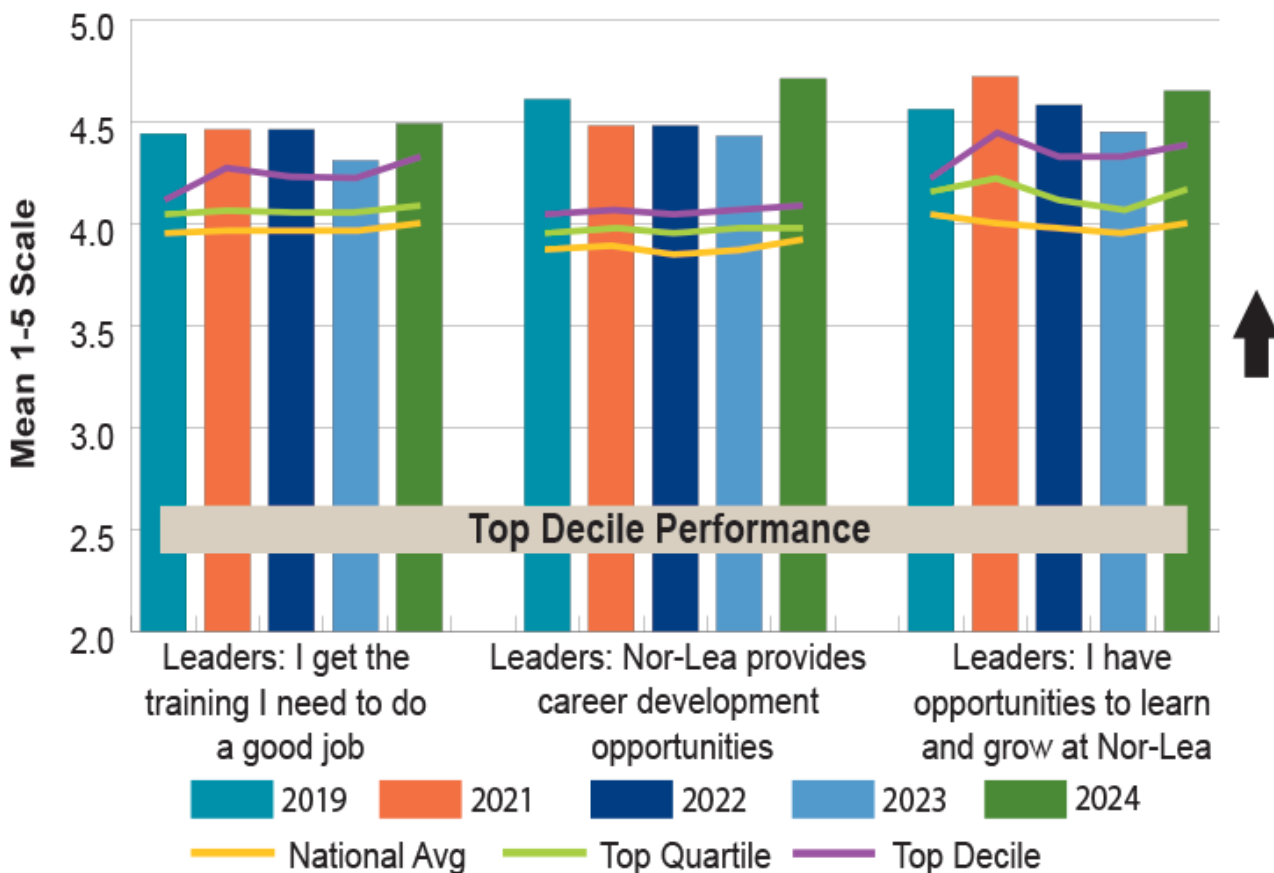


Figure WFR 5.1 Leadership Development - Feedback from Leaders

WFR 5.1 Leadership Development Results

Internal Promotions to Leadership

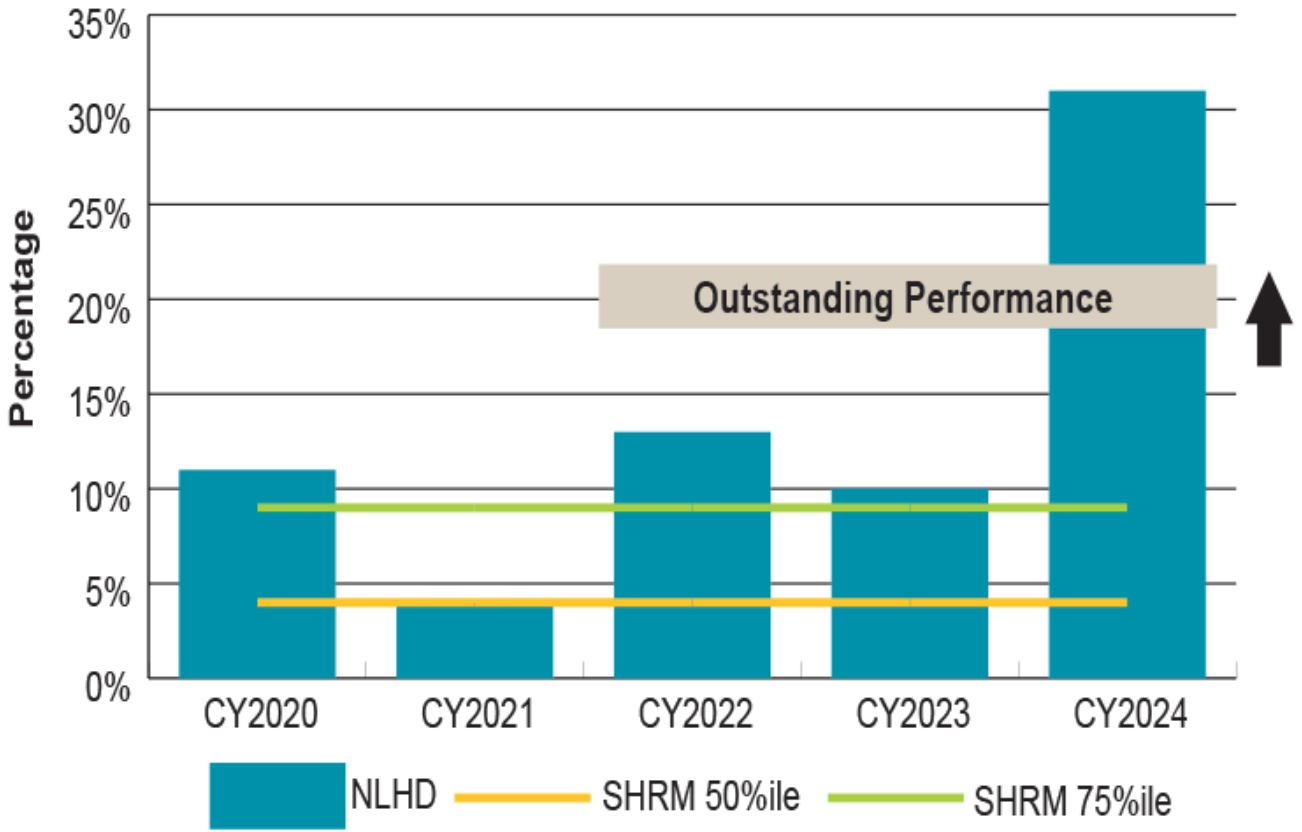


Figure WFR 5.2 Leadership Development - Internal Promotions

WFR 5.2 Leadership Development - Internal Promotions

NLHD Providing Opportunities to Grow and Learn

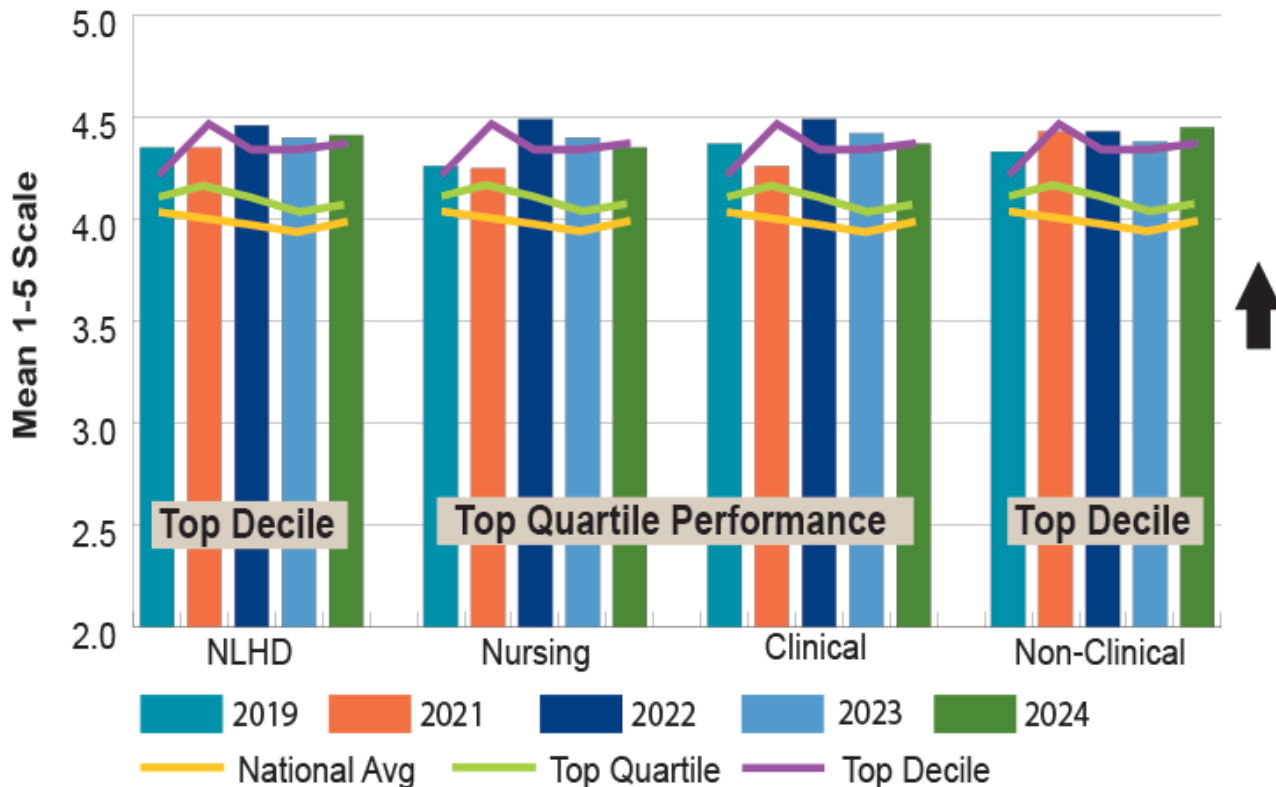


Figure WFR 5.3 Leadership Development - Providing Opportunities to Learn and Grow

WFR 5.3 Leadership Development - Opportunities to Learn & Grow

6 - What are your results for workforce training (e.g., competencies, performance, career development, return on investment, etc.)?

NLHD’s workforce training system is designed to build competencies, improve performance, and foster long-term career growth. Training is provided through on-site education, online learning platforms, and role-specific development led by TLs. Each workforce member develops an individualized plan during one-on-one meetings and annual evaluations. These plans are aligned with organizational priorities and address both current competencies and future growth needs.

As shown in **Figure WFR 6.1**, NLHD’s training effectiveness measured by the statement “I get the training I need to do a good job” has remained in the top decile for the past five years. In 2024, all key workforce segments (nursing, clinical, and non-clinical) reported training satisfaction scores above 4.4 on a 5-point scale, exceeding national benchmarks and showing year-over-year improvement. These results reflect the alignment of NLHD’s training offerings with role requirements, organizational goals, and workforce expectations.

Career development opportunities are an essential element of NLHD’s training strategy. NLHD systematically supports professional growth to ensure workforce members are prepared for current and future roles. As shown in **Figure WFR 6.2**, the statement “NLHD provides career opportunities” received top decile ratings from all major workforce segments for the past five years. These outcomes reflect intentional efforts to develop cross-training pathways, support role advancement, and create access to leadership development.

A notable example of training innovation is NLHD’s in-house Medical Assistant (MA) Program, launched in 2016 in partnership with NM Junior College. No local MA programs existed within a 90-mile radius, limiting the supply of certified professionals. To address this, NLHD designed a curriculum to train internal

candidates, offering a national certification and meeting regulatory standards. As shown in **Figure WFR 6.3**, enrollment and graduation have increased steadily, with 16 employees completing the program in 2022. The MA program not only supports clinic staffing but has also become a best-practice model statewide. NLHD presented the program at a NM Rural Health networking event, and at least one other hospital used it as a blueprint for establishing their own MA pipeline.

In addition to offering broad-based and targeted training, NLHD invests significantly in workforce education. Annual development funds are provided to support continuing medical education (CME), certification, and conference attendance including \$3,000 per year for advanced practice providers and \$5,000 for physicians. As shown in **Figure WFR 6.4**, NLHD’s training investment per FTE has grown annually since 2020, surpassing benchmarks set by the Association for Talent Development (ATD). In 2024, the investment exceeded \$2,000 per employee, one and a half times the national ATD average. This level of investment reflects NLHD’s belief that a trained workforce is essential to delivering safe, high-quality care and advancing individual careers.

NLHD tracks return on investment in training through engagement survey feedback, promotion rates, turnover reduction, and internal program utilization. Departmental leaders are accountable for ensuring training access, and HR monitors training completion and alignment with role competencies.

NLHD demonstrates top-tier performance in workforce training through high satisfaction, expanded career pathways, and innovative internal development programs like the Medical Assistant initiative. These results, coupled with a sustained increase in training investment, confirm that NLHD’s workforce development system effectively supports competencies, career growth, and organizational sustainability.

Workforce Training Results by Workforce Segment

“I get the training I need to do a good job”

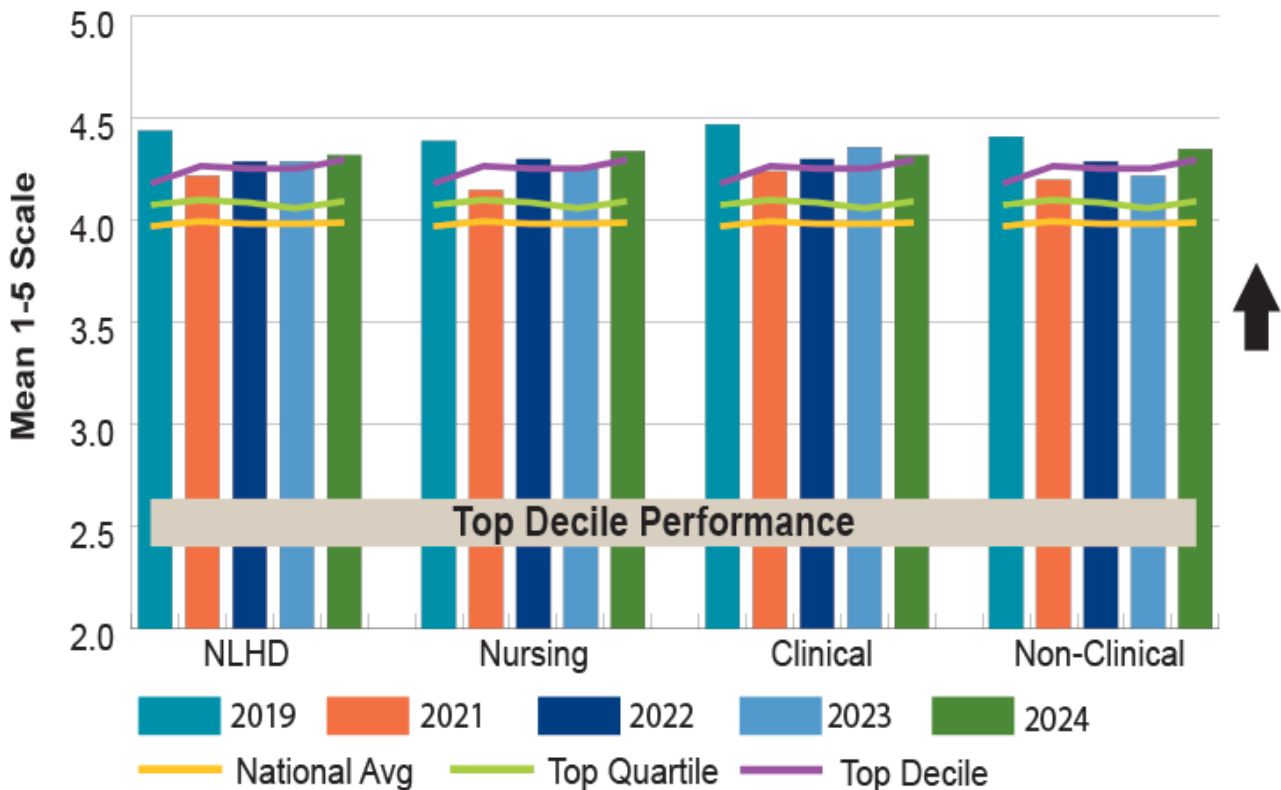


Figure WFR 6.1 Workforce Training Results

WFR 6.1 Workforce Training Results

Workforce Training Results by Workforce Segment

“NLHD provides career opportunities”

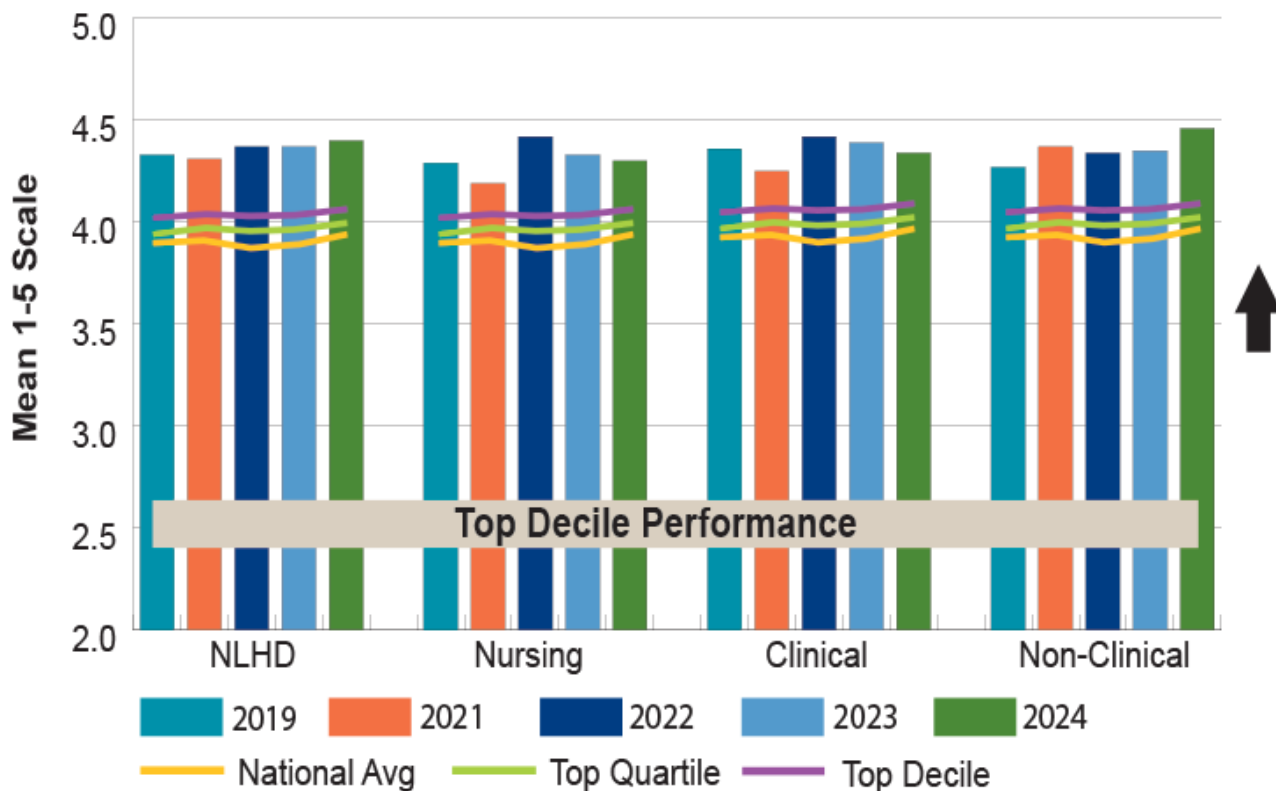


Figure WFR 6.2 NLHD Workforce Development - Career Opportunities

WFR 6.2 NLHD Workforce Development - Career Opportunities

Medical Assistant Program Enrollees/Graduates

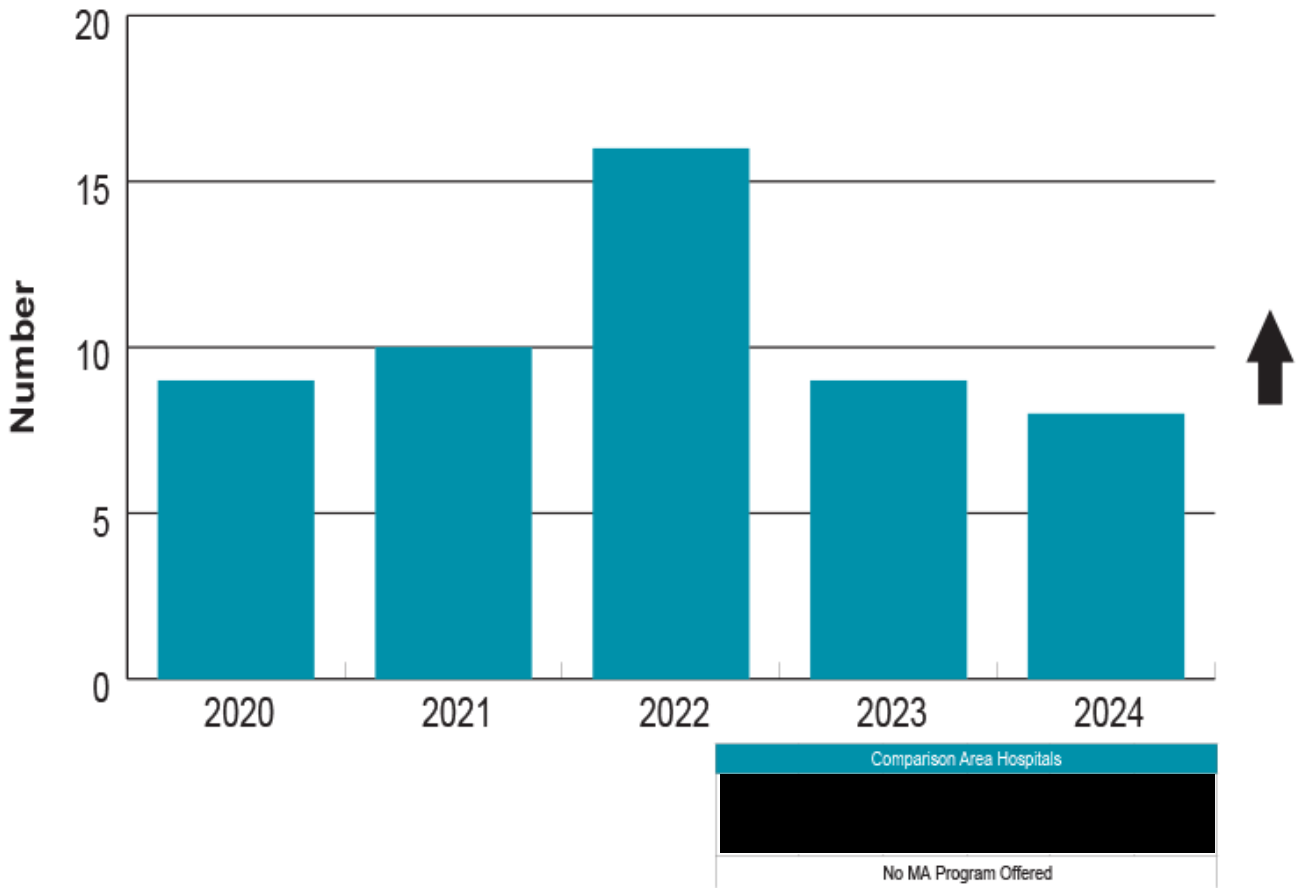


Figure WFR 6.3 NLHD Workforce Development Through Medical Assistant Program

WFR 6.3 NLHD Workforce Development through Medical Assistant Program

NLHD Workforce Investment per FTE

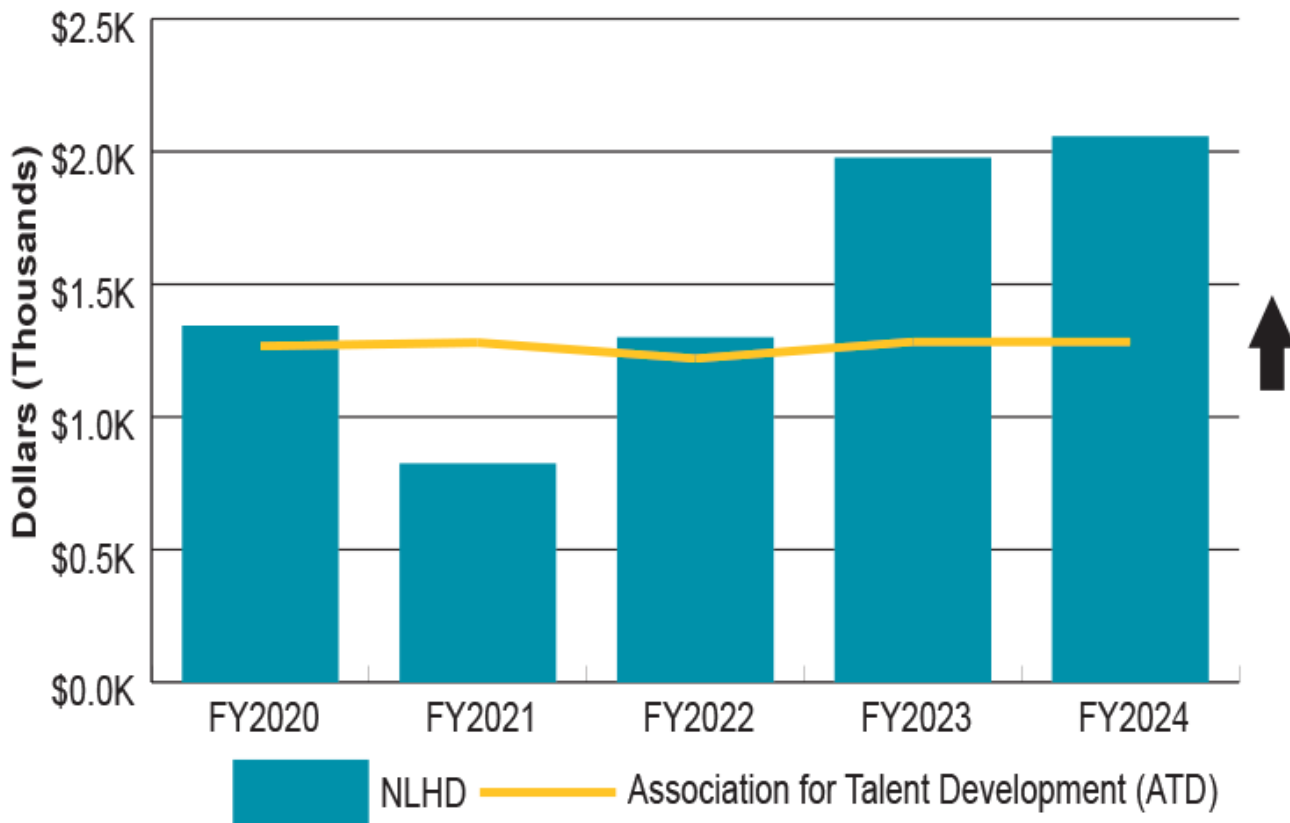


Figure WFR 6.4 NLHD Workforce Development Investment Results

WFR 6.4 NLHD Workforce Development Investment Results

7 - What are your results for significant safety-related incidents (Occupational Safety and Health Administration [OSHA] reportable incidents)?

NLHD maintains a proactive and responsive safety culture, using multiple mechanisms to prevent, identify, and resolve safety-related incidents. These systems are embedded in daily and quarterly operations, including reporting in the YES system with real time review of all incidences by the CEO and Risk manager, daily virtual leadership safety huddle and a quarterly district-wide safety committee meeting. These forums ensure real-time awareness, cross-departmental alignment, and immediate action on safety concerns.

The daily virtual huddle, established during the pandemic, brings together leadership to discuss facility, workforce, staffing, and IT safety concerns, as well as infection control issues. The process enables timely decisions and swift communication throughout the workforce. Issues are tracked, assigned for follow-up, and escalated if needed. This level of responsiveness contributes to a consistently safe work environment, which in turn supports workforce engagement and operational reliability.

As shown in **Figure WFR 7.1**, NLHD has consistently outperformed national benchmarks for the OSHA DART Rate (Days Away, Restricted, or Transferred). For five consecutive years (2019–2024), NLHD’s DART rate remained well below the national hospital average. NLHD’s six-year trend shows an average of less than 1%, demonstrating successful implementation of controls and mitigation strategies to prevent severe workplace injuries that result in time away from work.

NLHD’s broader workplace injury and illness performance is captured in **Figure WFR 7.2**, which shows its OSHA Total Recordable Incident Rate (TRIR). This measure includes all work-related injuries and illnesses that require medical treatment beyond first aid. NLHD’s incident rate has consistently remained below the

OSHA benchmark for hospitals. Notably, NLHD's incident rate has declined since 2021, despite increases in total workforce and service offerings.

These safety outcomes are the result of a deeply embedded culture of awareness, accountability and prevention. Staff members are encouraged to report safety concerns through anonymous channels or direct communication. All events are logged in the YES system, which is reviewed real-time by the Risk Manager and quarterly by the safety committee. Process owners are assigned to address root causes, implement corrective actions, and report progress.

NLHD's performance in this area contributes to workforce trust and overall engagement, as employees can clearly see that leadership takes safety seriously and follows through on resolution. Safety metrics are also integrated into workforce evaluations and department-level scorecards, reinforcing their importance at all levels of NLHD.

NLHD's results for OSHA-reportable incidents demonstrate a consistently low rate of injury and illness, with performance that significantly exceeds national benchmarks for both DART and Injury/Illness Incident Rate. These results reflect NLHD's commitment to a safe and supportive work environment, sustained by structured daily communication, early intervention, and a culture of shared responsibility.

NLHD OSHA DART Rate (Days Away from Work)

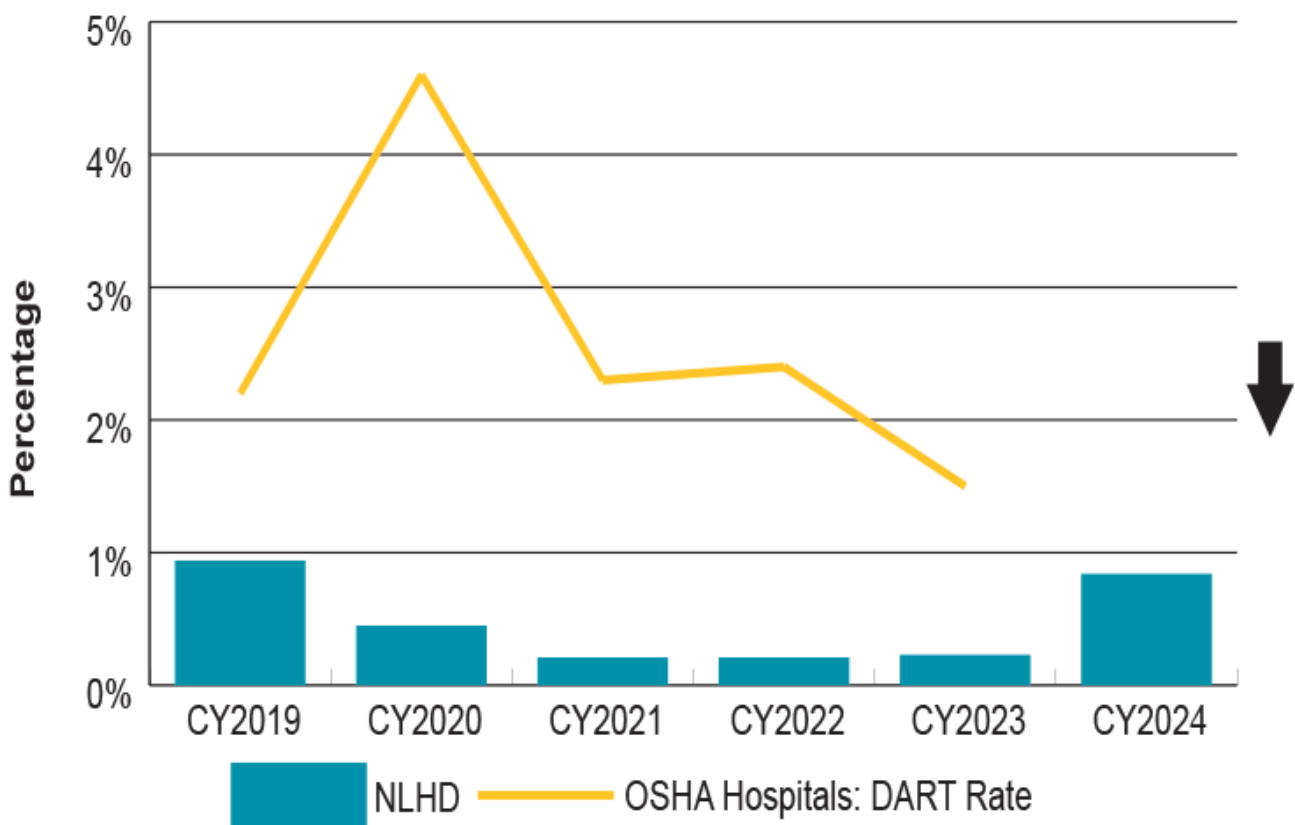


Figure WFR 7.1 NLHD OSHA DART Rate

WFR 7.1 NLHD OSHA DART Rate

NLHD Injury/Illness Incident Rate

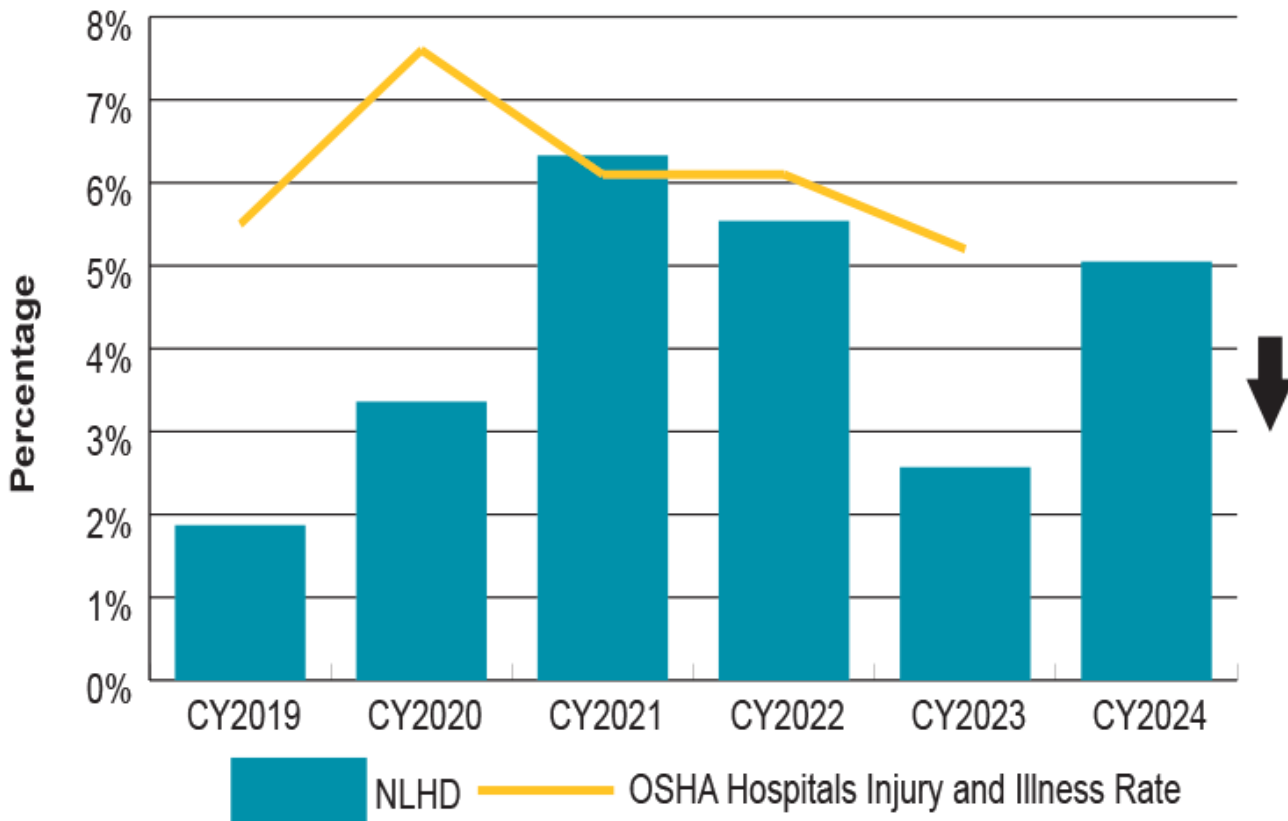


Figure WFR 7.2 NLHD OSHA Illness and Injuries

WFR 7.2 NLHD OSHA Illness and Injuries

8 - What are your results for additional indicators of workplace health and safety (e.g., results of safety audits, near-miss tracking)?

Workplace safety is a core operational priority at NLHD, with a focus on both cultural and process indicators. In addition to OSHA-reportable incidents, NLHD monitors a range of internal safety measures, including training compliance, workforce safety culture, annual testing protocols, and system inspection completion. These indicators provide a comprehensive view of how safety is promoted, sustained, and continuously improved.

As shown in **Figure WFR 8.1**, NLHD’s Workforce Culture of Safety survey results have sustained excellence at top quartile/decile over the past five years.

These results indicate a high level of psychological safety, trust in leadership responsiveness, and shared responsibility for safety throughout the workforce. The upward trajectory and/or sustained excellence from 2019 to 2024 reflects NLHD’s emphasis on leadership visibility, workforce accountability, and communication consistency around safety expectations.

To complement cultural indicators, NLHD tracks numerous compliance-based and preventive metrics, as shown in **Figure WFR 8.2**. These include completion rates for OSHA, HIPAA, Security, Patient Safety training, annual employee testing for TB and N95 masks, system inspections and safety rounds.

Targets were established using internal historical trends and regulatory standards, including OSHA, CMS, and manufacturer recommendations for system performance.

Key 2024 results include:

- OSHA and HIPAA training compliance exceeded targets at 91% and 93%, respectively, both above the 85% threshold.
- Security and patient safety training were sustained at 100% and 95%, meeting or surpassing organizational targets.

- Annual fit testing for N95 respirators and TB skin testing both reached 96%, showing consistent improvements year over year.
- Preventive system inspections for ventilation, fire suppression, generators, and safety/PM rounds all maintained 100% compliance for six consecutive years.

NLHD uses a “traffic light” color-coding system to denote performance levels:

- “Meeting Target” (green) indicates full compliance with expected standards.
- “Within 20% of Target” (yellow) is monitored closely for follow-up.
- “Not Meeting Target” (red) triggers corrective action and leadership oversight.

Because national benchmarking for many of these internal measures (e.g., fire system inspections, fit testing) is not publicly available, NLHD relies on regulatory standards and best-practice baselines to establish realistic but challenging internal performance goals. Any deviation from target triggers a review and remediation plan by the Safety Committee or the responsible department.

NLHD started a partnership in 2022 with HSC to perform environmental safety risk audits that includes over 200 safety items including trip hazards, building & grounds safety, dietary, fire risk, and other safety items, and NLHD has exceptional results and is exceeding peer performance comparisons.

NLHD’s structured and transparent approach ensures that safety compliance is not just achieved but institutionalized. Results are reviewed quarterly, and progress is communicated to the workforce through team meetings, safety huddles, and leadership updates. This reinforces a culture of vigilance and shared accountability.

NLHD’s results for additional safety indicators reflect a highly proactive and mature safety environment. Strong culture of safety scores, combined with near-perfect compliance on training, testing, and systems inspections, confirm NLHD’s ability to maintain a healthy and secure workplace that supports both employee well-being and service reliability.

NLHD Workforce Safety Culture

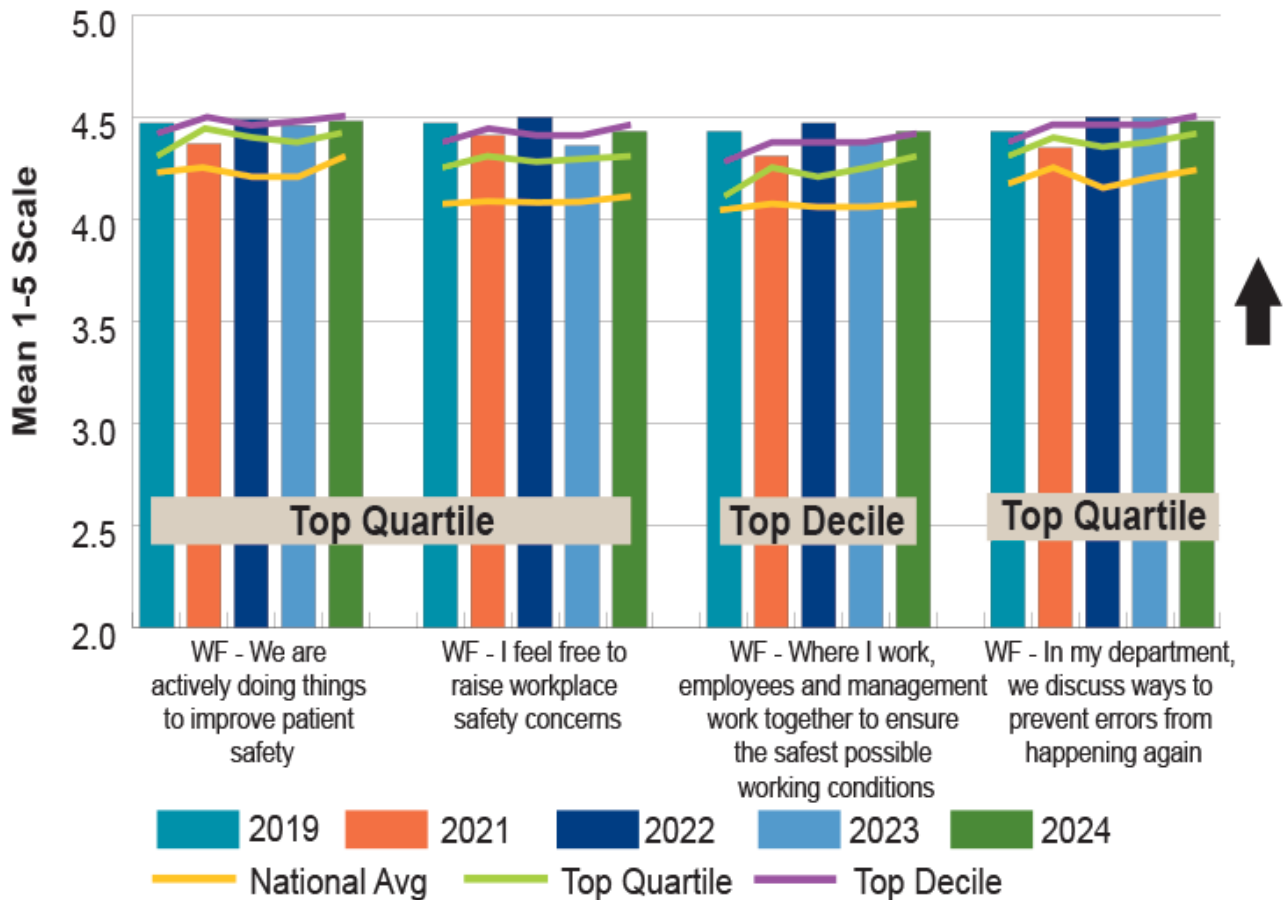


Figure WFR 8.1 NLHD Workforce Culture of Safety

WFR 8.1 NLHD Workforce Safety Culture

Workforce Safety	Target	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
OSHA Training Compliance	>85%	87%	91%	91%	94%	91%	95%	
HIPAA Training Compliance	>85%	77%	85%	87%	88%	88%	93%	
Security Training	>85%	100%	100%	100%	100%	100%	100%	
Patient Safety Training	>85%	64%	69%	80%	95%	95%	91%	
Annual Fit Testing	>85%	92%	90%	83.2%	87%	90%	96%	
Annual TB Skin Testing	>85%	90%	90%	83.2%	87%	90%	96%	
Ventilation Systems Inspections	>95%	100%	100%	100%	100%	100%	100%	
Fire Alarms and Supression Systems Inspections	>95%	100%	100%	100%	100%	100%	100%	
Generator Testing	>95%	100%	100%	100%	100%	100%	100%	
Safety and PM Rounds	>95%	100%	100%	100%	100%	100%	100%	
External Safety Audit by Hospital Services Corporation (HSC)	Target	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Nor Lea General Hospital	>99%				99.3%	99.6%	100%	
Family Health Center	>99%				99.3%	98.6%	100%	
Hobbs Medical Clinic	>99%				100%	100%	100%	
Heritage	>99%				100%	100%	100%	
DME	>99%				99.0%	99.5%	99.0%	
Lovington School Based Clinic	>99%				100%	100%	100%	
Nor Lea Business Complex	>99%	NLHD Business Complex Opened in 2024						100%
HSC Peer Performance					99.7%	99.4%	98.9%	
External Safety Audits by HSC started in 2022.						Meeting Target		
						Within 20% of Target		
						Not Meeting Target		

Figure WFR 8.2 NLHD Workforce Safety Results

WFR 8.2 NLHD Workforce Safety Culture Results

Process Questions

- 1 - Briefly describe your key process(es) for workforce engagement.

- 2 - Briefly describe your key process(es) for workforce development and training.

- 3 - Briefly describe your key process(es) for ensuring workplace health and safety.

- 4 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

Customers and Markets

This section asks about your performance for key processes related to your Customers and Markets. First you are asked about market share for your main products and services. Then you are asked about customer satisfaction and dissatisfaction. Finally, you will find questions about customer loyalty.

Context Questions

1 - Provide your market size over the past five years for your main products and services.

NLHD's service area includes all of Lea County, NM, and surrounding communities – covering 4,390 square miles with a population of 72,101 as of 2023. The primary geographic markets served are Lovington, Hobbs, and surrounding rural communities. Given the rural nature of the region and healthcare access challenges, NLHD's role as a provider of essential services is significant.

As a CAH and RHC designation, NLHD does not have access to the same robust market share data as prospective payment system (PPS) facilities due to reporting limitations, payer claims processing differences, and the high cost of market data. Nevertheless, NLHD tracks internal utilization trends, provider capacity and strategic expansion to gauge its market impact. In the 2025 3-year SPP, NLHD partnered with 3D Health, a marketing strategy firm, to conduct both perception and current state research into healthcare resources, providers, and potential areas of growth. Despite limitations in market data, key trends strongly indicate increased market penetration and sustained service growth.

NLHD's primary competitor is ██████ a 99-bed PPS facility located about 20 miles Southeast of NLHD in Hobbs, NM. ██████ opened a new facility in 2022, replacing the older Hobbs hospital. While the opening of ██████ posed a potential competitive threat, NLHD strategically planned for this and retained and grew its patient volumes due to its longstanding reputation for exceptional care, availability of services and strong patient loyalty. Notably, many Hobbs residents continue to choose NLHD for outpatient, emergency, and clinical care despite proximity to ██████

Primary Care Services is one of NLHD's core competencies. As the primary engine for outpatient and ancillary service utilization, primary care drives long-term organizational sustainability and growth, **Figure CMC 1.1**. According to the 2021 Community Health Needs Assessment (CHNA) there was a shortage of 11 primary care providers to serve the community. In response, NLHD strategically invested in expanding primary care access, growing countywide primary care coverage from 53% in 2020 to 80% in 2024. This marks a substantial gain in both access and market presence.

NLHD's expansion efforts have been substantial over the past five years. Key initiatives include:

- HMC Expansion (2022) - adding eight primary care and pediatric providers **Figure CMC 1.2**
- School Based Clinic at NMJC (2024) - Providing primary care access to college students and faculty on their campus **Figure CMC 1.3**
- Outpatient Services Growth (2020-2024) - expanded lab testing capabilities, and improved radiology services utilizing AI technology for cancer detection. In addition, NLHD focused on quick availability of test results through EPIC MyChart utilization.

Through consistent growth in patient encounters, provider recruitment, and strategic service line development, NLHD has significantly expanded its footprint and market share.

NHLD growth of Primary Care Market Share Lea County

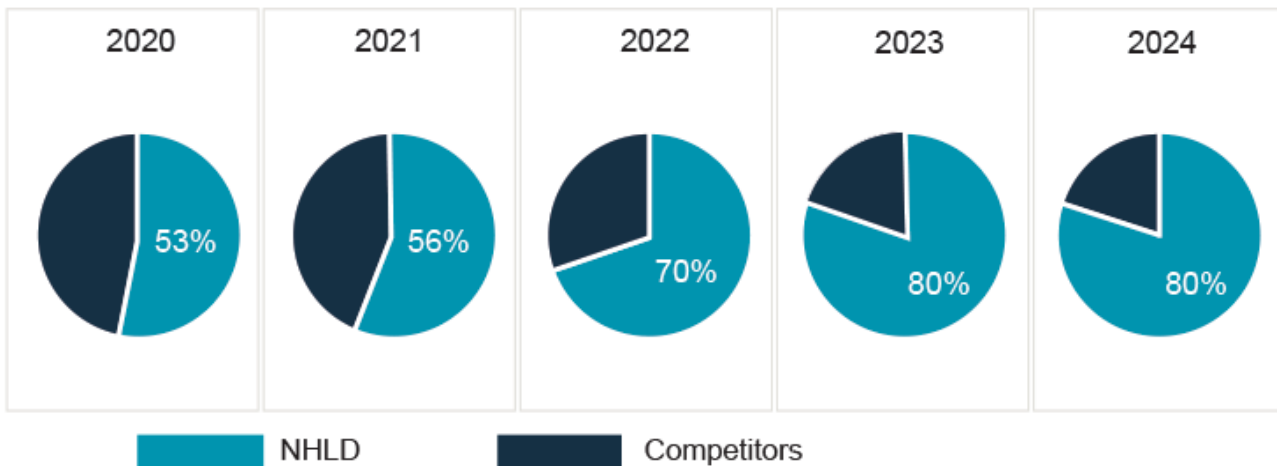


Figure CMC 1.1 Primary Care Market Share Lea County

CMC 1.1 Primary Care Market Share Lea County



CMC 1.2 Hobbs Medical Clinic Grand Opening 2022



THUNDERBIRD HEALTH CENTER

OPEN!



2024 Thunderbird Clinic Grand Opening

CMC 1.3 Thunderbird Clinic Grand Opening 2024

2 - Briefly describe your key customer segments (including size of each).

NLHD segments its customers by service lines and delivery mechanisms to understand, meet, and exceed the unique needs of each population. Key customer segments include Outpatient Services, Clinic Care, Emergency Services, and Inpatient Services. Customer volume and contribution to revenue for each segment are illustrated in **Figure CMC 2.1**.

Outpatient Services represent NLHD's largest revenue-generating segment, contributing approximately 70% of overall gross patient revenue. This segment encompasses a broad portfolio of high-demand services. NLHD actively evaluates outpatient offerings through its SPP to ensure meeting existing and emerging community needs. For example, in 2021 the SPP identified a need and care gap requiring patients to travel over two hours for advanced radiation oncology treatment. In response, NLHD partnered with the Joe Arrington Cancer Center to establish Radiation Oncology, PET-CT, Low-Dose Lung CT - services rarely provided in a CAH setting. These services have significantly enhanced care access in the service area.

Clinic Services are foundational to NLHD's integrated care model and represent 18% of overall revenue, yet the strategic impact extends far beyond revenue. Primary care clinic services are the gateway for nearly all other services, driving referrals for outpatient, inpatient services, and specialty care. NLHD has made

significant investments in expanding this segment, growing provider capacity and coverage region-wide significantly over the past five years and increasing market share from 53% in 2020 to 80% in 2024. Primary care also plays a vital role in the prevention, early identification, chronic disease management, and overall population health initiatives.

Emergency Services, Emergency Department (ED), account for approximately 10% of gross revenues and serve as a critical access point for acute and urgent care needs. The ED also acts as a major pathway for hospital admissions. As a rural CAH, NLHD is often the only nearby emergency care provider, especially for residents of surrounding communities who would otherwise face long travel times to receive care.

Inpatient Services, while contributing only 2% of overall gross patient revenue, are considered a key strategic service. NLHD’s CAH status offers enhanced reimbursement mechanisms that make inpatient care sustainable despite lower inpatient volumes. Inpatient stays are a critical component of a health system, enabling patients to stay close to home for observation, inpatient, and extended rehabilitative (Swing-Bed) care.

NLHD’s exceptional customer loyalty is evident in utilization trends, with many patients bypassing the newer, larger hospital in Hobbs to receive care at NLHD. This reflects NLHD’s reputation for quality, compassionate care and a highly personalized patient experience.

Service Segments	Volume % of 2024 Visits	% of Revenue
Outpatient • Services: Laboratory, Radiology, Nuclear Medicine, Endoscopy, Pain Management, Sleep Center, Cardiac Rehab, Physical Therapy, Cardiovascular Services, Cardiopulmonary Services, Outpatient Surgery, Outpatient medical oncology, Outpatient radiation oncology services, Outpatient Infusion, Wound Care, *Wellness Center, *Patient Oncology Navigation, *Patient Transportation Services, *Financial Counseling Services, *Community Health Worker coordination services, *Medication Assistance Services <i>*Wellness services included in outpatient segment</i>	55%	70%
Clinic Services • Primary Care • Specialty Care • Behavioral Health	41%	18%
Emergency Services • Emergency Department providing Medical and Trauma Emergency Services	3%	10%
Inpatient Services • Medical/Surgical Inpatients • Observation • Swing Beds	<1%	2%
Figure CMC 2.1 Key Customer Segments		

CMC 2.1 Key Customer Segments

Results Questions

1 - What are your results for market share for your main products and services?

NLHD’s primary care services represent a strategic priority and core competency, central to achieving its mission of delivering an **Exceptional Experience**, vision to **Enhance Lives**, and strategic objectives related to growth.

As shown in **Figure CMR 1.1**, NLHD’s primary care market share for providers increased from 53% in 2020 to 80% in 2024, a 51% relative improvement over five years. This performance demonstrates the

effectiveness of NLHD's strategy to expand access through clinic growth, provider recruitment, and service differentiation, even in the face of intensified competition.

A significant test of NLHD's market resilience occurred with the opening of ██████ in 2022, a 99-bed PPS facility just 20 miles Southeast of Lovington. Despite the expectation that NLHD would lose market share to ██████ NLHD's strong reputation for relationship-based care, Exceptional Experience, and trusted service delivery helped retain and grow its patient base from Hobbs and surrounding communities. This validates NLHD's ability to sustain customer loyalty in a competitive market.

To meet growing demand and address regional provider shortages identified in both the 2021 CHNA and the 2024 3D Health Assessment, NLHD has expanded its provider base from 9 primary care and pediatric physicians in 2020 to 16 in 2024. This progress decreased the shortage gap of primary care providers from 10.7 in 2021, to the current 8.8, highlighting NLHD's contribution to regional health access while underscoring continued access challenges.

NLHD's market share growth is also supported by:

- Expansion of the Hobbs Clinic (2021) and NM Junior College School Clinic (2024)
- Real-time forecasting of demand and dynamic scheduling to optimize coverage
- Expansion of virtual care and outreach efforts to rural communities

This focused strategy reflects an aligned approach to strategic deployment, voice of the customer integration, and market responsiveness. NLHD's primary care is not only its most utilized service line (41% of visits), but also the key entry point to downstream services like diagnostics, behavioral health, and care coordination, making its market share performance a critical indicator of overall organizational success.

Despite data limitations common to CAHs, NLHD has validated and sustained strong growth in its most strategic service line. With market share rising from **53% to 80%** amid regional provider shortages and the opening of a major competitor, NLHD's results reflect effective strategic planning, community trust, and the strength of its customer-focused culture. These outcomes confirm NLHD's ability to expand access, enhance customer engagement, and remain the provider of choice for primary care in Northern Lea County.

NLHD Marketshare for Primary Care

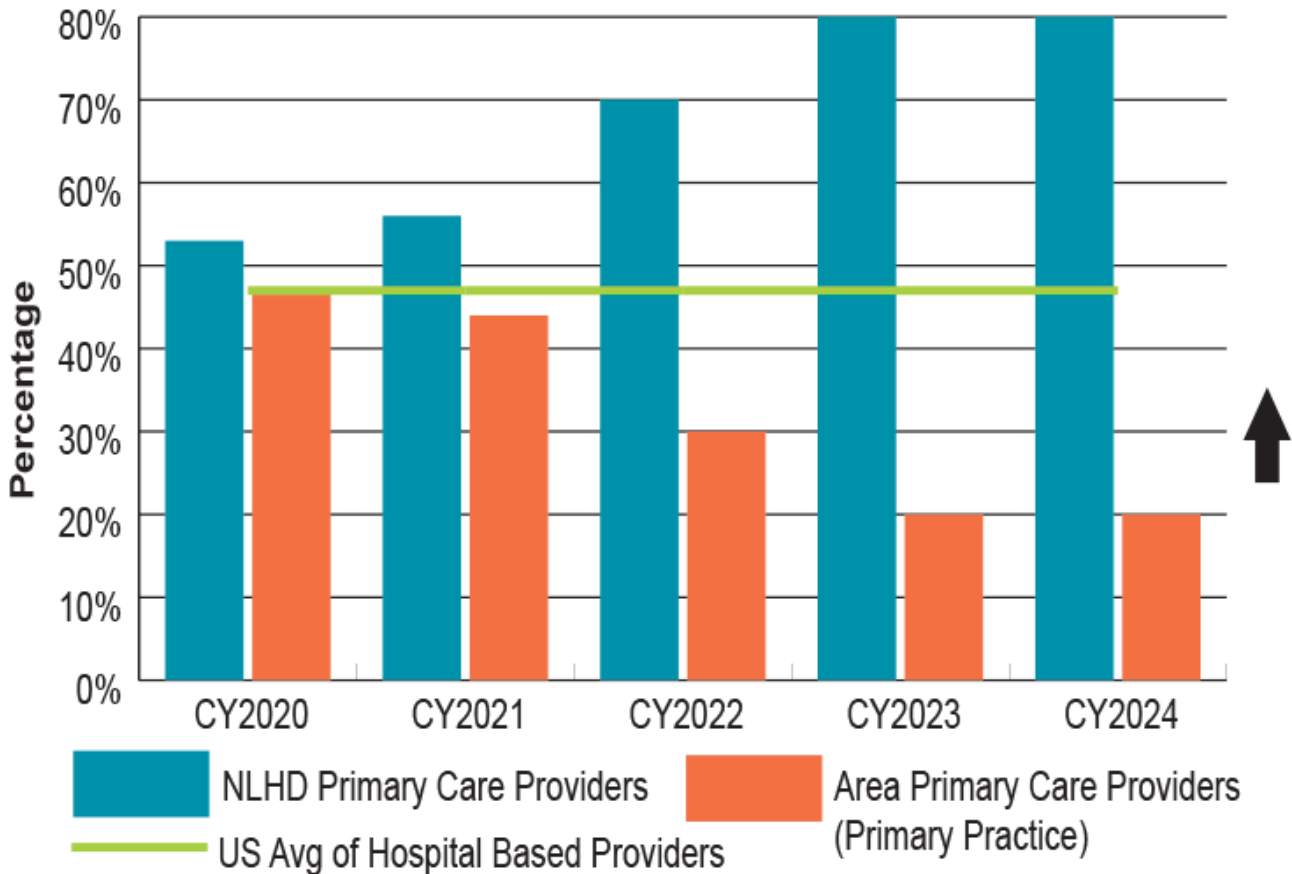


Figure CMR 1.1 NLHD Marketshare for Primary Care

CMR 1.1 NLHD Marketshare for Primary Care

2 - What are your results for customer satisfaction by key customer segments?

NLHD uses a robust, systematic approach to assess and improve customer satisfaction across all service segments. Aligned with its mission to deliver an Exceptional Experience and the iCARE values of innovation, Compassion, Accountability, Respect and Empowerment, NLHD’s multifaceted patient experience program employs a Voice of the Customer (VOC) system to capture and respond to feedback from multiple sources. VOC data is reviewed weekly in department service huddles, monitored on monthly scorecards, organizational alignment boards, and reported to the Leadership Team (TLs), providers, workforce, and BoT, ensuring leadership engagement and organizational learning.

Customer satisfaction is primarily measured using Press Ganey (PG) Scores, benchmarked against national averages, top quartile, and top decile performance thresholds. Results are segmented by key service lines to ensure focused improvement and equity in customer experience.

As shown in **Figure CMR 2.1**, NLHD has achieved sustained top decile performance in inpatient care and top quartile or better in every other segment except ED which has been above average to top quartile for the past 5 years. These outcomes support strategic goals related to customer engagement, loyalty, and market competitiveness.

Outpatient Ambulatory Surgery

Ambulatory surgery satisfaction remains a high performer with 2025 scores at 93.3%, approaching the top decile threshold. Contributing factors include consistent surgical teams, ongoing patient communication, efficient scheduling, and personalized discharge education-reflecting process effectiveness and care continuity.

Outpatient Services

Outpatient services improved significantly, rising from 81.1% in 2021 to 87.7% in 2025, reaching top decile. NLHD’s innovative patient experience initiative, including enhancements in scheduling access and front-desk interactions,

fueled this improvement. These results align with NLHD's vision to Enhance Lives through streamlined, high-quality services and the iCARE value of Innovation.

Clinics

Clinics were a key area of focus following below-average satisfaction in 2021. By 2023 scores were at top quartile and in 2025, scores increased to 86.7%, which are approaching top decile performance. Improvements included onboarding processes for providers, extending clinic hours, and enhancing team-based communication. These outcomes reflect NLHD's core competency in expanding access and customer engagement, especially in the primary care segment, which is vital for population health. Results by Clinic **Figure CMR 2.2**

Emergency Department (ED)

Although ED satisfaction typically lags nationally due to the high-acuity, high-stress environment, NLHD's scores have consistently exceeded average with a favorable trend. Successes here reflect leadership rounding, ED team consistency, Customer Empathy Mapping and proactive communication strategies aimed at improving wait-times and reducing anxiety. The ED saw a decline in customer satisfaction scores in 2025, and the Center for Innovation facilitated a project for customer empathy mapping to focus on improvements, project details AOS.

Inpatient Services

Inpatient care consistently delivers exceptional experience. NLHD achieved a Top Box score of 87.5% in 2025, with the last 4 years at top decile and 2021 at top quartile. Improvements were driven by interdisciplinary rounding, real-time service recovery, individualized case management services and consistent nursing communication, all aligned with NLHD's strategic focus on reliability and patient-centeredness.

NLHD's customer satisfaction results across all key segments demonstrate strong upward trends and top-quartile to top-decile performance, achieved through strategy-aligned initiatives and responsive leadership systems. These results validate the effectiveness of NLHD's Patient Experience Program, and its unwavering focus on delivering a patient experience that is personalized and continuously improving.

NLHD Overall Customer Satisfaction Press Ganey Top Box Rating

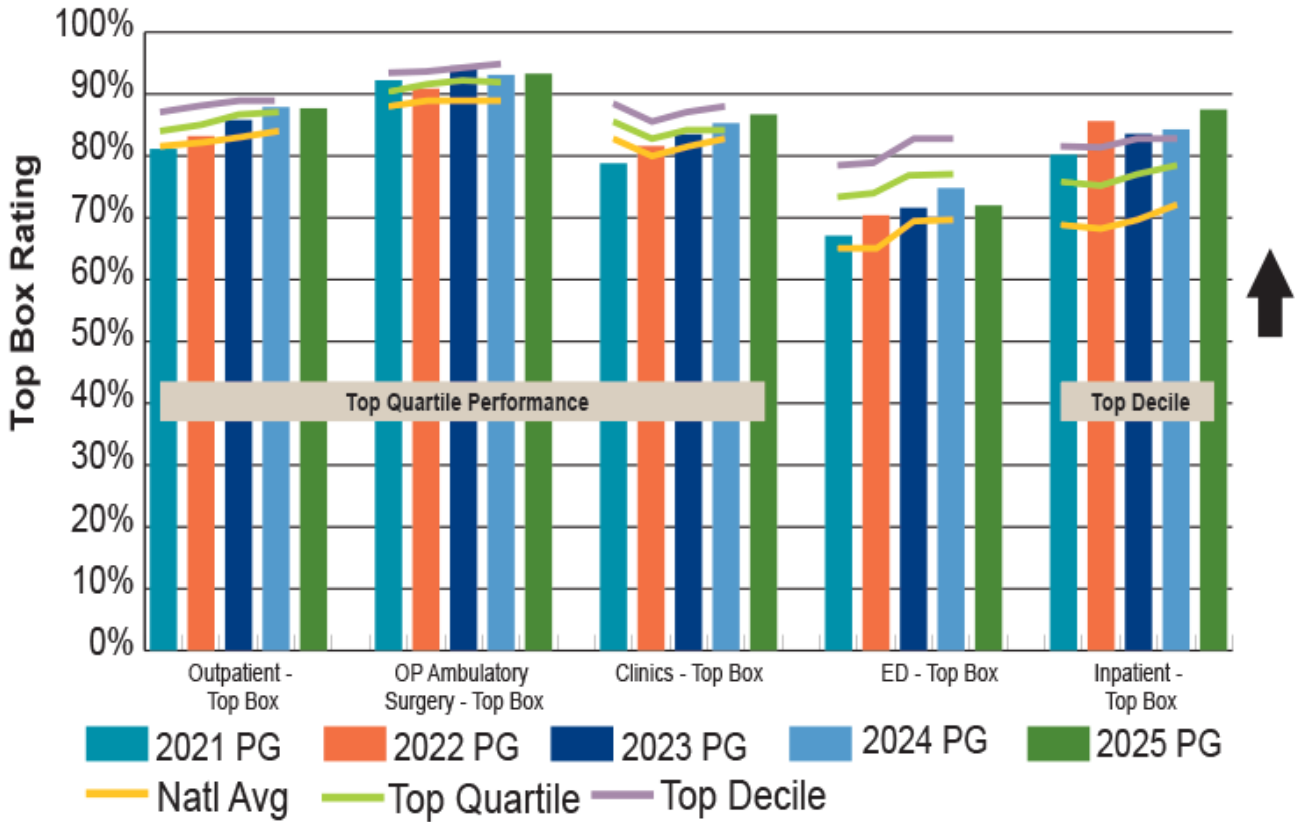


Figure CMR 2.1 Customer Satisfaction

CMR 2.1 Customer Satisfaction

NLHD Customer Satisfaction by Clinic Location Press Ganey Top Box Rating

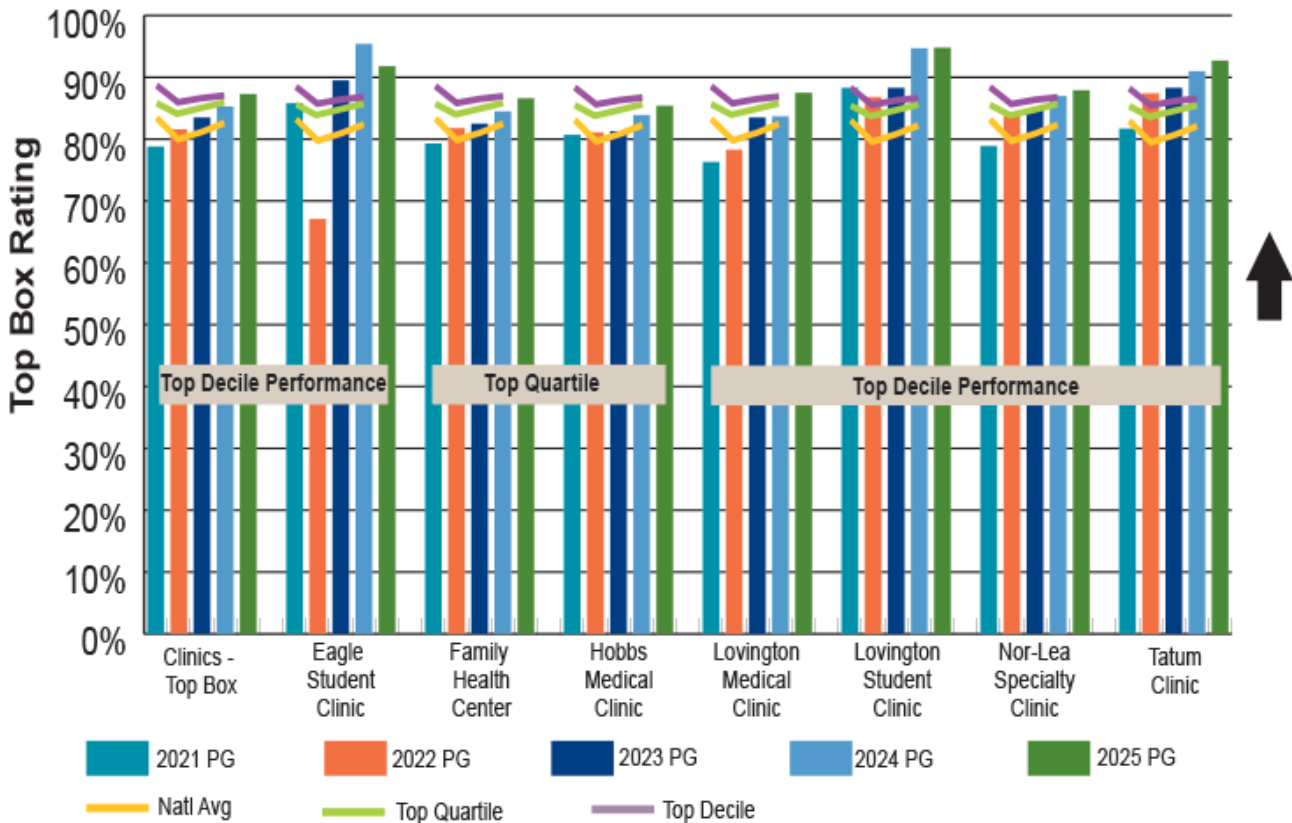


Figure CMR 2.2 Customer Satisfaction by Clinic Location

CMR 2.2 Customer Satisfaction by Clinic Location

3 - What are your results for customer dissatisfaction, including complaints, by key customer segments?

NLHD captures and analyzes customer dissatisfaction through a robust process grounded in its commitment to continuous improvement and transparency. NLHD views every complaint as a gift, recognizing that feedback provides an opportunity to improve services and strengthen trust. NLHD captures complaints, concerns, and grievances in its YES system, which serves as the centralized platform for intake, investigation, documentation, and resolution.

All complaints whether received through direct contact, online forms, social media, or third-party reviews are entered into the YES system as a complaint. Each case is reviewed by the process owner, with corrective actions documented and tracked. Monthly data is aggregated and presents trends and insights to TL's and the BoT. This process promotes organizational learning and allows NLHD to identify systemic service failures and implement preventive actions before issues escalate into formal grievances. Workforce members are trained and empowered to initiate real-time service recovery. Social media and Google reviews are actively monitored and included in leadership reporting to ensure a complete view of the customer voice.

Overall Complaint and Concern Rates: As shown in **Figure CMR 3.2**, NLHD's overall complaint rate in 2024 was 0.07% per encounter, which equates to 700 defects per million (DPMO)-well below the NIH benchmark of 0.35% or 3,500 DPMO. This places NLHD's performance in the top quartile for complaint management. The total number of reported concerns rose from 156 in 2020 to 248 in 2024, which NLHD views as a positive indicator of increased customer engagement and better complaint capture, both of which contribute to broader system improvements.

Formal Grievances: Formal grievances are reviewed more rigorously and indicate unresolved or escalated service failures. In 2024, NLHD reported 0.05 formal grievances per 1,000 encounters, or 50 DPMO, **Figure**

CMR 3.3. This is significantly better than the NIH national average of 1.27 per 1,000 encounters (1,270 DPMO). Although the number of formal grievances rose from 4 in 2020 to 18 in 2024, NLHD attributes this to improved tracking and process transparency, not service decline. The increase supports a stronger VOC system rather than a deterioration in service quality.

NLHD also analyzes dissatisfaction by key customer segments, detailed in **Figure CMR 3.1**:

- **Outpatient Services:** Maintains a low complaint rate of 0.04% and grievance rate of 0.03 per 1,000 encounters—well below national benchmarks.
- **Clinics:** Show 0.08% complaint rate and 0.05 grievances per 1,000 encounters, reflecting significant improvement since 2021 following redesign of the clinic model, new phone system with infrastructure upgrades and patient communication protocols.
- **ED:** Although ED settings are prone to higher dissatisfaction nationally, NLHD’s complaint rate decreased from 0.44% in 2023 to 0.33% in 2024, with grievances remaining flat at 0.33 per 1,000 encounters. Focused efforts on improved communication and decrease throughput times continue to improve the ED experience.
- **Inpatient Services:** Maintains a stable complaint rate of 0.61%, with no formal grievances reported from 2020 to 2024—demonstrating exceptional service quality for one of the most vulnerable populations.
- **Community-Based Events:** Reported 0.19% complaint rate but no formal grievances, indicating responsiveness to community feedback and successful partnership driven outreach.

NLHD's results show superior performance in complaint and grievance management across all customer segments, consistently outperforming national NIH benchmarks. Through effective complaint tracking, real-time resolution, and strategic use of dissatisfaction data, NLHD fosters a culture of learning and responsiveness. These results reinforce the strength of its Patient Experience Program, the customer-focused workforce development and its integration of the Voice of the Customer listening approaches.

Customer Satisfaction Results by Key Requirements (P5-1)		H/L	2020	2021	2022	2023	2024	Mean NIH
NLHD Overall	% Complaints or Concerns per Encounter	↓	0.05%	0.05%	0.05%	0.08%	0.07%	0.35%
	Formal Grievance per 1000 encounters	↓	0.01	0.00	0.01	0.03	0.05	1.27 per 1000
	Formal Grievances	↓						
	Reported Complaints or Concerns	↓						
	Total Encounters							
Outpatient	% Complaints or Concerns per Encounter	↓	0.03%	0.03%	0.03%	0.06%	0.04%	
	Formal Grievance per 1000 encounters	↓	0.01	0.00	0.01	0.01	0.03	
Clinics	% Complaints or Concerns per Encounter	↓	0.05%	0.07%	0.04%	0.08%	0.08%	
	Formal Grievance per 1000 encounters	↓	0.01	0.00	0.00	0.03	0.05	
ED	% Complaints or Concerns per Encounter	↓	0.34%	0.27%	0.39%	0.44%	0.33%	
	Formal Grievance per 1000 encounters	↓	0.09	0.00	0.17	0.33	0.33	
Inpatient	% Complaints or Concerns per Encounter	↓	0.41%	0.72%	0.63%	0.66%	0.61%	
	Formal Grievance per 1000 encounters	↓	0.00	0.00	0.00	0.00	0.00	
								Excellent Performance
								Good Performance
								Average Performance
								Poor Performance

Figure CMR 3.1 Customer Dissatisfaction

NLHD Complaints or Concerns per Encounter in DPMO (Defects per Million)

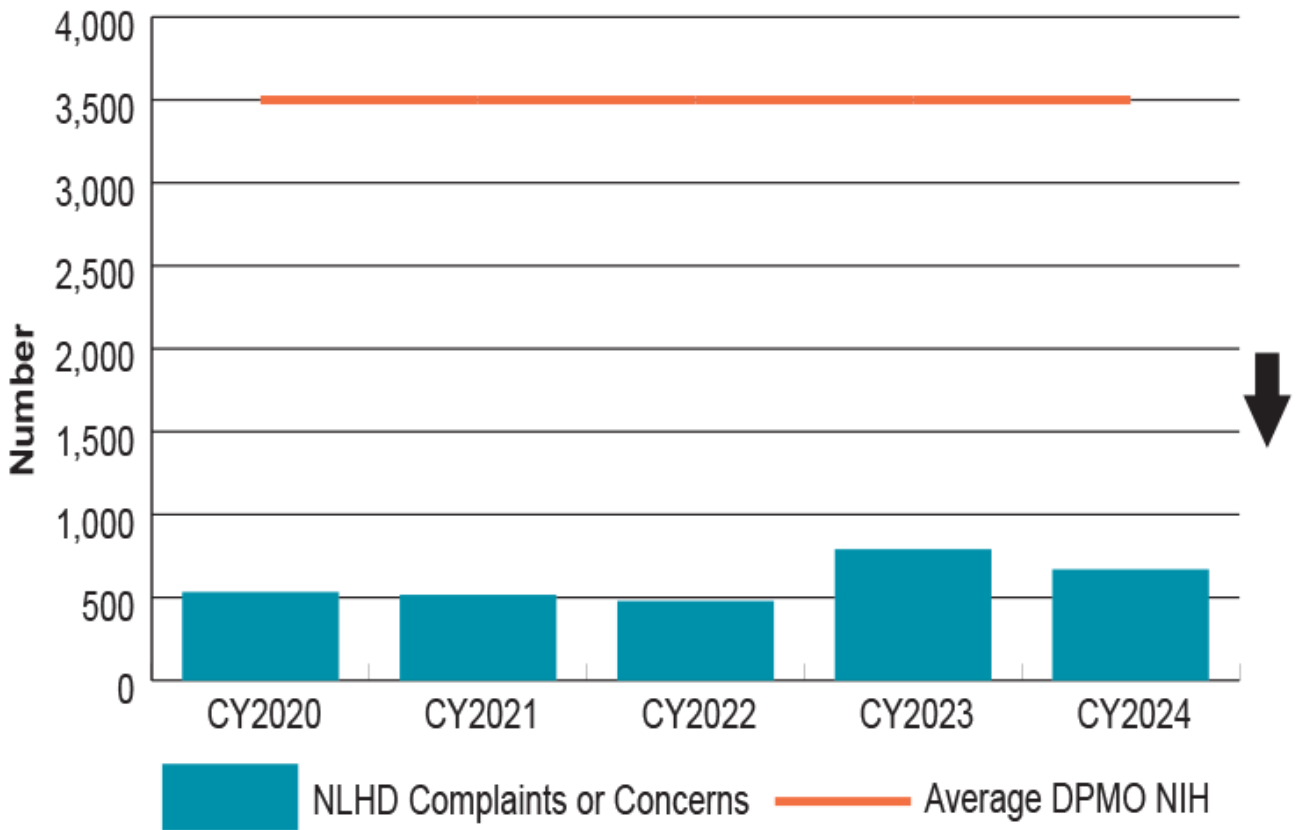


Figure CMR 3.2 Customer Complaints or Concerns

CMR 3.2 Customer Complaints or Concerns

Formal Grievances per Encounter in DPMO (Defects per Million)

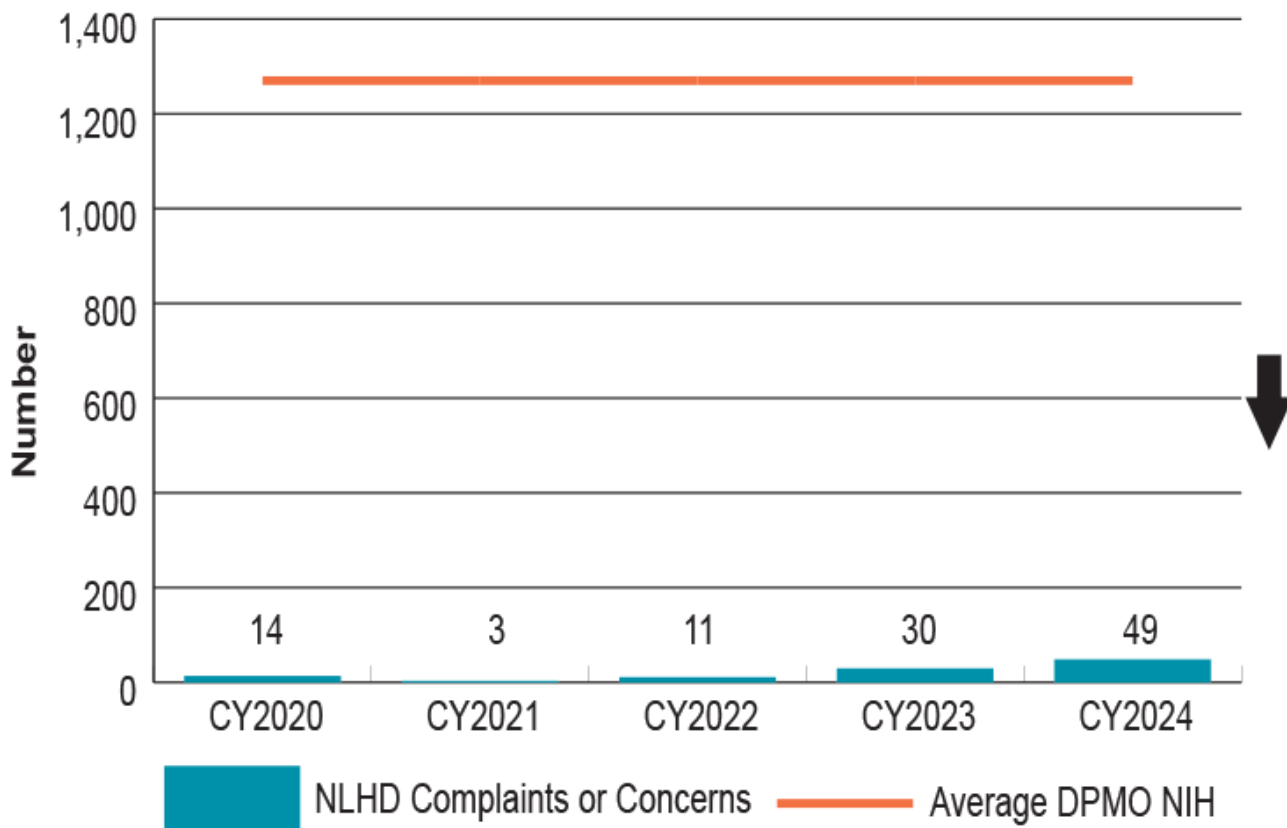


Figure CMR 3.3 NLHD Formal Grievances of Customers

CMR 3.3 NLHD Formal Grievances of Customers

4 - What are your results for customer loyalty by key customer segments (e.g., likelihood to recommend, repeat customers, and referrals)?

Note: For health care organizations, as appropriate, include results for Consumer Assessment of Healthcare Providers and Systems (CAHPS) scores.

NLHD measures customer loyalty as a strategic indicator of its success in building and strengthening relationships of trust. Loyal customers return for care, refer others, and serve as informal ambassadors, particularly important in a rural setting where word-of-mouth greatly influences reputation and market presence. Loyalty results are captured through PG surveys across all segments, and through HCAHPS data submitted to CMS for inpatient services.

Likelihood to Recommend (PG)

As shown in **Figure CMR 4.1**, NLHD’s “Likelihood to Recommend” Top Box scores demonstrate strong performance across all key customer segments (note-2025 is one quarter of results):

- Outpatient Ambulatory Surgery: Top quartile/ decile past 5 years
- Inpatient: Top quartile/decile past 5 years
- Outpatient Services: Top quartile/decile past 5 years
- Clinics: 86.7% – Top Quartile/decile in past 4 years
- Emergency Department (ED): Consistently between 50th and 75th percentile.

NLHD improved loyalty in its clinics and outpatient services through patient experience program redesign efforts launched in 2021 and improvements based on the VOC including improved access, provider-patient continuity, and proactive follow-up. These improvements support both NLHD’s mission to deliver an Exceptional Experience and its strategic goal to retain and grow market share. Despite the competitive market and the 2022 opening of CHHH, NLHD retained strong customer loyalty across all segments.

Inpatient HCAHPS

NLHD reports inpatient satisfaction through HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems), using PG as its survey vendor. As shown in **Figure CMR 4.2**, NLHD outperforms all local and regional competitors on key loyalty metrics.

These results have remained consistent over multiple years, with NLHD achieving Top Decile performance for “Rate this Hospital” four years in a row, demonstrating deep, sustained loyalty among inpatients. This performance reflects the effectiveness of NLHD’s workforce and real-time rounding system that promotes timely resolution and strong caregiver relationships.

Additional HCAHPS Loyalty Drivers

In 2025, NLHD achieved Top Decile performance in nearly all HCAHPS care dimensions, further reinforcing patient trust and loyalty:

- Communication with Nurses: 90.3%
- Responsiveness of Hospital Staff: 89.1%
- Room/Bathroom Cleanliness: 96.8%
- Quiet at Night: 87.1%
- Communication about Medications: 81.6%
- Care Transition Information: 81.4%

By comparison, regional hospitals—including Hobbs, Artesia, Carlsbad, and Roswell—scored 10 to 30 percentage points lower in every dimension. These gaps demonstrate that NLHD not only leads on headline loyalty questions but also excels in the detailed interpersonal and environmental aspects of care that sustain long-term relationships.

NLHD’s customer loyalty results reflect consistent top decile and top quartile performance across inpatient and outpatient segments. The combination of high PG Likelihood to Recommend scores and outstanding HCAHPS ratings confirms that NLHD’s patient experience program is effective in retaining customers and earning community trust.

NLHD Customer Likely to Recommend Rate Press Ganey Top Box Rating

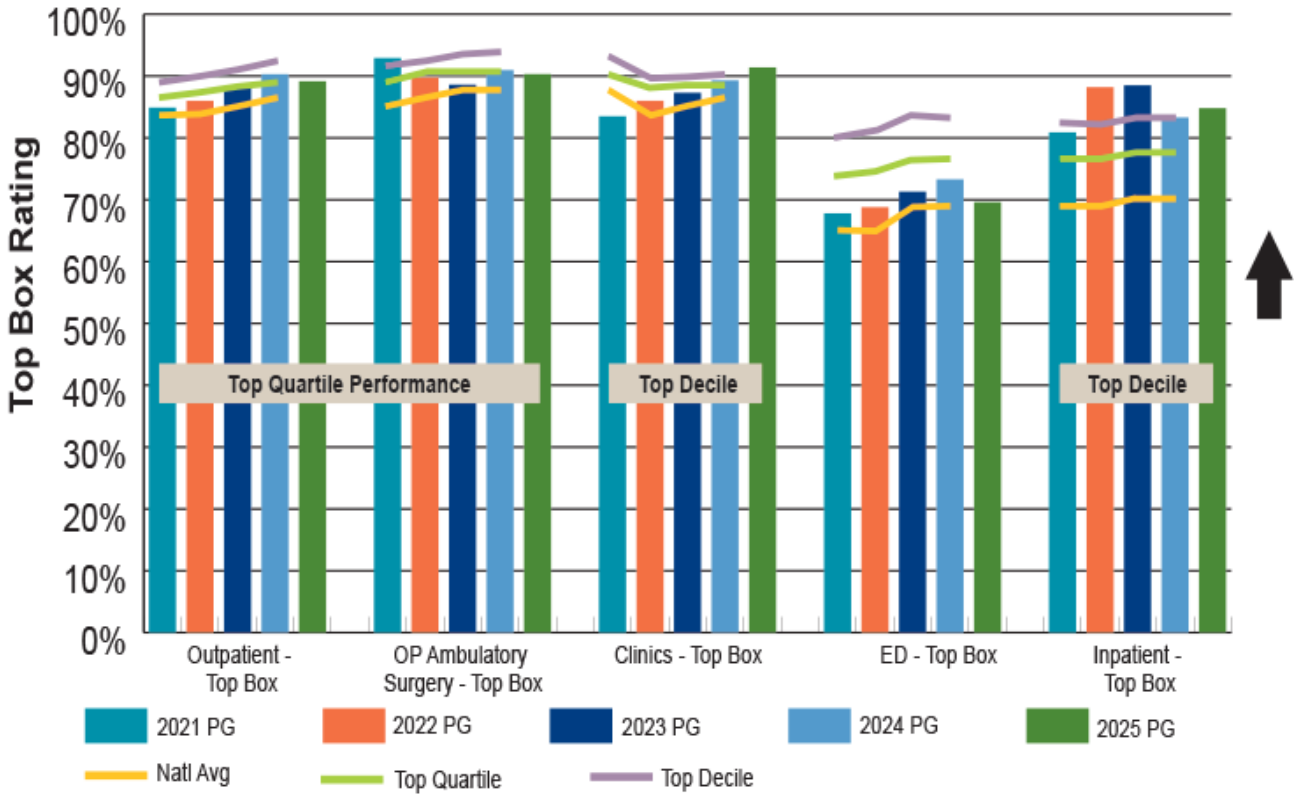


Figure CMR 4.1 NLHD Customer Likely to Recommend Rate

CMR 4.1 NLHD Customer Likely to Recommend Rate

	H/L	2020	2021	2022	2023	2024	2025 YTD	2024 Mean	2024 Top Quartile	2024 Top Decile	Hospital Compare Data			
											Hospital (20 miles)	Hospital (67 miles)	Hospital (79 miles)	Hospital E (96 miles)
Rate This Hospital	↑	80.9%	80.2%	85.6%	83.6%	84.3%	82.6%	71.1%	77.2%	82.6%	68%	83%	54%	54%
Recommend this Hospital	↑	84.8%	80.9%	88.2%	88.5%	83.3%	84.8%	70.2%	77.6%	83.1%	64%	77%	46%	56%
Communication w/ Nurses	↑	81.9%	85.9%	87.1%	85.5%	86.5%	87.9%	80.0%	83.3%	86.5%	78%	81%	74%	68%
Response Hosp Staff	↑	77.5%	72.6%	82.3%	81.5%	78.1%	82.6%	63.8%	69.6%	76.3%	70%	81%	58%	53%
Communication w/ Doctors	↑	81.9%	80.9%	89.2%	87.0%	85.3%	83.8%	80.0%	83.6%	87.1%	78%	79%	73%	68%
Room & Bathroom always clean	↑	86.1%	74.8%	79.9%	82.3%	79.7%	95.7%	73.3%	78.7%	84.0%	75%	77%	58%	74%
Always quiet at night	↑	86.1%	76.5%	74.5%	77.1%	75.4%	87.1%	59.6%	66.9%	74.0%	66%	79%	57%	55%
Communication re: Medicine	↑	69.5%	70.6%	74.5%	77.2%	62.3%	76.5%	61.4%	65.2%	69.4%	69%	69%	54%	57%
Care Transition Information	↑	80.6%	55.7%	60.4%	59.9%	58.5%	84.6%	52.9%	58.1%	63.6%	49%	52%	42%	37%
											Top Decile Performance			
											Top Quartile Performance			
											Below Top Quartile Performance			
											Below Mean Performance			
											Area Hospital Better than NLHD in 2024			
											Area Hospital Worse than NLHD in 2024			

Figure CMR 4.2 CMS HCAHPS Hospital Compare Data

CMR 4.2 CMS HCAHPS Hospital Compare Data

NLHD Customer Likely to Recommend by Clinic Location Press Ganey Top Box Rating

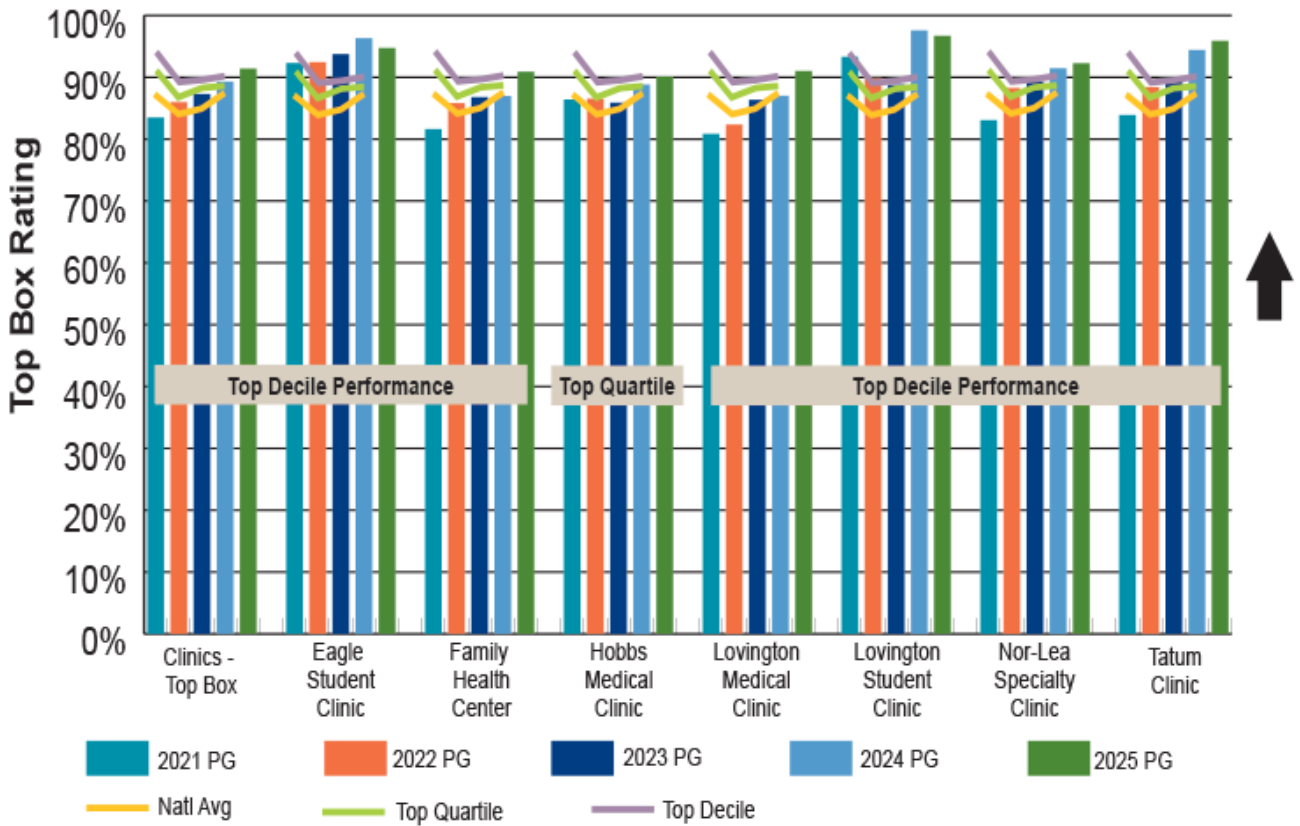


Figure CMR 4.3 Customer Likely to Recommend by Clinic Location

CMR 4.3 Customer Likely to Recommend by Clinic Location

Process Questions

- 1 - Briefly describe your key customer listening process(es).

- 2 - Briefly describe your key customer engagement process(es).

- 3 - Briefly describe your key customer support process(es).

- 4 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

Finance

This section asks about the performance of your organization's financial management efforts. Results requested pertain to both financial viability and financial performance. This section also asks two important context questions and asks you to briefly describe your process(es) for ensuring access to capital during periods of disruption as well to support your short-term needs and long-term success.

Context Questions

1 - List the key financial metrics you track for your organization by key business/organization units.

Key Financial Metrics:

As part of its financial viability process, **Figure FC 1-1**, NLHD leaders monitor both outcome and in-process financial metrics to ensure sustainability and operational efficiency. Key financial outcome metrics tracked include:

- Excess Margin
- Salary and Benefits to Revenue Ratio
- Days Cash-on-Hand
- Long-term Debt to Capitalization Ratio

Each month, the results of key financial outcome metrics are presented to the BoT, the Medical Staff, and the leadership team. In addition, the financial performance is communicated to all workforce on the alignment boards across NLHD.

To support the achievement of these outcome measures, NLHD also tracks financial process metrics by business unit including:

- Service Volume
- Operating Expenses
- Departmental Gross Margins
- Staffing levels
- Productivity metrics

Leaders review these metrics monthly using the Know Your Business (KYB) Dashboard, Figure FC 1.2, that is available on the Knowledge Management (KM) Sharepoint. This data helps leaders to drill down into their specific service and identify areas of opportunity and develop targeted response plans. For example, clinical departments monitor supply expenses and ensure their supply process is efficient, minimizes waste, and is the best available price utilizing GPO pricing.

Innovative Metrics:

NLHD has developed and implemented two innovative metrics to further enhance financial stewardship:

- Gross margin for non-revenue producing departments is a unique key metric that compares departmental expenses to NLHD's overall revenue. This measure evaluates the efficiency and cost-effectiveness of non-clinical departments in relation to NLHD's total revenue. It helps ensure these departments align with broader financial goals and contribute to overall profitability.
- The Daily Forecast of Business Productivity (Census Management Tool for non-clinical workforce) is a daily metric used to predict census fluctuations across NLHD. This predictive staffing model helps guide flexible staffing decisions in non-revenue producing departments, utilizing daily schedules, appointments, and projected ancillary visits. This innovative approach ensures optimal resource allocation during periods of lower patient volumes. By anticipating staffing demand changes, it enables NLHD to adjust staffing levels and resources ahead of time.

This disciplined approach to responsible financial management has resulted in exceptional performance, supporting resilience during challenges such as the COVID-19 pandemic and aligning all departments, clinical and non-clinical, with NLHD's financial strategic objectives. A sample KYB Dashboard is shown in **Figure FC 1.2**.

Additional financial metrics and reports are tracked to support comprehensive financial oversight are AOS. NLHD's financial viability process has consistently delivered strong results and is considered a best practice model—one that can serve as a benchmark for other healthcare.



Figure FC 1.1 Processes to Ensure Financial Viability

FC 1.1 Process to Ensure Financial Viability

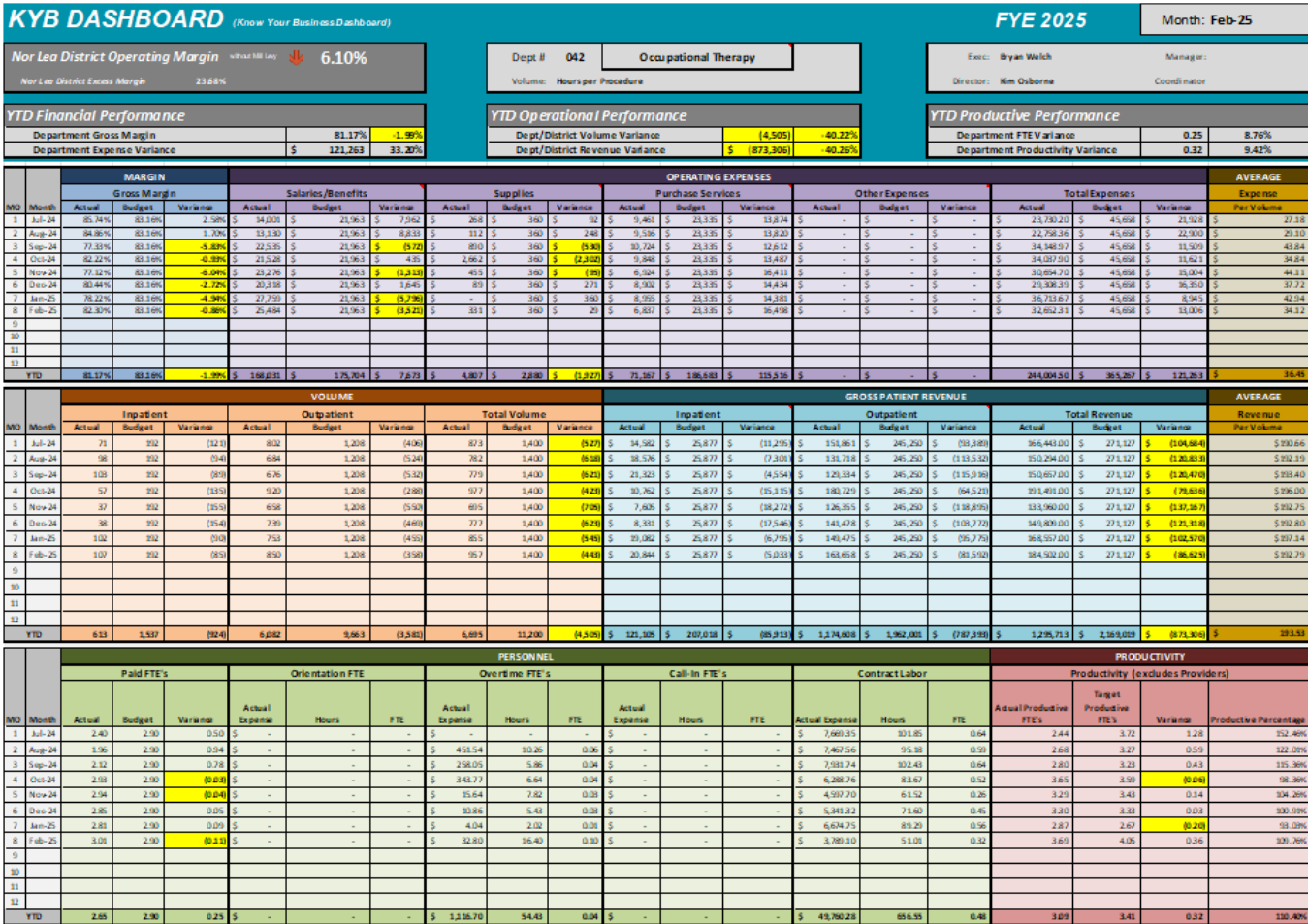


Figure FC 1.2 Sample Departmental KYB Dashboard

FC 1.2 Sample Department KYB Dashboard

2 - Briefly describe how you ensure access to capital for short-term needs, periods of disruption, and long-term success.

NLHD has developed a proactive and resilient financial strategy to ensure access to capital for immediate operational needs, periods of disruption, and long-term growth and sustainability. This approach is grounded in fiscal discipline, financial stewardship, seizing opportunities when they arise, and a thorough understanding of healthcare economics.

To address short-term needs, NLHD maintains robust cash reserves and strategically allocates funds for essential construction and capital purchases. A cornerstone of this strategy is rigorous monitoring of financial indicators such as Days Cash on Hand, **Figure FR 1.1**, and Long-Term Debt to Capitalization, **Figure FR 1.2**. These reserves allow NLHD to cover immediate obligations—like equipment upgrades, facility repairs, or seasonal revenue fluctuations—without disrupting patient care. This financial readiness reflects its ongoing commitment to positive operating margins, strong internal controls, and a disciplined financial viability process that has steadily built reserves over time.

During periods of disruptions, such as COVID-19, NLHD demonstrates agility and leveraged relationships built with local and state representatives to secure supplemental capital to maintain operations and address urgent needs. Between 2020 and 2022, NLHD accessed and received over \$20 million in emergency funding through federal and state programs. These funds supported staffing, testing, PPE, and emergency services. Concurrently, philanthropic partners contributed targeted funds to support mobile health infrastructure and COVID-specific responses. This layered strategy allowed NLHD to maintain continuous care, expand services specific to fighting the pandemic, and protect its workforce and community during unprecedented challenges.

For long-term success, NLHD engages in intentional capital planning and strategic investment. NLHD has built a high-performing financial culture leveraging its core competency in primary care – a foundation that drives patient referrals and systemwide revenue.

Equally critical to long-term capital access is NLHD's core competency in building relationships of trust. Through these partnerships, NLHD has secured legislative appropriations, developed public-private initiatives, and captured competitive grant funding. Notable outcomes include funding from the State Capital Outlay and Lea County for the Hobbs Medical and Family Health Clinic (\$2.6 million), ED renovations (\$900,000), and the 2024 Behavioral Health Services expansion (\$3.2 million), **Figure FC 2.1**.

By aligning disciplined internal financial management with strategic external funding, NLHD ensures access to capital. This comprehensive approach positions NLHD as a resilient healthcare provider and a financially sound organization capable of thriving in an evolving landscape.

Year	Partnership Funding Source	Key Project Detail	Access to Capital - Financial Impact
2018	Maddox Foundation Grant	Mobile Health Clinic (Truck, Trailer and equipment)	\$116,000
2018	City of Lovington and Lovington Schools	Lovington Wellness Center (LWC) operations. Partnership helped distribute projected financial losses for the cost of operations	\$112,500 Each partner Annually for five years.
2019	State Capital Outlay	Purchase of Hospital Beds	\$50,000
2019	Covenant JACC	Oncology resources, visiting oncologist, and radiation oncologist. JACC partnership for startup of radiation oncology. JACC provides in-kind services through their partnership with our Cancer Center. Two oncologists, three radiation oncologists and other services.	\$100,000 Estimated in-kind support.
2020	State Capital Outlay	Purchase and install Operating room equipment (Anesthesia Machine, OR lights, Patient Monitors)	\$600,000
2020-2022	COVID Response Federal and State Programs	2020 Paycheck Protection Program 2020 Provider Relief Funds 2020-2021 RH Testing and Mitigation 2021-2022 American Rescue Plan	\$6,654,000 \$7,237,727 \$597,845 \$6,302,427
2021	Maddox Foundation	COVID Response Funds	\$324,000
2022-2023	State Capital Outlay	Infusion Equipment, ED Trauma Level 1 high volume infusion and Alaris Infusion Equipment	\$320,000
2022	Lea County	Hobbs Medical Clinic and Family Health Clinic. Provided the building or both clinics at low cost for NLHD to provide healthcare services in Hobbs, NM	\$2,600,000
2022-2023	State Capital Outlay	Funding granted for renovation of the Emergency Department and addition of Behavioral Health rooms.	\$900,000
2023-2024	State Capital Outlay	Office building for the Pandemic Response Team and Community Wellness Team	\$1,145,000
2024	State Behavioral Health Grant	Behavioral Health service expansion	\$2,000,000
2024-2025	State Capital Outlay	Behavioral Health Services expansion	\$1,200,000
2024-2025	Maddox Foundation	Guardian Angel Fund for patient needs	\$50,000

Figure FC 2.1 Access to Capital - Financial Partnerships

FC 2.1 Access to Capital - Financial Partnerships

Results Questions

1 - What are your results for financial viability (e.g., liquidity, days cash on hand/reserves, credit or bond rating)?

NLHD has established a reputation for exceptional financial stewardship, maintaining long-term fiscal strength while delivering on its vision to enhance lives. This success stems from a disciplined, data-informed approach that blends traditional financial performance indicators with innovative practices. NLHD’s financial viability results reflect the effectiveness of this strategy across multiple key indicators, all benchmarked against top CAHs nationwide.

Benchmarking Approach

In 2021, NLHD surpassed many financial benchmarks associated with AA-rated hospital systems. In 2022, it transitioned to using data from its vendor partner, CliftonLarsonAllen LLP (CLA), which maintains a proprietary benchmark known as the CLA Gold Standard, a 97th percentile performance threshold (instead of the traditional 90thile) based on the top 40 CAHs in the U.S. NLHD uses this benchmark to define top-decile and top-quartile performance, ensuring national-level comparison against high-performing peers. These benchmarks are incorporated into NLHD's internal dashboards and are monitored and reported to the Board of Trustees.

Days Cash on Hand

Days Cash on Hand is an indicator of liquidity and the ability to weather financial disruptions. As shown in **Figure FR 1.1**, NLHD has consistently exceeded the CLA Gold Standard, demonstrating exceptional financial resilience. Despite undertaking major capital projects—such as the 2023 ED renovation and the 2024 new office complex, NLHD improved its days cash on hand from 386 days in 2023 to 396 days in 2024, placing it firmly in the top decile. In contrast, its primary competitor, [REDACTED], of which its parent company [REDACTED] reported 101 days cash on hand, according to publicly available data.

This strong liquidity position enables NLHD to self-finance most capital projects without assuming new debt and to maintain uninterrupted operations during periods of revenue volatility, as seen during the COVID-19 pandemic.

Long-Term Debt to Capitalization

NLHD's long-term financial health is further evidenced by its conservative debt profile. In FY2024, NLHD reported a Long-Term Debt to Capitalization Ratio of 4.7%, far outperforming the top decile benchmark of <20.4% and significantly better than [REDACTED] average of 45.4%, **Figure FR 1.2**. This ratio reflects NLHD's commitment to maintaining a sustainable debt load and financial independence—an increasingly rare trait in the healthcare industry.

Average Age of Plant

NLHD proactively manages capital reinvestment, resulting in a well-maintained physical plant. As shown in **Figure FR 1.3**, the Average Age of Plant for FY2024 was 7.5 years, placing NLHD well within the top decile benchmark of <13.5 years. This metric reflects timely reinvestment in equipment, facilities, and infrastructure to support clinical excellence and operational efficiency while also maintaining community trust.

Debt Service Coverage Ratio

NLHD maintains a best-in-class ability to meet its financial obligations, as indicated by its Debt Service Coverage Ratio of 10.4 in FY2024—far exceeding the top decile threshold of >3.88 and outperforming its competitor, which reported a ratio of 0.89, **Figure FR 1.4**. This level of performance demonstrates NLHD's capacity to fund both routine operations and long-term debt obligations from current income without financial strain.

Across all key measures of financial viability—liquidity, capital structure, reinvestment, and debt coverage—NLHD consistently exceeds top-decile performance, both within its industry and against regional competitors. These outcomes reflect NLHD's disciplined financial strategy, commitment to reinvestment, and ability to operate with minimal reliance on external borrowing. In doing so, NLHD preserves long-term financial health while continuing to invest in community health infrastructure and services.

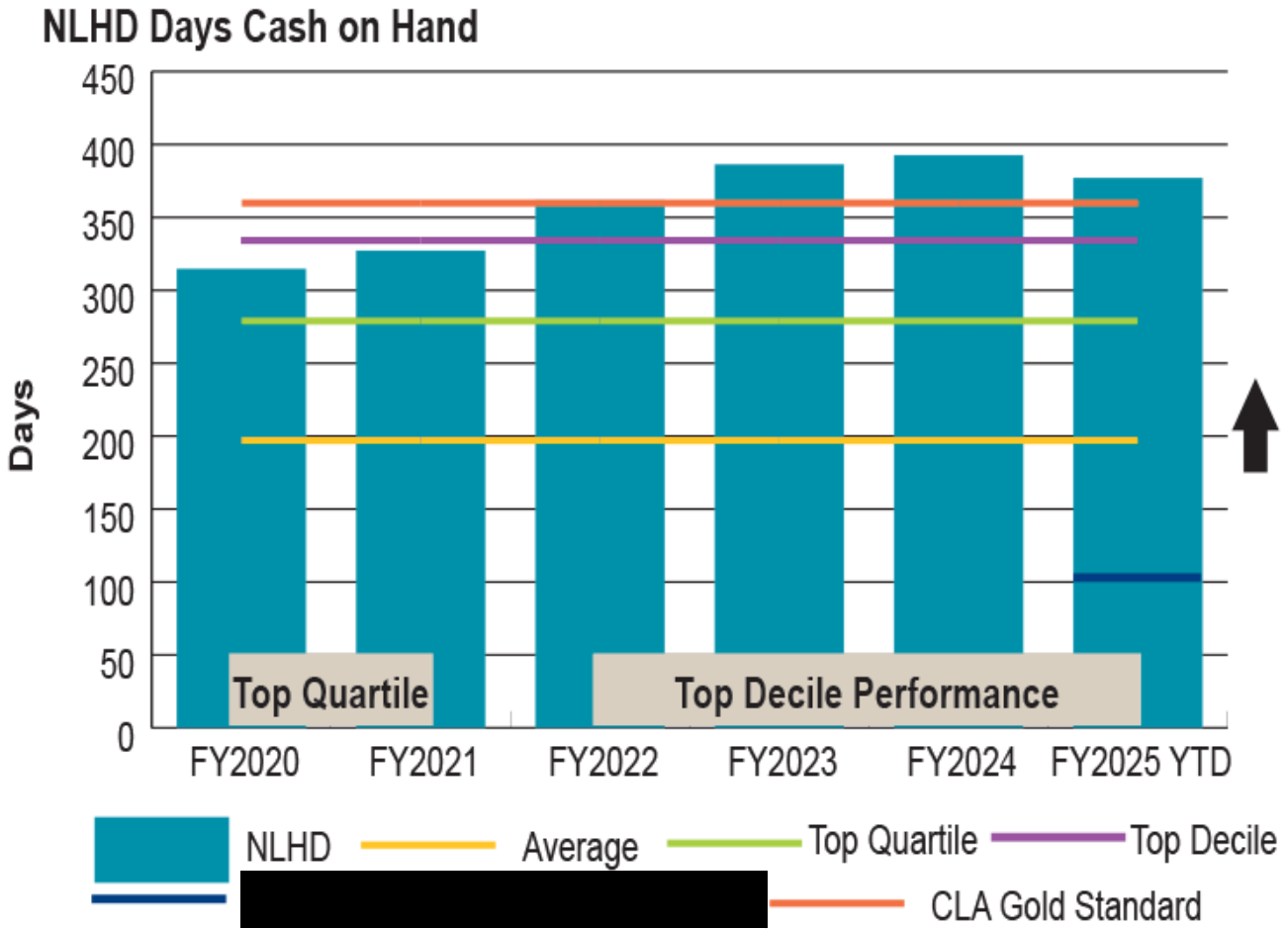


Figure FR 1.1 Days Cash on Hand

FR 1.1 days Cahs on hand

NLHD Long Term Debt to Capitalization

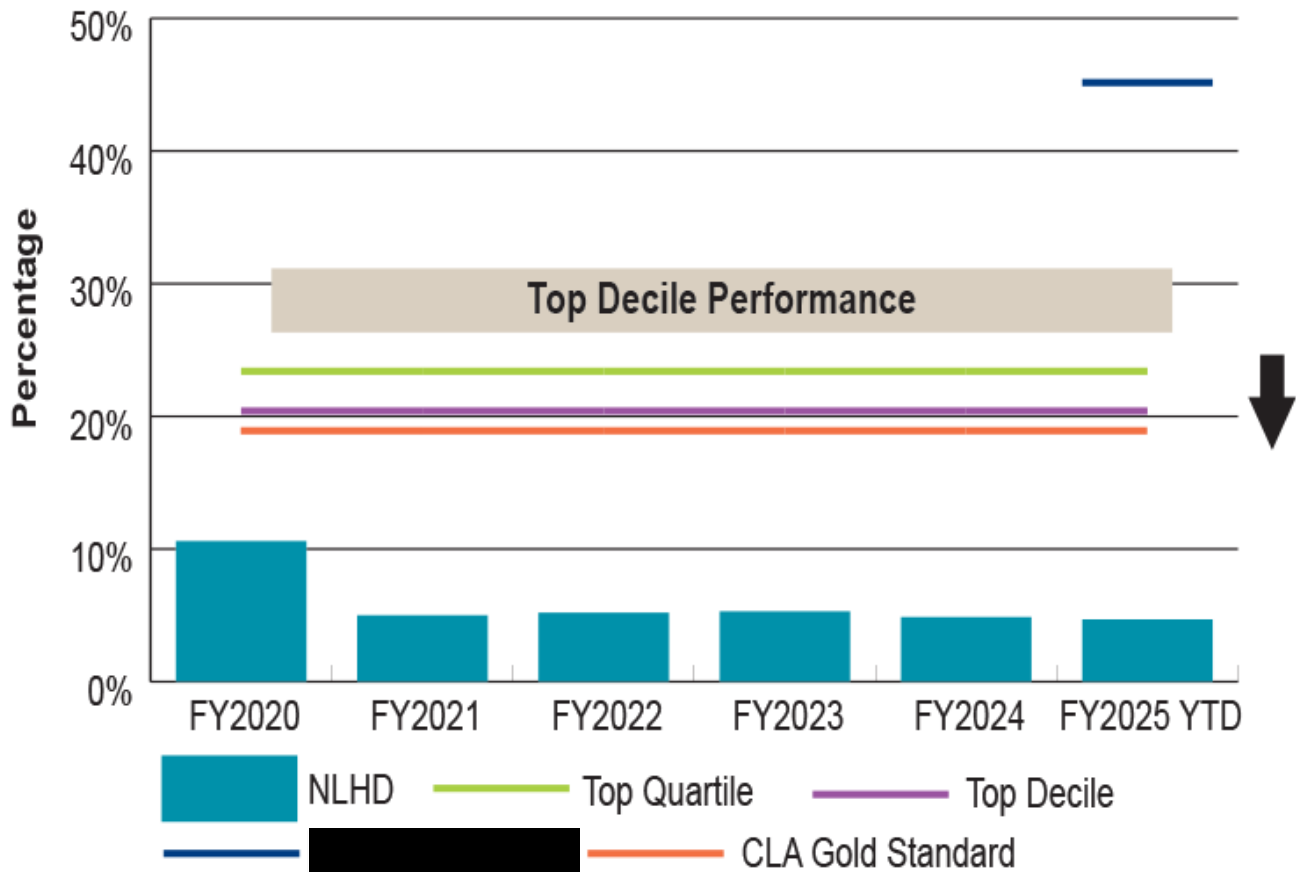


Figure FR 1.2 Long Term Debt to Capitalization

FR 1.2 Long Term Debt to Capitalization

NLHD Average Age of Plant

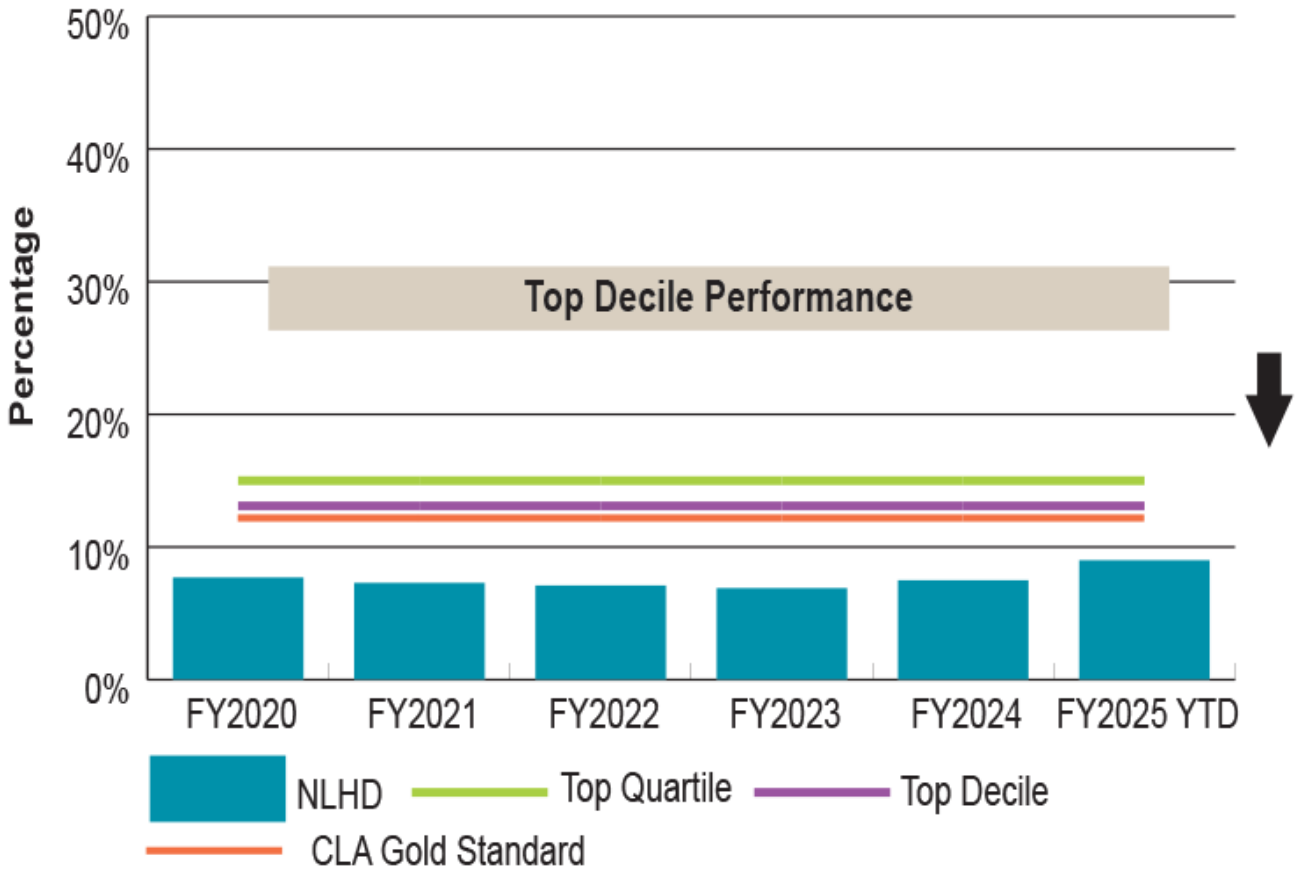


Figure FR 1.3 Average Age of Plant

FR 1.3 Average age of Plant

Debt Service Coverage Ratio

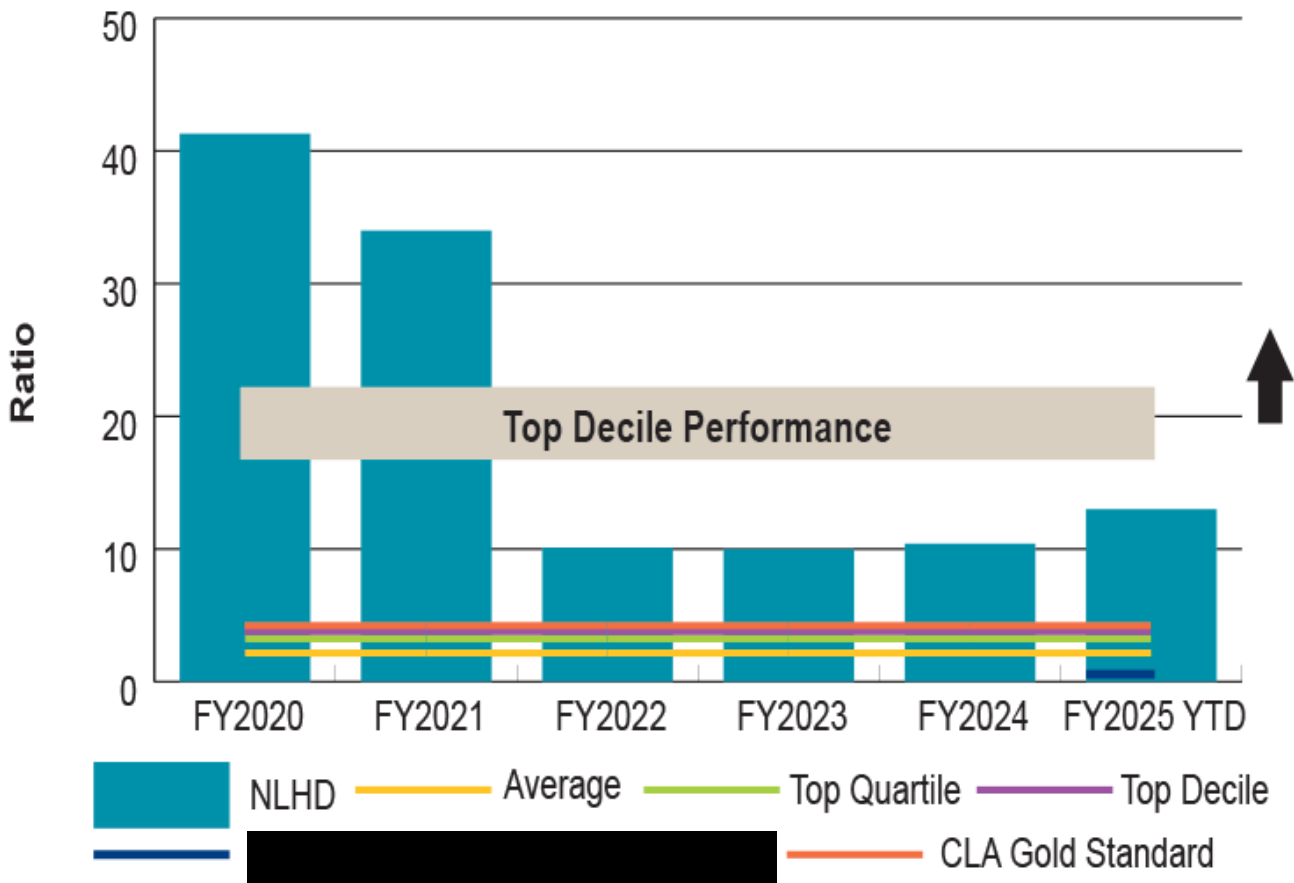


Figure FR 1.4 Debt Service Coverage Ratio

FR 1.4 Debt Services Coverage ratio

2 - What are your results for financial performance (e.g., revenues, operating margin, performance to budget) by organization units, as appropriate?

NLHD delivers consistently strong financial performance through disciplined execution of its strategic and financial planning systems. This performance is evaluated and sustained across multiple dimensions, most notably total margin and salary-to-revenue ratios. These outcomes are benchmarked against top-performing peers using the CLA Gold Standard, a proprietary benchmarking system developed by CliftonLarsonAllen LLP that compares NLHD to the top 40 CAHs in the United States.

Total Margin

NLHD considers Total Margin the most accurate and relevant measure for comparing overall financial performance with other organizations and benchmarks. Unlike Operating Margin, which can vary widely due to differences in how hospitals account for grants or lease income, Total Margin reflects NLHD’s true ability to generate surplus from operations and ability in the organization to accomplish its mission.

As shown in **Figure FR 2.1**, NLHD reported a 14.2% Total Margin in FY2024, significantly outperforming:

- The CLA Gold Standard benchmark of 11.6%
- The NM state average of 1.8%
- Regional hospital margins, which ranged from -14% to +10% (based on publicly reported FY2022 state data)

These results demonstrate not only NLHD’s exceptional operational discipline but also its ability to perform at elite levels within a rural and critical access context—an environment where many peer organizations

struggle to achieve positive margins. The strong margin performance also validates the effectiveness of NLHD’s strategic focus on outpatient service expansion, census forecasting, and real-time labor and expense management.

Salaries and Benefits as a Percentage of Net Patient Revenue

Labor costs are a significant expense for any healthcare organization. NLHD carefully monitors Salaries and Benefits as a % of Net Patient Revenue to ensure optimal productivity and fiscal balance. In FY2024, NLHD reported a rate of 47.6%, outperforming the CLA Gold Standard of <54.6%, **Figure FR 2.2**. This performance reflects the effectiveness of NLHD’s workforce strategy, which emphasizes:

- Predictive staffing models
- Daily census forecasting to align labor with patient volumes
- Real-time departmental monitoring through the Knowledge Management (KM) Dashboard

These systems allow leaders to quickly respond to staffing inefficiencies, scale flexibly, and manage costs without sacrificing quality or staff engagement.

By outperforming national benchmarks in this category, NLHD demonstrates that it can maintain competitive labor compensation and benefits while preserving strong financial performance. NLHD achieves top-decile financial performance across key metrics, including Total Margin and Salary-to-Revenue ratios. NLHD’s ability to generate sustained operating surpluses—while maintaining efficient labor costs—reflects the alignment of strategic goals, daily operational oversight, and a culture of accountability. These financial outcomes support reinvestment in infrastructure, expanded services, and long-term organizational resilience.

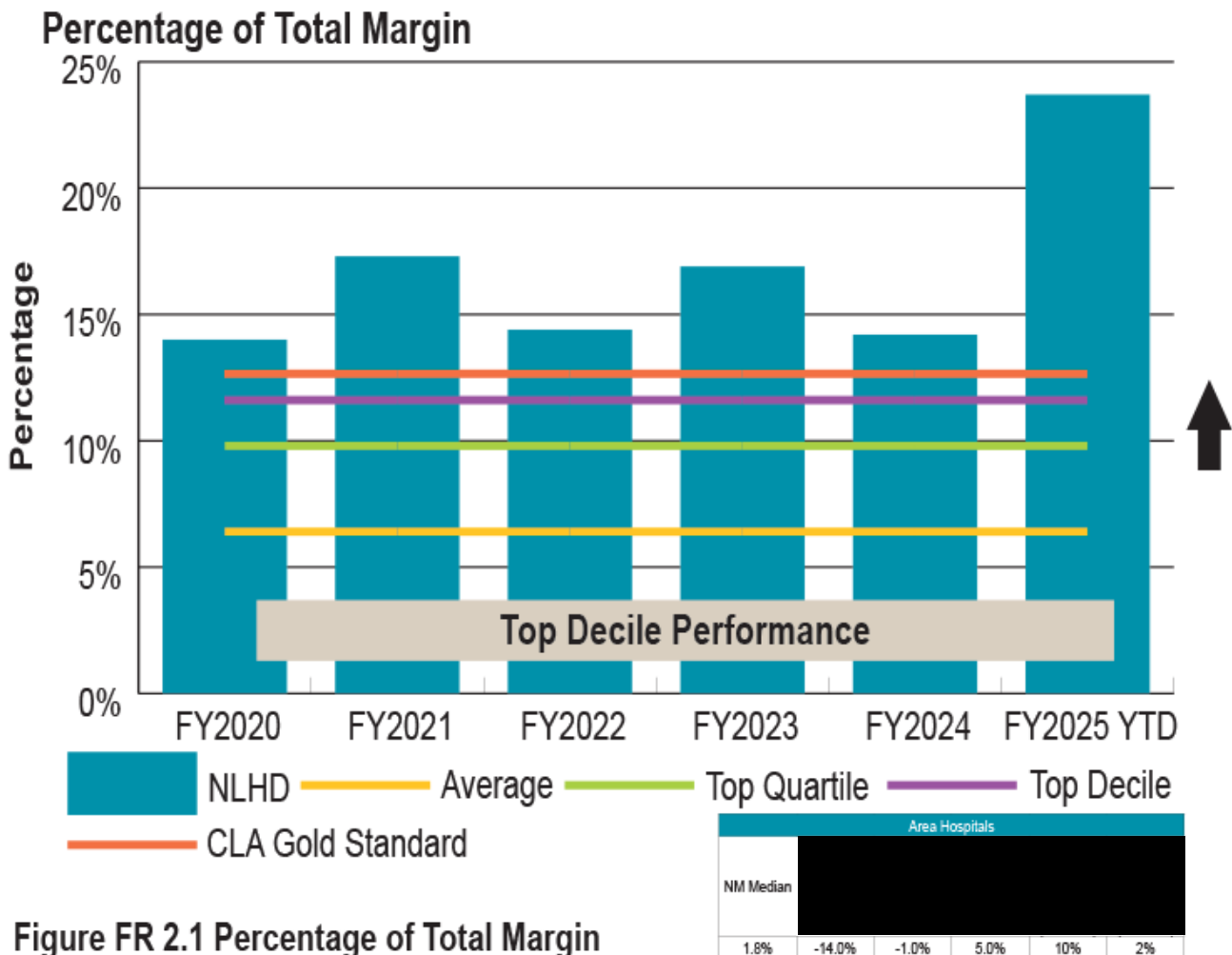


Figure FR 2.1 Percentage of Total Margin

FR 2.1 Percentage of Total Margin

NLHD Salaries and Benefits Percentage to Net Patient Revenue

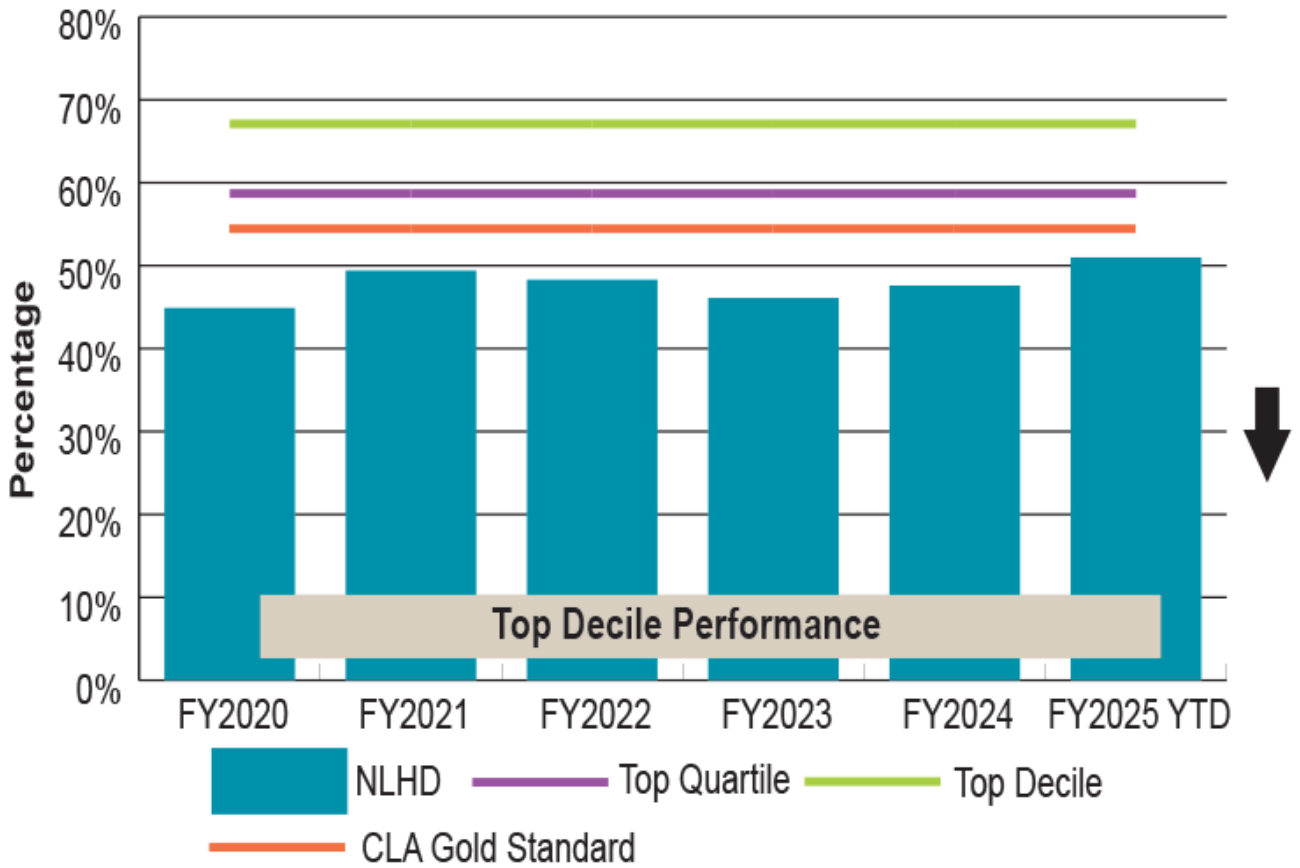


Figure FR 2.2 Salaries and Benefits to Net Patient Revenue

FR 2.2 Salaries and Benefits to Net Patient Revenue

Process Questions

1 - Briefly describe your process(es) for ensuring access to capital for short-term needs, periods of disruption, and long-term success.

2 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

Strategy

This section asks how your organization develops strategic objectives that are responsive to your challenges and opportunities. You are asked about your process for implementing those objectives and about metrics for checking progress. The results of these actions should be evident in the processes and results described in other Award Criteria sections. Strategic planning is a core business process that directly affects an organization's resilience and long-term success.

Context Questions

1 - What are your strategic challenges?

NLHD identifies and addresses its strategic challenges through a robust, mature, and well-deployed Strategic Planning Process (SPP) that has gone through multiple cycles of refinement for over a decade. This process, illustrated in **Figure SC 1.1**, is designed to be comprehensive, data-driven, grounded in the NLHD MVV, and forward-looking. The SPP leverages the NLHD core competencies and anticipates and responds to evolving internal and external conditions to ensure long term sustainability and success.

A key component of this process is the annual Threats, Opportunities, Weaknesses, and Strengths (TOWS) analysis. Facilitated by external partners to promote objective evaluation and robust discussion, TOWS sessions are conducted on a rotating schedule to capture insights from a wide range of stakeholders and community groups.

NLHD's long-term planning horizon is three years with annual updates to ensure continued relevance and responsiveness. The year 2025 marks both the conclusion of the FY2023-FY2025 strategic cycle and the initiation of planning for the next cycle FY2026-FY2028. To kick off the new planning cycle, in February 2025, TOWS were completed with the following stakeholders and community groups: Hobb's City Leaders, Business Leaders and Elected Officials; Lovington Leaders & Elected Officials; Foundation Board Members, NLHD Board Members, Patient & Family Council Members, Lovington Chamber Members; NLHD Leadership; NLHD Employees; and NLHD Providers (Physicians and Advance Practitioners).

TOWS analysis is conducted within Step 1 of the SPP – Collect and Analyze – and is complemented by a comprehensive suite of additional planning inputs. These include: an environmental scan of the healthcare industry, a technology review, evaluation of financial and market trends, patient experience and clinical quality data, employee engagement surveys, provider feedback, and the results of a detailed Community Health Needs Assessment (CHNA). The planning team synthesizes these inputs to identify and validate NLHD's key strategic advantages, challenges and opportunities.

The strategic planning team, NLHD's TLs and BoT, is currently reviewing all input to define strategic objectives and priorities for the next three-year strategic plan. These objectives will guide NLHD's operational goals, resource allocation, and performance improvement initiatives in the years ahead. Strategic challenges identified in the February 2025 planning session is shown in **Figure SC 1.2**.

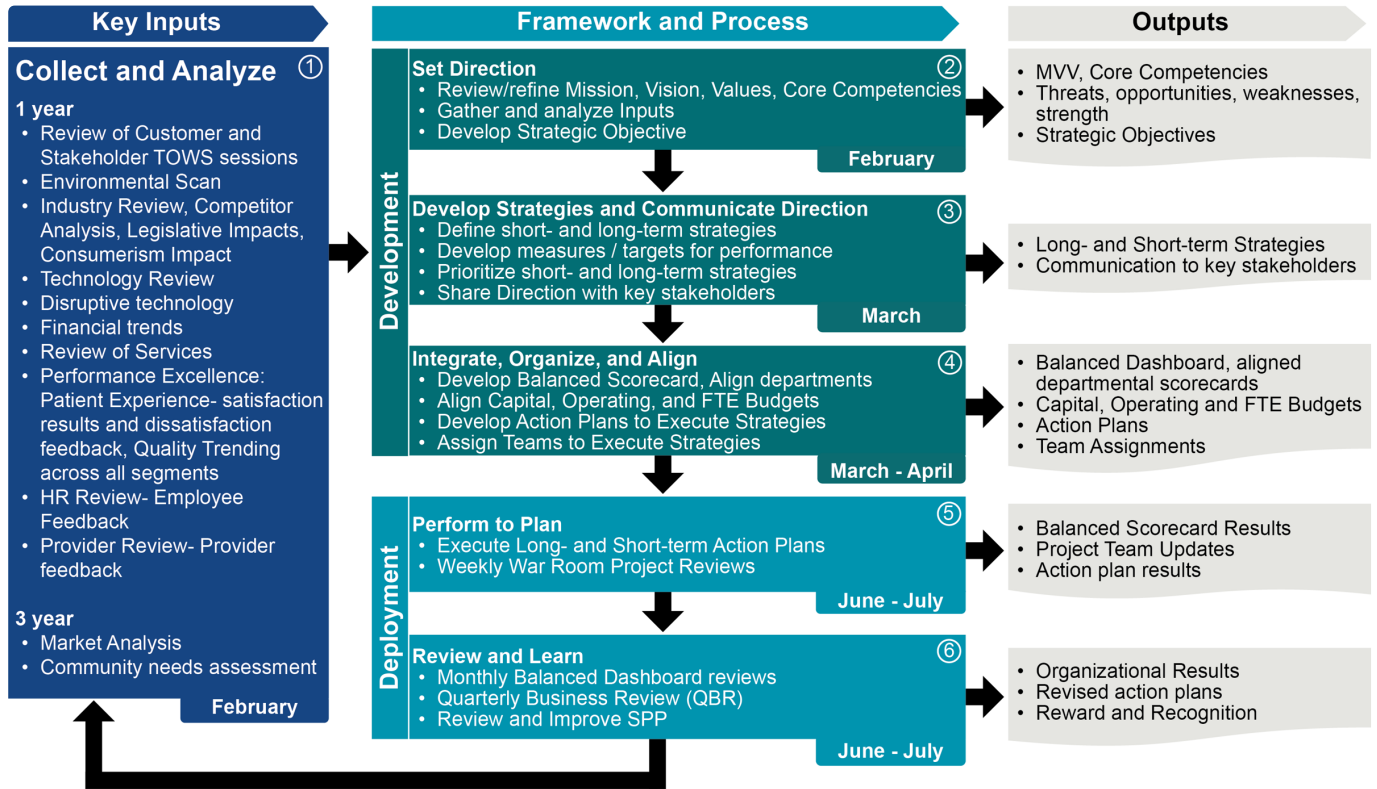


Figure SC 1.1 NLHD Strategic Planning Process (SPP)

SC 1.1 NLHD Strategic Planning Process

NLHD Strategic Challenges 2025	
<ul style="list-style-type: none"> • Process Discipline and Standardization • Consistently achieving top quartile/decile in quality and service across the organization • Keeping up with technology, AI, and cybersecurity • Hiring, training and retaining a talented workforce • Regulatory and legislative changes • Internal and external infrastructure to support the needs of Nor-Lea • Space Limitations • Driving culture of wellness within the community • Workplace violence - Increased incivility of patients towards workforce 	
Figure SC 1.2 Strategic Challenges	

SC 1.2 Strategic Challenges

2 - What are your strategic advantages?

NLHD’s strategic advantages are foundational strengths that distinguish NLHD in its market and directly contribute to the ability to deliver on its mission, accomplish strategic objectives, and achieve its vision. These advantages are assessed and validated through the SPP using the key inputs referenced in context question 1. As summarized in **Figure SC 2.1**, NLHD has identified several strategic advantages that provide a sustainable competitive edge in service delivery, community impact, and organizational performance. An example of the advantage of educational partnerships is the partnership with Burrell College. In 2025 this partnership launches family medicine residency program, key in building primary care expertise within Lea County **Figure SC 2.2**. As a result of strategic advantages, NLHD has become the healthcare provider of choice in Lea County with strong financial performance, excellent healthcare outcomes, and high levels of community engagement.

NLHD Strategic Advantages 2025
<ul style="list-style-type: none">• Strong Financial Management• Primary & Specialty Care Market Expertise• Local strategic thinking, planning, agility in execution and decision making• Ability to grow through provider recruitment and startup services• Workforce engagement and skills development• Leaders and Board engagement support• Governmental and Community Relationships• Center for Innovation and Performance Excellence System• Strong organizational culture• Educational Partnerships• Reputation in the region/state• Holistic approach to serving all our communities
Figure SC 2.1 Strategic Objectives

SC 2.1 Strategic Advantages

NOR-LEA FAMILY MEDICINE RESIDENCY

Nor-Lea Hospital District

WELCOMES OUR FIRST RESIDENTS

Vanesa Mesic, M.D.

Ademola Osundeko, M.D.

2025 Launch of Residency Program

SC 2.2 Launch of Family Residency Program (2025)

3 - What are your strategic goals and/or objectives?

Senior leaders define NLHD’s strategic objectives through its structured and inclusive SPP, designed to align organizational priorities with community needs and stakeholder input. These objectives provide the foundation for long-term sustainability and short-term operational alignment.

Strategic objectives are organized around five strategic pillars – Service, Quality, People, Finance and Growth – to promote balance across key organizational functions and prevent prioritization imbalances. This structure ensures that strategic goals drive organizational performance, focus on the mission and moves NLHD towards the vision.

Strategic objectives are established in Step 2 of the SPP. In Step 3 of the SPP, key strategic metrics are assigned to each strategic objective, providing a clear line of sight to organizational performance expectations. In Step 4, specific strategic action plans are developed and assigned to support the achievement of each objective. These are further integrated into a Gantt-based strategy implementation timeline that enables NLHD to allocate appropriate resources and monitor progress over the three-year planning cycle. For the FY2026-FY2028 cycle NLHD strategic objectives are shown in **Figure SC 3.1**.

These strategic objectives are directly informed by stakeholder feedback, TOWS analysis, market trends, organizational performance data, and the findings of the CHNA. The objectives guide the subsequent steps which include resource allocation, departmental planning, and performance improvement initiatives across all areas of NLHD.

By setting measurable, balanced objectives within each pillar, NLHD ensures its long-term strategy is aligned, agile, and community-focused—supporting its mission to deliver exceptional care and improve the health of the communities it serves.

Pillar	Strategic Objective	2028 Long-term Goals
Service	Deliver Exceptional Patient Experience	Top Decile in all customer segments
Quality	Deliver Exceptional Care	Top Quartile in all key metrics
People	Provide an Exceptional Work Experience (Previous strategic Objective was “Retain an Exceptional Workforce”)	Top Decile in Employee Engagement
Finance	Sustain Exceptional Financial Performance	Top Decile in all key financial metrics
Growth	Enhance and promote Nor-Lea Services	Growth of 9% over three years

Figure SC 3.1 Strategic Objectives

SC 3.1 Strategic Objectives

4 - What are your key measures for your strategic goals and/or objectives?

Key measures for NLHD’s strategic goals are established as part of each SPP cycle, **Figure SC 1.1** Step 3, and are reviewed annually to ensure continued alignment with organizational priorities in the evolving healthcare climate. Updates and/or changes to these measures may occur during the quarterly business reviews (QBR) or during the annual strategic planning reviews, allowing NLHD to remain adaptive and responsive to changes. The current strategic objectives, associated measures, goals, action plans, prioritization and completion status are detailed in **Figure SC 4.1**. The next strategic plan is displayed in **Figure SC 4.2** and the previous strategic plan in **Figure SP 1.2**.

Strategic Objective: Deliver an Exceptional Patient Experience

The key measure for this objective is a composite ranking for patient engagement scores. This composite captures feedback across all NLHD service lines: Clinics, Inpatient, Outpatient, Emergency Department and Surgical Services.

Patient input is collected via PG Surveys, and the composite score is calculated based on response data. This score is benchmarked nationally and displayed in percentile ranking.

Strategic Objective: Deliver Exceptional Care

This objective is measured through a Quality Index comprising 66 key quality, efficiency and effectiveness measures. This index reflects the percentage of measures that are performing above top-quartile, including those that are top-decile or are meeting internal targets when no other benchmarks are available. This index evolves based on changes in strategic priorities; for example, SBIRT screening and behavioral health referral compliance for Medicaid patients were added in FY2024 to meet NM new Value Based Purchasing (VBP) requirements. See Measurement Selection Process, **Figure OLP 1.2**, which outlines how measures are selected.

Strategic Objective: Provide an Exceptional Work Experience

NLHD historically has evaluated this objective using two key metrics: employee engagement and workforce turnover. In FY2024, provider engagement was formally added as a separate key strategic metric.

Strategic Objective: Sustain Exceptional Financial Performance

Performance is assessed through two financial metrics: Operating Margin and Excess Margin. These indicators help monitor NLHD’s financial health from an operational and a non-operating revenue source perspective.

Strategic Objective: Enhance and promote Nor-Lea Services

This objective has four key growth metrics: Growth in Primary Care, Growth in Specialty Care, Growth in Surgeries and growth in Ancillary Services. These metrics are deliberately selected by the TLs to reflect NLHD’s strategic direction. For example, inpatient growth is not selected as a key metric, due to the limited impact on overall growth. Therefore, NLHD prioritized outpatient and specialty services driven by primary care referrals.

Nor-Lea Hospital District Strategic Dashboard NLHD Strategic Plan FY2023- FY2025											
Mission: E ² – Exceptional Experience Vision: Enhance Lives											
Focus	Strategic Objectives	Measures of Success	Baseline FY 2022	FY 2023	FY 2024	FY 2025	Short and Long-Term Action Plans	Priority	Complexity	Resources	Status
Service	Deliver an Exceptional Patient Experience	Composite Patient Satisfaction	Actual FY2022	Goal 75th Rank	Goal 80th Rank	Goal 85th Rank	Evaluate/Improve Weekly Service Huddles Design the processes to ensure patient access and satisfaction with phone Evaluate a new phone system and fax systems LT Design, deploy, standardize, improved patient communications ST Create a Patient Experience Program (Replacing Huron) ** Enhance phone system process (Answering phones, etc) ** Customer Mapping for ED	8	7	7	✓
			66%	83%	77%	73%	10 10 10 10 8 8	✓ ✓ ✓ ✓ ✓ ✓ ✓			
Quality	Deliver Exceptional Care	Composite Score of Quality Key Metrics	Actual FY2022	Goal 75%	Goal 80%	Goal 80%	Improve performance on ACO key 9 metrics Improve interoperability measures that are not top quartile/top decile – LT Improve performance on publicly reported Radiology measures Train 10 employees as Lean Six Sigma Green Belts ** Discovery referral Process, incl Epic referral sending/receiving ** Implement Social Determinance of Health Process	3	9	7	✓
			68%	83%	85%	77%	8 6 6 2 8 8 6 8 8	✓ ✓ ✓ ✓ ✓ ✓			
People	Hire and Retain an Exceptional Workforce	Employee Engagement Percentile	Actual FY2022	Goal 90%ile	Goal 90%ile	Goal 90%ile	Develop and deploy systematic operational rhythm (meetings) Develop approach to cascade meaningful communication to all providers Develop approach to cascade meaningful communication to all employees	1	4	3	✓
		90%	96%	94%	92%	4 4 2 4 3 2	✓ ✓ ✓				
		Provider Engagement Percentile	Actual FY2022	Goal 75%ile	Goal 75%ile	Goal 75%ile	Develop and deploy standardized department orientation approach – LT New leader orientation – aligned with leadership system - ST Decrease Turnover/Refine hiring process	6	5	5	✓
		76%	84%	79%	62%	8 3 4 5 3 1	✓ ✓ ✓ ✓				
Finance	Sustain Exceptional Financial Performance	Operating Margin	Actual FY2022	Goal >9%	Goal >7%	Goal >8.25%	Cycle of refinement on financial dashboard Refine approach to contractual adjustments and allowances – ST Identify opportunities for expense reduction – ST	2	5	1	✓
		10.62%	9.93%	8.12%	6.19%	1 7 6 1 9 8	⚠ ⚠ ⚠				
Growth	Enhance and Promote Nor-Lea Services	Rural Health Clinic Patients/Hour Overall Physicians & AP combined	Actual FY2022	Goal >2 /Hr	Goal >2 /Hr	Goal >2 /Hr	Develop and deploy a marketing plan around walk-in clinic versus same-day-clinic versus extended-hours-clinic – ST Develop and deploy a plan to market new physician/provider - LT Develop and deploy plan to market current physicians/providers – LT Re-engage the community through events Remodel of the Emergency Room Master Planning Thunderbird Clinic at NMJC ** Center of Excellence / Pain, Neurology, BH, Rheumatology, Physical Therapy ** Residency Program for Family Practice	7	2	4	✓
		LMC 2.07	LMC 1.79	LMC 1.55	LMC 1.79	6 6 6 5 6 4	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ⚠				
		HMC 1.51	HMC 2.10	HMC 2.10	HMC 2.26	4 2 5	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ⚠				
		FHC 2.51	FHC 3.73	FHC 2.81	FHC 2.91	14.4%	10.1%	14.6%	12.5%	⚠	

Figure SC 4.1 FY2023-2025 NLHD Strategic Plan

SC 4.1 FY2023-2025 NLHD Strategic Plan

Nor-Lea Hospital District Strategic Dashboard NLHD Strategic Plan FY2026- FY2028											
Mission: E ² – Exceptional Experience Vision: Enhance Lives											
Focus	Strategic Objectives	Measures of Success	Baseline FY 2025	FY 2026	FY 2027	FY 2028	Short and Long-Term Action Plans	EPH	Strategic Complexity Resources	Status	
Service	Deliver an Exceptional Patient Experience	Composite Patient Satisfaction	Actual FY2025	Goal:	Goal:	Goal:	Use sim lab for customer service training - video sim lab for doctors	5.1	8 1 2	⊘	
			78%				Improve ease of access for patients - by improving phone reporting/process/trees; enhance use of MyChart; improve referral process	4.7	7 8 6	⊘	
Quality	Deliver Exceptional Care	Composite Score of Quality Key Metrics	Actual FY2025	Goal:	Goal:	Goal:	Train/Implement Process Based Management & Standard Work (ST)	12.3	8 8 4	⊘	
			83%				Review incident system to replace YEB	12.4	1 0 2	⊘	
							Expand/Standardize structure for AI Implementation	7.1	4 3 2	⊘	
							Improve PCP quality metrics - HTN, Breast-Cancer Scr, Depr Scr, Diabetes (ST)	12.3	7 6 4	⊘	
People	Provide an Exceptional Workforce Experience	Employee Engagement Percentile	Actual FY2025	Goal:	Goal:	Goal:	Develop med staff champions around quality and service through a Committee; include creating cycles of learning such as a training racetrack	11.4	7 8 6	⊘	
			92% 91%				WF development model: Create Director/Manager training Racetrack	6.1	8 3 3	⊘	
			62% 61%				Explore assistance for workforce challenges - housing, day care, after-school	6.1	6 8 7	⊘	
			21.1%				Improve cyber security training and awareness	7.3	4 1 2	⊘	
Finance	Sustain Exceptional Financial Performance	Operating Margin	Actual FY2025	Goal:	Goal:	Goal:	Develop a process to actively look for/apply for and manage Grants	8	3 4 3	⊘	
			0.08%				Improve write offs for Medical Necessity/ABN/Non-Covered Labs	8.3	4 8 6	⊘	
			7.60%				Improve provider productivity by reducing/managing No-Shows and Cancellation	4.6	8 8 8	⊘	
Growth	Enhance and Promote Nor-Lea Services	Ancillary Growth (Outpatient Growth Statistic)	Actual FY2025	Goal:	Goal:	Goal:	Develop Lean Process Teams to remove department waste (LT)	8.9	4 6 6	⊘	
			-36.21%								
		Surgery Growth (Includes OR, Endo, Pain)	Actual FY2025	Goal:	Goal:	Goal:					
			4.08%								
		PPC Growth (#Visits)	Actual FY2025	Goal:	Goal:	Goal:					
			2.21%								
Primary Care Growth (#Visits)	Actual FY2025	Goal:	Goal:	Goal:							
	-0.91%										

Figure SC 4.2 FY2026-2028 NLHD Strategic Plan

SC 4.2 FY2026-2028 NLHD Strategic Plan

Process Questions

1 - Briefly describe your key process(es) for strategic plan development.

TLs systematically execute the set and plan direction process of the Leadership System, **Figure LGC 1.1** through the SPP, **Figure SC 1.1**. A comprehensive strategic plan (SP) is developed every three years and refreshed annually. TLs and the BoTs develop the Strategic Plan during Step 1-4 of the process **Figure SP 1.1** and deploy the plan in steps 5-6 **Figure SP 2.3**.

In Step 1, key inputs are captured, analyzed, and utilized to enable data-driven decisions. Based on this analysis in Step 2, the planning team reviews and updates the MVV as needed, review inputs, identify themes, and assess potential blind spots. Based on this, the planning team reaches agreement on NLHD’s Strategic Advantages, Challenges, and Opportunities.

In Step 3 leaders identify Strategic Objectives and goals. The team evaluates these strategic opportunities for alignment with the MVV and core competencies and determines which opportunities to pursue as intelligent risks. They also validate and/or refine current or future core competencies. In this step, TLs define strategies and action plans to achieve strategic objectives. Also in Step 3, the planning team defines KPIs and TLs score all identified strategies and they are plotted on a “Bubble Chart”, where strategic alignment is the Y axis, complexity of the opportunity is on the X axis, and the size of the “bubble” is the resources required **Figure OLP 5.1 and 5.2**. The strategies are then reviewed by the TLs with information and prioritized according to NLHDs capabilities and capacity. They then communicate both the plan and high-level strategies to the BoT, the Medical Staff, leadership, workforce, key partners and collaborators, and as appropriate, patients.

In Step 4, TLs, the CFI manager and the Quality Director lay out an initial project plan and initial long-term and short-term action plans around each prioritized strategy. In Step 5 assigned LSS project facilitators meet

with the project champion prior to the kick-off of each project to lay out the full project charter and the TLs review and sign off on each charter to ensure full understanding of the scope and goals of each project.

The NLHD SPP is a regular and repeatable process and has been in place for over a decade with multiple cycles of improvement. For example, in 2022, when TLs received feedback from some stakeholders that annual TOWS were too frequent, they refined the process to collect input from different stakeholder groups, at least once during the 3-year planning period. In 2022, NLHD completed TOWS with Patients, Community Leaders, and other Healthcare Providers. In 2023, Providers, Staff, Managers, and the planning team completed TOWS. In 2025, TOWS analysis was completed with all stakeholder groups, as this was the beginning of a new strategic planning period.

The current, through FY2025, and the previous FY2020-2022 , strategic plans are displayed in **Figures SC 4.1** and **SP 1.2**. The new SPP is in development see **Figure SC 4.2**

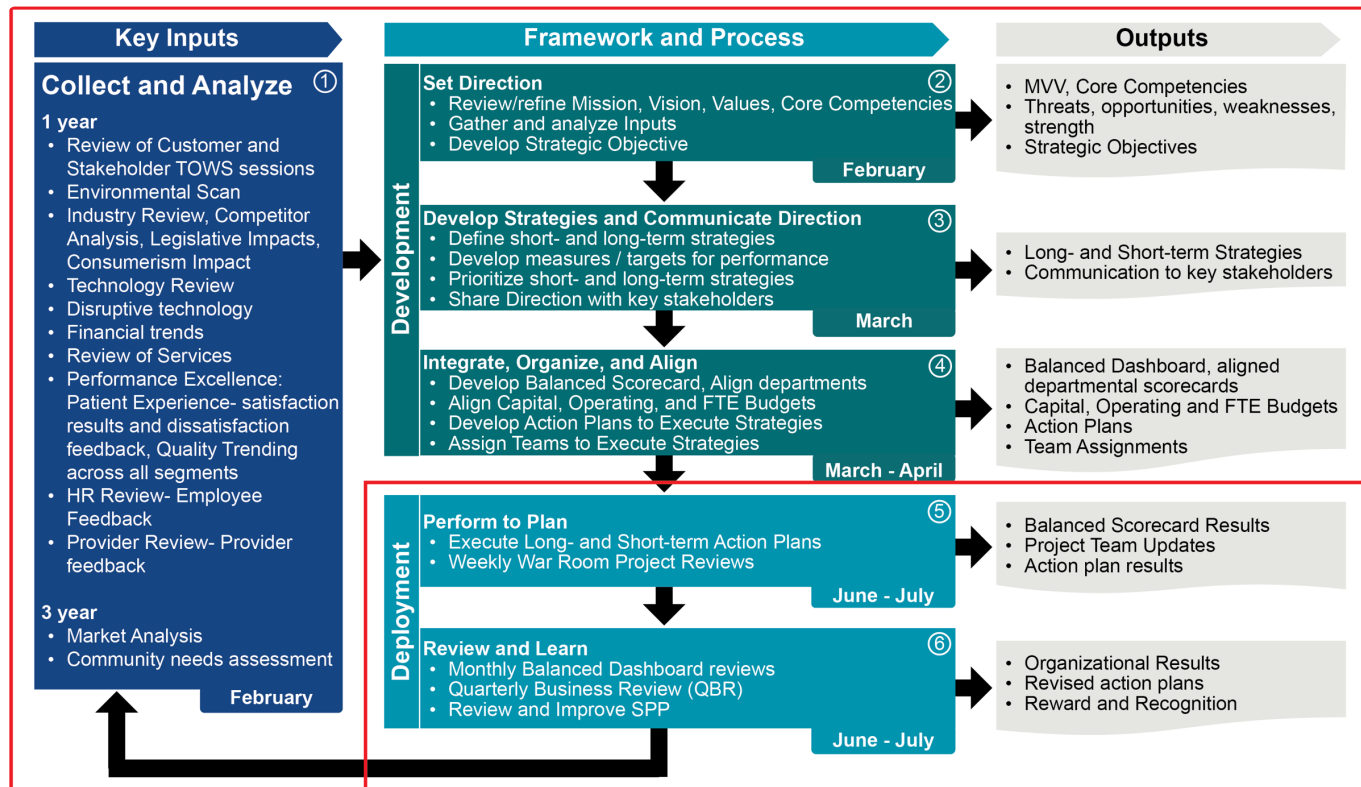


Figure SP 1.1 Strategic Planning Process - Development Steps 1 - 4

SP 1.1 NLHD Strategic Planning Process - Development Steps 1-4

**Nor-Lea Hospital District
Quality Dashboard June 2022
NLHD Strategic Plan FY2020-FY2022**

Pillar	Strategic Objective	Measure of Success/Target by 2022	FY 2020	FY 2021	FY 2022	Short Term/Long Term Strategies
			Projected/Actual	Projected/Actual	Projected/Actual	
Service	Ensure advocacy and system navigation	Top 10% in Patient Satisfaction by 2022	Projected 80% ranking	Projected 77% ranking	Projected 85% ranking	Develop patient prescription medication discount program (ST) Develop behavioral health care in the ED (LT)
	Enhance the customer experience through their health journey		68%	57%	65%	Improve patient experience system-wide (LT)
Quality	Leverage health care technologies and information	Maintain top decile Composite Score of Benchmarked Quality Scores by 2022	Projected 90% ranking	Projected 90% ranking	Projected 90% ranking	EMR/IT Improvement project (LT) Data analytics Improvement (ST)
	Sustain top decile quality outcomes		89%	70%	77%	ED throughput project (ST)
People	Develop and Empower the workforce	Maintain top decile performance in Satisfaction and Engagement by 2022	Projected 90% ranking	Projected 90% ranking	Projected 90% ranking	Continue workforce development program (LT) Improve provider MEC relations and effectiveness (LT) Succession Planning (LT)
	Improve Workforce Recruitment and Retention		25% Turnover	23% Turnover	21% Turnover	Recruitment program/structure (ST) Develop future workforce (Residency Programs & HS Students) (LT) Workforce career development (scholarship prog, tuition assist) (ST) Staffing turnover evaluation and reduction (LT)
Finance	Maintain Financial Strength and Independence	Maintain Total Excess Margin above > Aa Moody Hospitals by 2022	Projected >9%	Projected >8%	Projected >8%	Reduce no-show rates (LT) Define gov. financial regulations/reporting (LT) Expense management program Evaluate transition to VBP contracting (LT)
			22.9%	17.3%	7.0%	
Growth	Establish and Implement an Integrated Population Health Program	Overall 0% growth of all services by 2022	Projected 2% growth	Projected 2% growth	Projected 5% growth	Define and develop organizational population health model (LT)
	Expand NLHD healthcare market		-1.9%	7.4%	9.6%	Develop healthcare partnerships (LT) Expand primary care clinics (LT) Expand specialist opportunities (LT) Expand telemed opportunities (LT) Expand pediatric services (LT)
Missed Target within 20% of Target Target hit						
Complete		Project Removed		In-Progress		

Figure SP 1.2 FY2020-2022 NLHD Strategic Plan

SP 1.2 NLHD FY2020-2022 Strategic Plan

2 - Briefly describe your key process(es) for strategic plan implementation.

NLHD implements its Strategic Plan during Steps 5 and 6 of the SPP, **Figure SC 2.3**

In Step 5, assigned project teams and LSS facilitators execute strategic projects. TLs charter and approve each project. Once a project starts, progress is reviewed weekly in “War Room” meetings. This best practice, adopted from Hill Country Memorial. WAR Room meetings provide project teams access to TLs to remove barriers and clarify questions. The LSS facilitators use various project methods based on complexity and resource requirements. **Figure OLP 2.1 and OLP 2.2.**

Step 6 includes ongoing review and refinement of action plans and strategies and a evaluation and improvement of the SPP. The refinement of the SPP are shown in the strategic plans enhancements from each three year cycle in **Figure SP 1.2, Figure SC 4.1 and Figure SC 4.2.** The strategic plans show the addition of the priority scoring and the enterprise process (EPM) linkage.

Strategic objectives and measures are tracked and deployed through various communication channels. These are reported through the Hospital Quality Dashboard to the BoT, Leadership and Medical Staff monthly and workforce townhalls quarterly. Strategic alignment boards in departments are updated monthly. Strategic alignment boards visually connecting the workforces’ day-to-day work to organizational strategy **Figure SP 2.2.**

QBR are a review of the current organizational performance on the Run the Business (RtB) and change the business (CtB) strategic plan, **Figure ODC 2.3.** Revisions to the strategy are made based on the current organizational performance, market changes, new technologies, and service opportunities.

As part of Step 6 in the SPP, **Figure SC 1.1,** TLs annually review and improve the SPP. Based on feedback, several cycles of improvement have been implemented:

- 2022: An external ASQ-certified Master Black Belt partnered with NLHD to strengthen project management using 90-day teams, sequential teams, RIEs, PDCAs, and JDIs. A Green Belt program launched, certifying 10 Green Belts who facilitate improvement projects. Green Belts must facilitate two projects to certify.

- 2023: NLHD merged quarterly RtB and CtB Summits into a unified QBR, facilitated by a Baldrige Coach, increasing performance evaluation efficiency.
- 2023: NLHD’s Project Manager and Performance Excellence Director earned Master Black Belt certifications.
- 2024: The NLHD Center for Innovation opened in a new business complex to focus on developing LSS Green Belts, Black Belts, and project facilitation.
- 2024: RIE training was developed and implemented at the start of each RIE to boost project speed and effectiveness.

Through these disciplined processes, NLHD ensures effective execution, continuous improvement, and alignment across all levels of NLHD.



Figure SP 2.2 Department Alignment Boards

SP 2.2 Department Alignment Boards

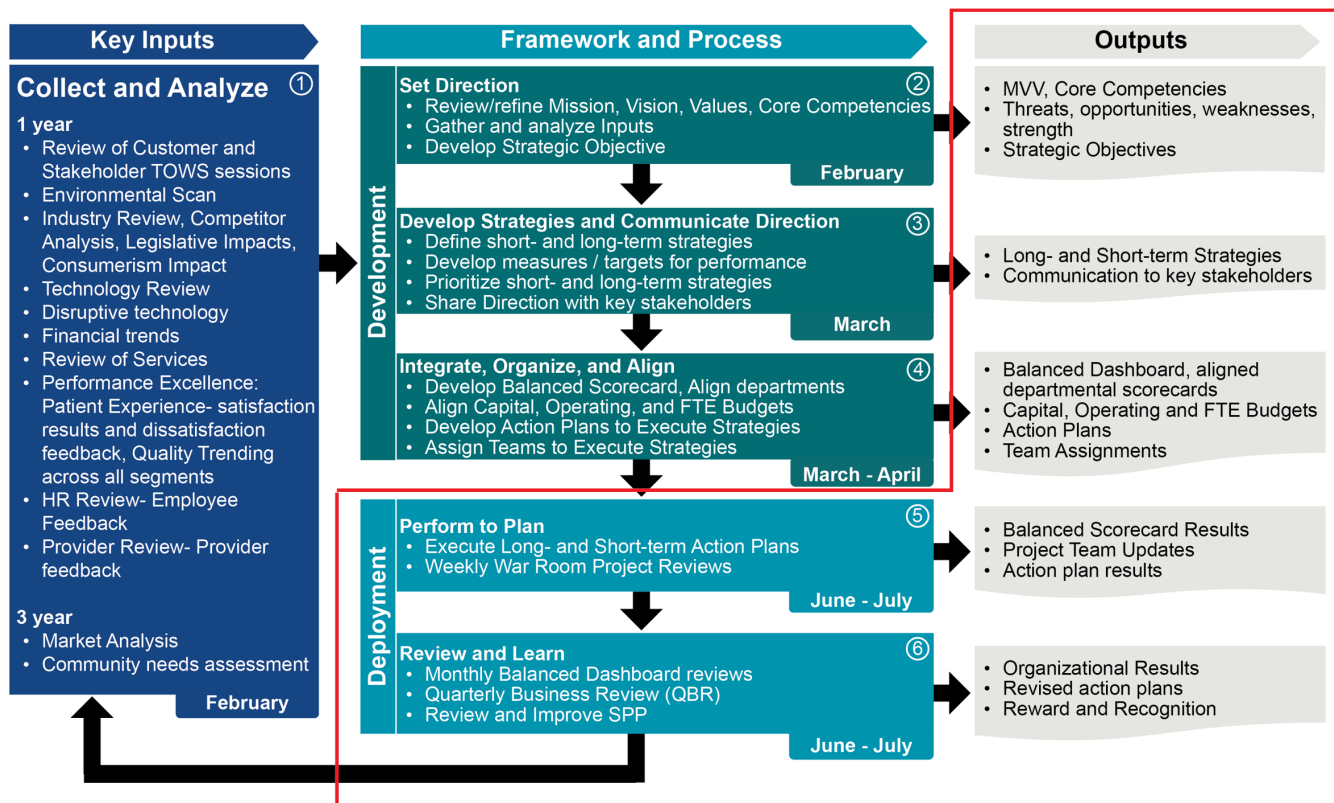


Figure SP 2.3 Strategic Planning Process - Deployment Steps 5 - 6

SP 2.3 NLHD Strategic Planning Process - Deployment Steps 5-6

3 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

The entire SPP, **Figure SC 1.1**, including development as well as implementation is a best practice model that can be adapted by other organizations to help ensure long-term sustainable success. The 3-year long-term planning horizon of the SPP combined with an annual review, organizational alignment, strategy execution, weekly war room updates, and the QBR update has resulted in NLHD’s exceptional results in all categories of Service, People, Quality, Finance and Growth.

For example, through the SPP a strategic objective was defined as Deliver an Exceptional Patient Experience. Review and analysis through the SPP resulted in action plans, such as (1) Review and improve weekly service huddles, (2) Develop a patient experience program, (3) Improve patient communication. Through these action plans the following process improvements were made:

- Service huddles were identified as a best practice and implemented across all locations in the 2022 strategic plan. In the 2023 strategic update, a cycle of refinement was identified as an action plan. In 2024, an additional improvement was made by the creation of four patient experience teams.
- In 2023, A new patient experience program model was developed to include all critical components of a successful program.
- In 2024, A focus on improving patient access was identified in the service pillar. This resulted in implementing an action plan to enhance phone communications and responsiveness to calls, resulting in improvement from 2022-2024. This project led to the replacement of the phone system and infrastructure and the improvement of the communications process overall.

These action items resulted in providing exceptional experience for our patients, as displayed by the improvement of the service scores, **Figure SP 3.1**.

Another example of the impact of the SPP is the strategic objective of enhance and promote Nor-Lea Services. Review and analysis through the SPP resulted in action plans: (1) Remodel of Emergency Room (2) Expand the Hobbs Medical Clinic.

- NLHD took the challenges of the pandemic and analyzed and redesigned the infrastructure and processes of the ED to better support the needs of caregivers and patients, **Figure SP 3.2**. The team utilized the knowledge of front-line caregivers, LSS Black Belts, experts in healthcare design and construction, and other innovative partners. The result was an increased operating margin, improved patient engagement, improved surge readiness, and improved staff and patient safety.
- The action plan for expansion of the HMC was completed in the 2022 strategy. This project expanded HMC and recruited new providers to increase primary care services, **Figure SP 3.3**.

NLHD Clinics Ease of Contacting Overall Mean Score

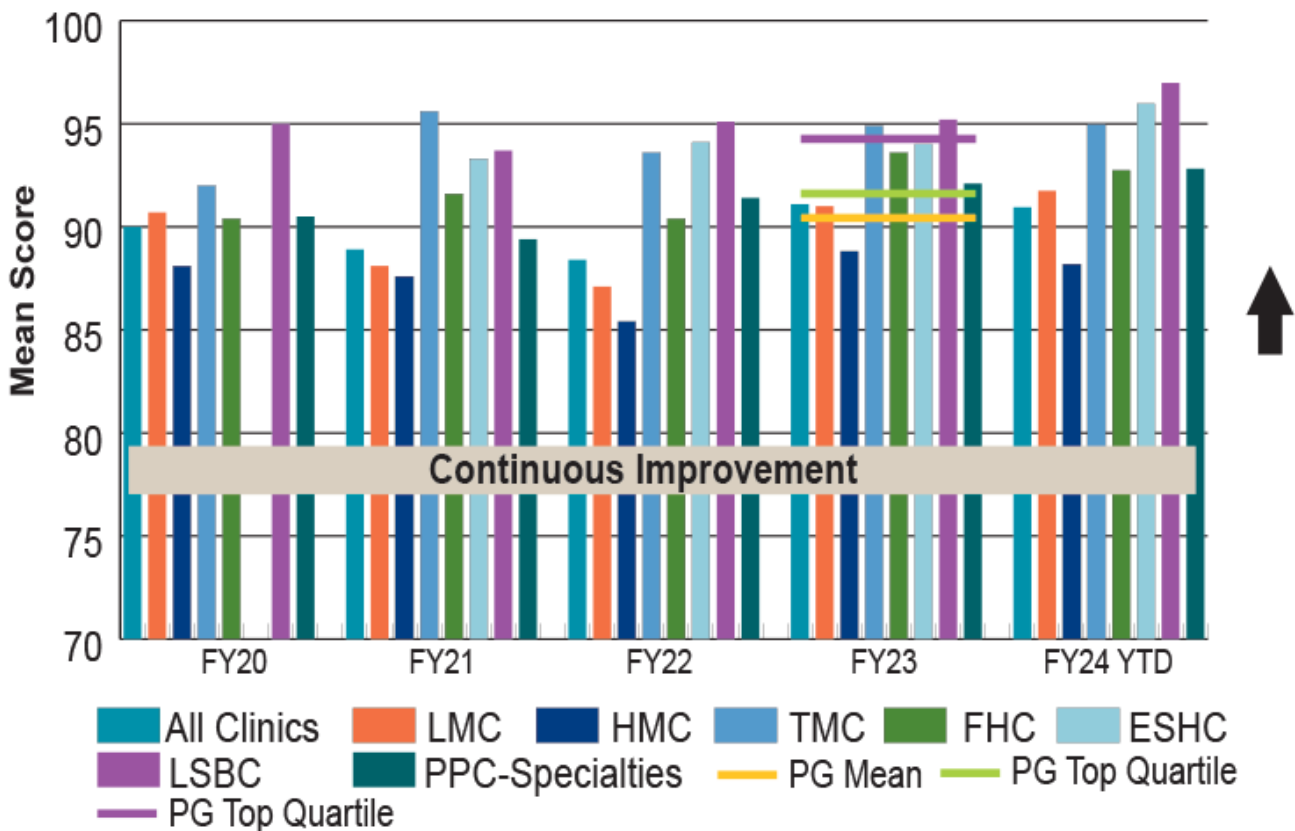


Figure SP 3.1 Strategy Action Plan Example, Clinics Phone Process

SP 3.1 Strategic Action Plan Example - Clinics Phone Process

Emergency Department

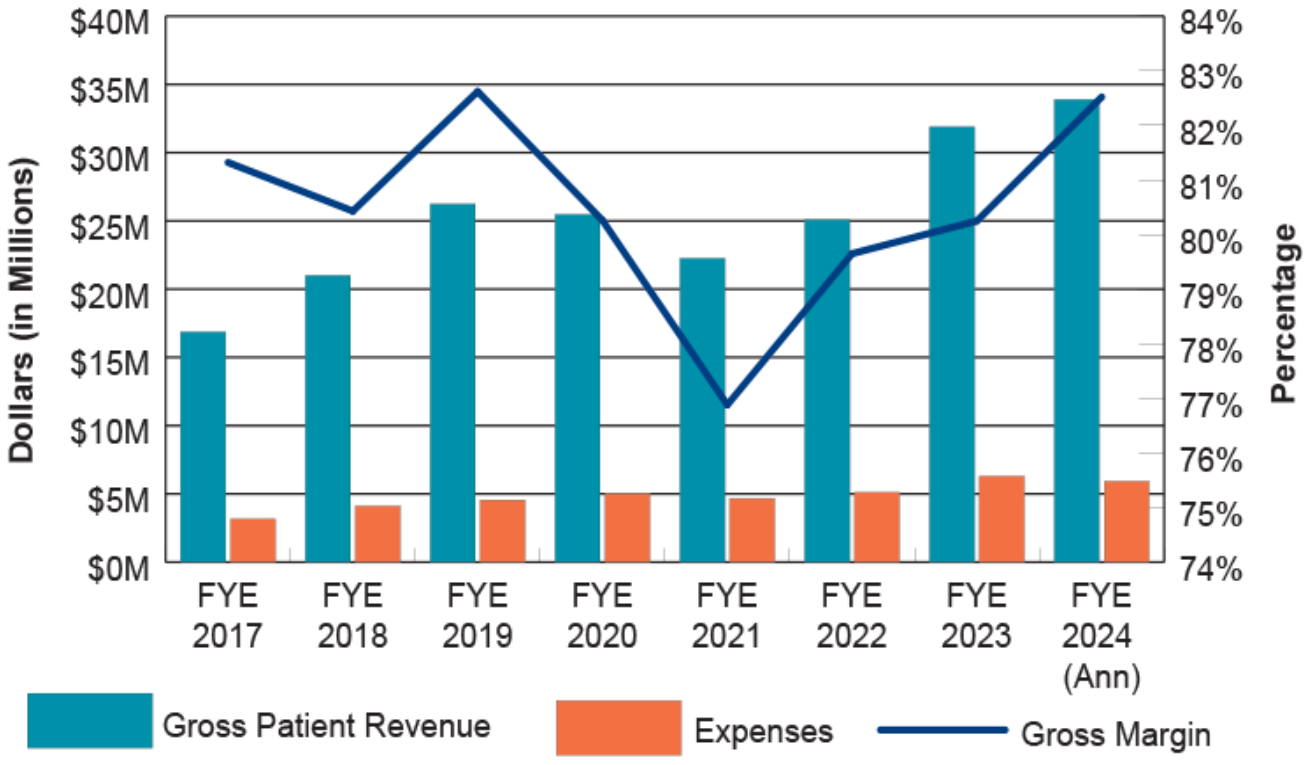


Figure SP 3.2 Strategic Impact Results, Growth Pillar, ED Renovation

SP 3.2 Strategic Action Plan Example - ED Renovation

Hobbs Medical Clinic Expansion

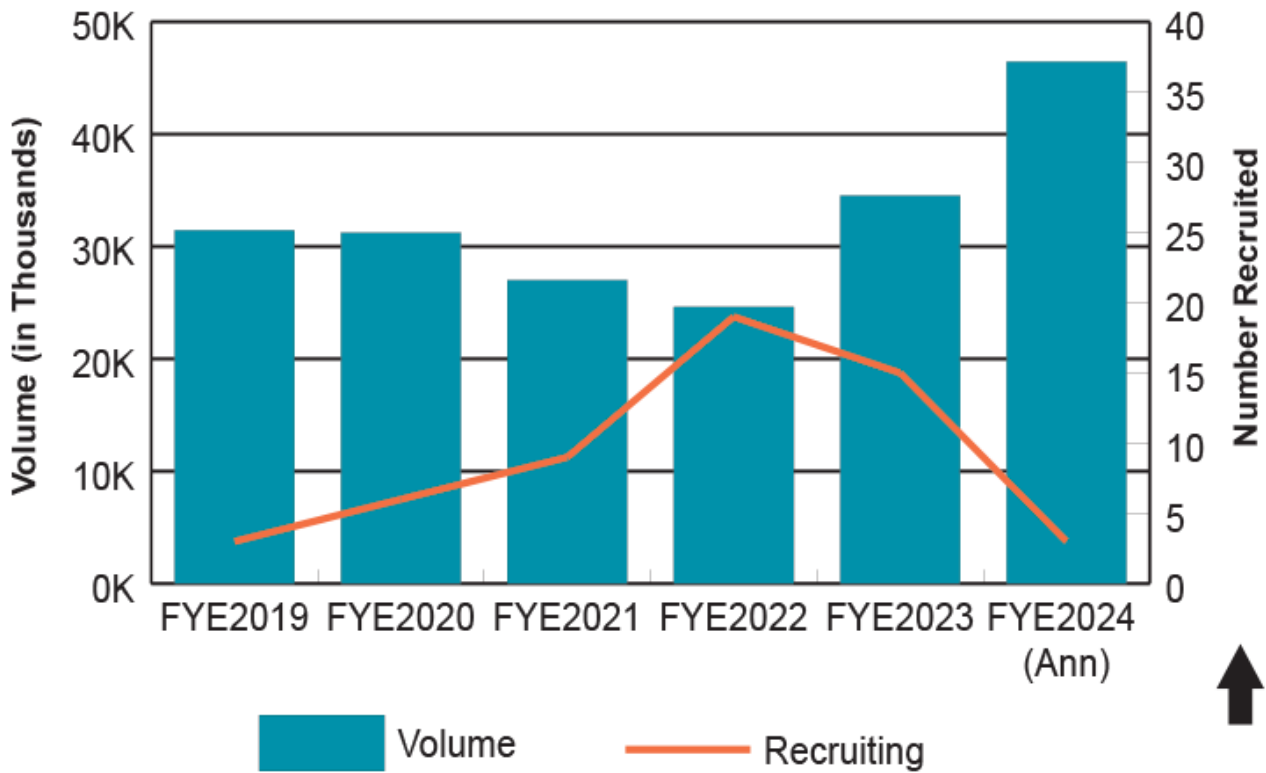


Figure SP 3.3 Strategic Impact Results, Growth Pillar, HCM Primary Care Expansion

SP 3.3 Strategic Action Plan Example - HMC Expansion

Organizational Learning

This section asks about processes for performance measurement and improvement, knowledge management, and innovation. You are specifically asked for processes related to performance improvement, knowledge sharing, encouragement, and support, of innovation. The section also asks you about processes used to determine innovation choices.

Process Questions

1 - Please briefly describe your process(es) for analyzing and reviewing your organization's performance.

NLHD analyzes and reviews performance through the Performance Excellence System, **Figure ODC 2-3**, a comprehensive approach that tracks NLHD's performance across key processes and outcomes. Driven by customer requirements, the system monitors key performance indicators (KPI)s balanced across five pillars: Service, Quality, People, Finance and Growth. These are aligned with NLHD mission of Exceptional Experience and vision to Enhance Lives and the iCare values. As shown in the Performance Excellence System, two main processes are outlined: Run the Business (Rtb) for Operations and Change the Business (Ctb) for Strategic initiatives.

Key Organizational Process and Outcome indicators are tracked on the NLHD Quality Dashboard and grouped into 40 Operational KPIs and 25 Strategic KPIs. KPIs are reviewed monthly by executives, the leadership team, medical staff and BoT. Quarterly metrics are reviewed by the Performance Excellence Council (PEC) and in various other quality review forums, **Figure OLP 1.1**. This structure ensures balanced, consistent, high-quality care and an Exceptional Experience for NLHD patients through this ongoing assessment, improvement, and monitoring.

Metrics are selected using the NLHD measurement selection process, **Figure OLP 1.2**, considering alignment with strategic, operational or department goals. Metrics may appear on the organizational dashboard and/or a departmental scorecard where it is monitored by the process owner.

Each selected measure is evaluated to define the data source, metric owner (responsible for data collection), process owner (overseeing the process that affects the measure), benchmarks, regulatory requirements, targets and stretch targets. When metrics fall below target, response plans or process improvements are initiated.

These are regular and repeatable Processes, as the NLHD Performance Excellence System and Quality Dashboard have been in place prior to 2012 and have undergone multiple cycles of refinement. The Performance Excellence System is reviewed annually, and improvements are made as needed. Example enhancements based on these evaluations include:

- 2015: Adoption of the Weekly Action Review (WAR) Room, a best practice from Hill Country Memorial in a 2014 site visit following their Baldrige win.
- 2016: Clear definition of Run the Business (RtB) vs. Change the Business (CtB) metrics
- 2022: System update incorporating Lean Six Sigma Process improvement methodology types and integrating mission, vision, and values
- 2023: Enhancement of the measures selection process to include departmental metrics.

Meeting	Attendees	Metrics
Daily		
Safety Huddles	TL, D, M	Safety and security reports, daily volume and staffing needs projections
Weekly		
War Room Report Outs	TL, PL, F	Project updates, performance, metrics, barriers
Executive Huddle	TL	Service recovery, safety incidents
Executive Meeting	TL	Volume of service (growth), financial measures, quality scores, service scores, productivity
Service Huddle	WF	Patient Experience surveys
Surgery Huddle	S, M, FL	Review of surgery cases, schedules, staffing
Revenue Cycle	D, M	Write-offs, denials, claims
Monthly		
Department Leadership Meeting	TL, D, M	Rtb/Ctb KPI, volume of service (growth), financial measures, service scores, quality scores, project updates
Department Staff Meetings	WF	Departmental Scorecard KPIs, overall and department quality and service scores
Board Meeting	B, TL	Rtb/Ctb KPI, volume of service (growth), financial measures, service scores, strategic projects
Medical Staff	MS, TL	Rtb/Ctb KPI, quality measures, committee metrics, service scores, provider engagement
Medical Executive Committee	MS	Quality of care measures
Quarterly		
Safety	SL, HRO, PED, AD	Safety measures (facility, patient), security, employee health, infection control measures
Corporate Compliance	TL, CO	Internal/external audit/survey measures, anonymous reporting, HIPAA complaints, Policy and procedure document control compliance, and follow-up
Pharmacy and Therapeutics	PM, AD, M, TL	Process and Outcome Medication management measures
Infection Control	ICM, TL, AD	Process and Outcome Infection measures
QBRs	TL, PED	Rtb/Ctb KPI, volume of service (growth), financial measures, service scores, quality scores, project updates
PEC / Quality Council	CC, TL, D, M	NLHD Quality Dashboard
Attendees: TL=Team Leaders, PL=Project Leads, F=Facilitators, M=Managers, D=Directors, WF=Workforce, CEO, FL=Front Line, MS=Medical Staff, CC=Committee Chairs, AD=Affected Departments, CO=Compliance Officer, B=Board of Trustees, ICM=Infection Control Management, SL=Safety Lead, HRO=HR Executive, PM=Pharmacy Manager, S=Surgeons, PED = Performance Excellence Director		
Figure OLP 1.1 Performance Review Forums		

OLP 1.1 Performance Review Forums

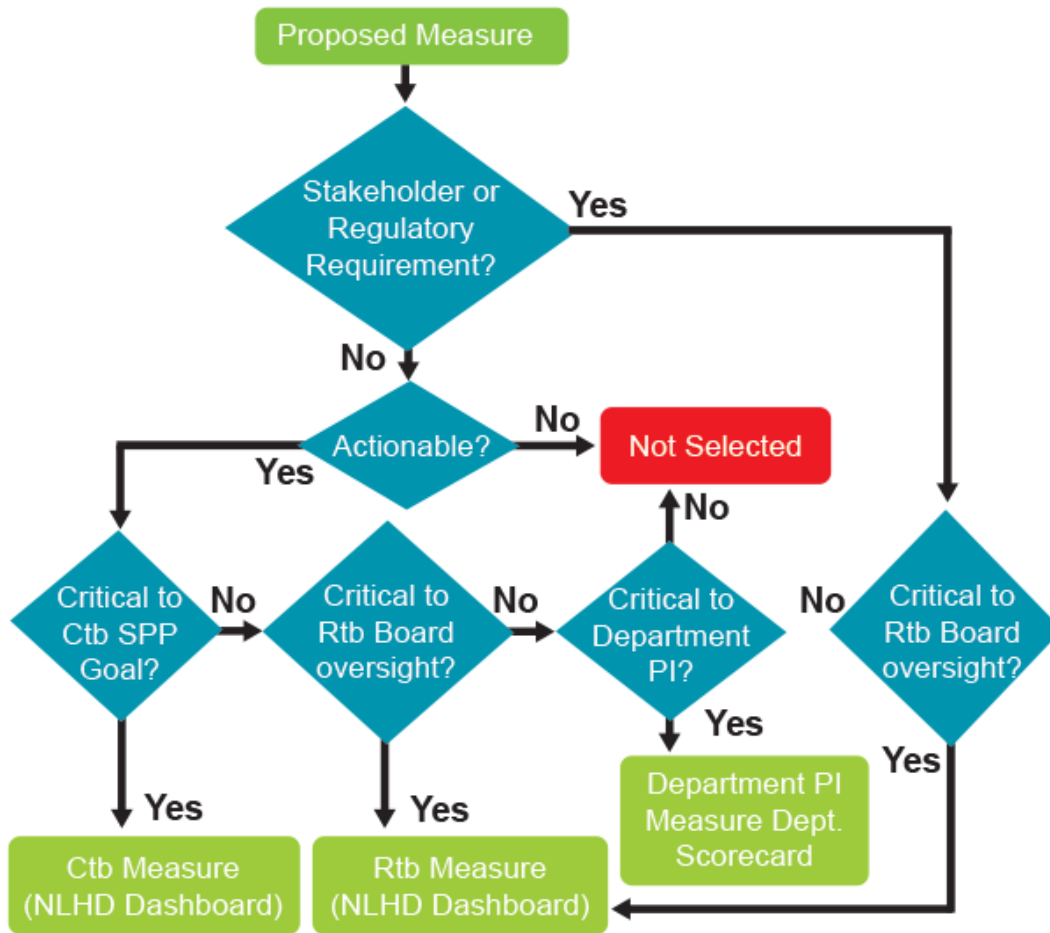


Figure OLP 1.2 Measurement Selection Process

OLP 1.2 Measurement Selection Process

2 - Please briefly describe your process(es) for performance improvement.

NLHD leaders identify improvement (PI) opportunities through the SPP, **Figure SC 1.1**, and the Process Based Management, **Figure ODC 5.1**. LSS methodology is used to drive improvement and manage projects. Initially, DMAIC was used **Figure OLP 2.1**. In 2015, NLHD adopted the WAR Room where project leaders and facilitators meet with the TLs weekly to track progress, address barriers, and drive solutions.

In 2022, TLs evaluated its PI system and determined that project completion pace did not meet NLHDs needs. They partnered with an external Master Black Belt (MBB) to redesign NLHD’s LSS model. This led to introducing Rapid Improvement Events (RIEs) and, in 2023, a DMAIC-Hybrid approach, **Figure OLP 2.1**. In 2024, NLHD launched its Center for Innovation to further accelerate PI efforts and promote innovation. New tools—Customer Mapping and Discovery Events—were also introduced to clarify complex challenges prior to formal project work.

NLHD applies a systematic process, **Figure OLP 2.2** to match project methods to scope and solution certainty. Projects with clear solutions are led by Yellow Belt-trained facilitators, supported by a Black Belt mentor. Projects with moderate complexity use RIEs, while the most complex efforts utilize full DMAIC or DMAIC-Hybrid approaches.

To ensure long-term success and foster a culture of innovation, NLHD has invested heavily in building PI capacity, **Figure OLP 2.3**. Leaders and staff are trained as Yellow Belts (YBs) to build awareness and lead small-scale and departmental improvements. Green Belts (GBs), trained through an internal program, facilitating RIEs and projects. Black Belts (BBs) and MBBs receive advanced training and certification

through ASQ or Villanova University. As of 2024, NLHD has 78 YBs, 27 GBs, two BBs, and one MBB. A full-time BB leads the CFI's PI work.

Regular and Repeatable: NLHD's improvement processes are embedded in daily operations. Projects are reviewed weekly and tracked on Smartsheets project management software. A CFI Dashboard is displayed on the NLL portal for full transparency.

NLHD's investment in the process improvement teams capacity has accelerated project completions each year. In 2020, two DMAIC projects were completed; in 2021, five. In 2022, NLHD introduced RIEs, completing three RIEs and one DMAIC project. In 2023, NLHD completed five RIEs, three DMAICs, and one DMAIC-Hybrid. In 2024, NLHD completed three RIEs, one DMAIC, one DMAIC-Hybrid, two Discovery Events, one Customer Mapping project, and one DADMOV design project.

In 2025, NLHD added a new recognition component where completed projects are showcased at the Annual Workforce Summit to celebrate innovation and promote engagement. Staff voted throughout the week, and evaluations were conducted by TLs and the BoT after formal presentations. Awards included the Innovation Awards, Nor-Lea's Best Project of the Year, and YB of the Year.

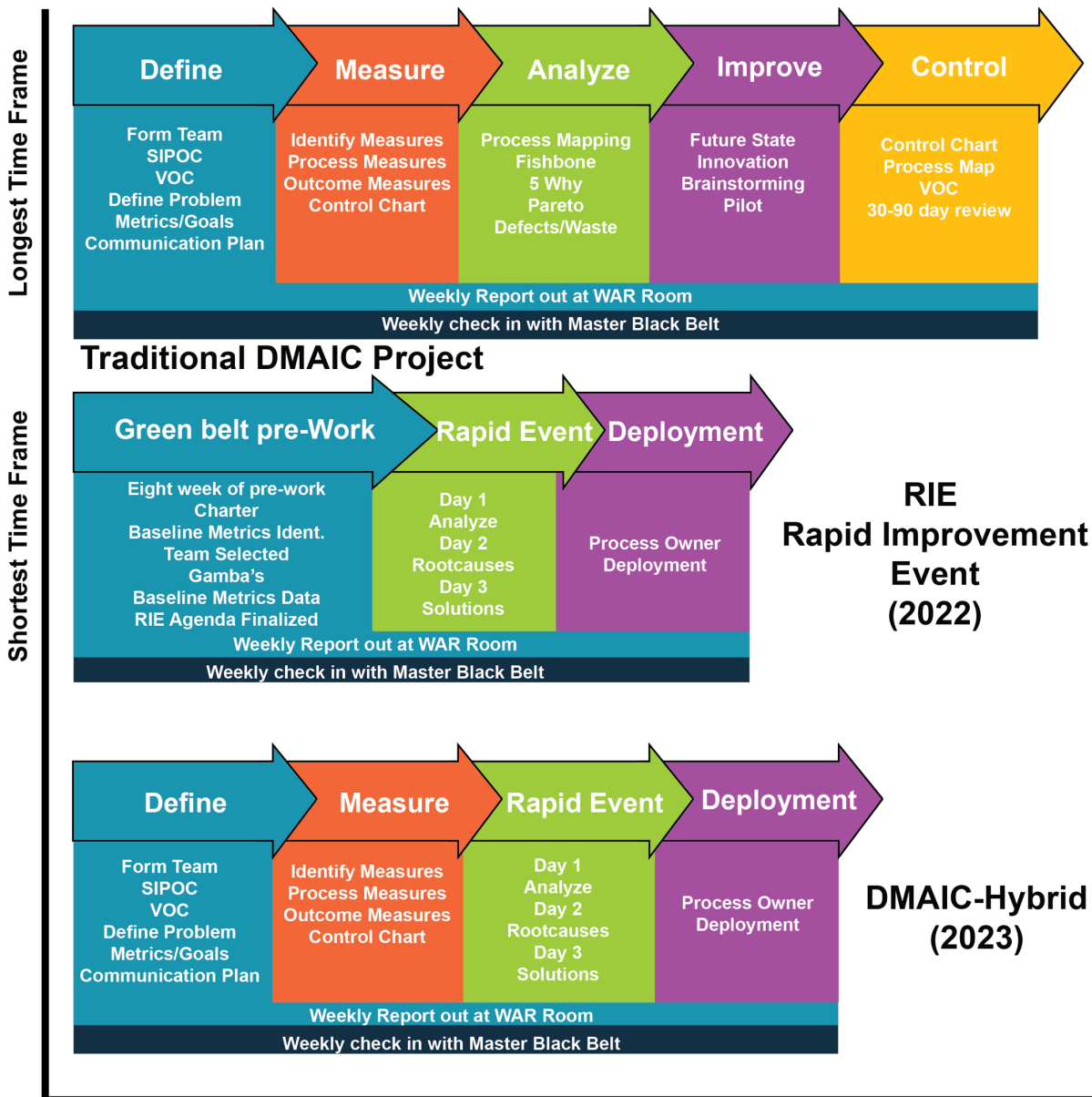


Figure OLP 2.1 Key Improvement Approaches

OLP 2.1 Key Improvement Approaches

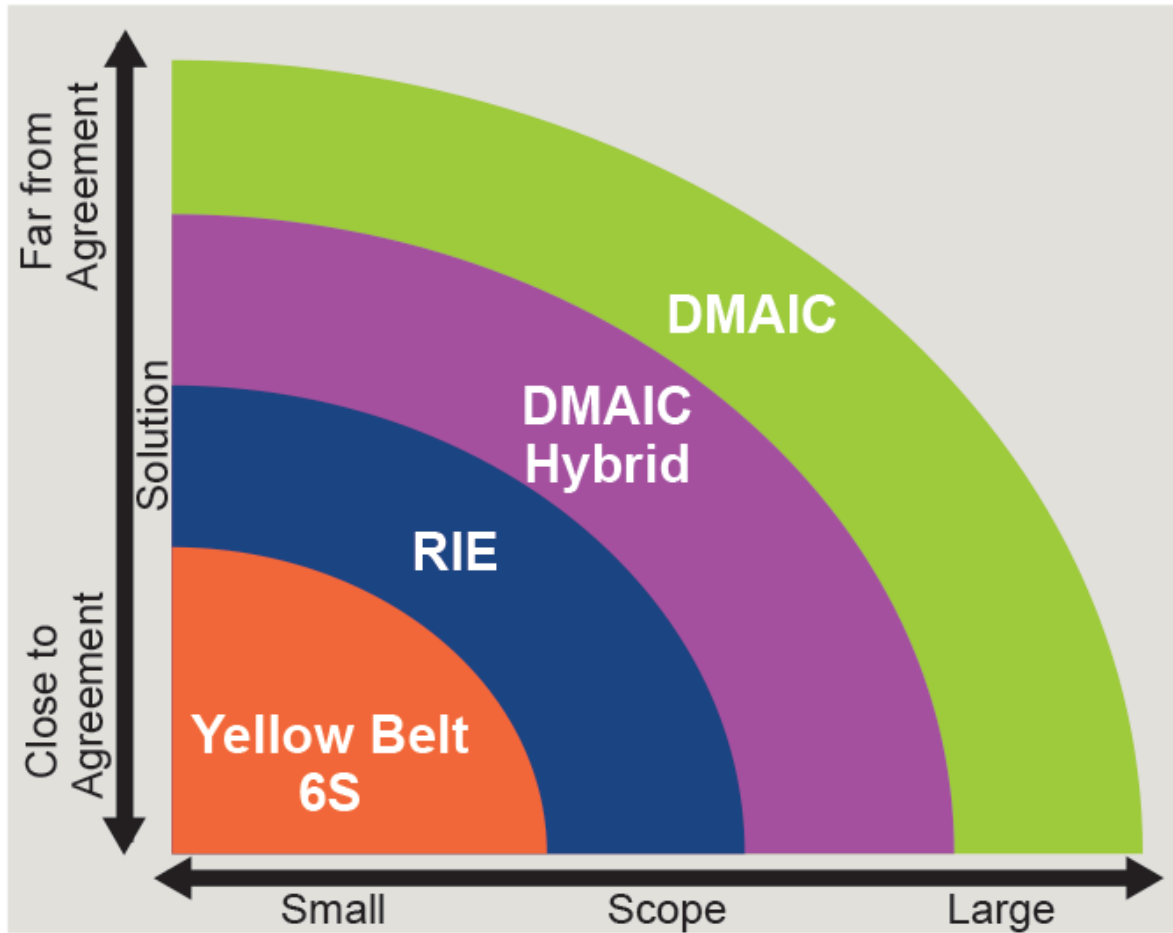


Figure OLP 2.2 Project Selection Process

OLP 2.2 Project Selection Process

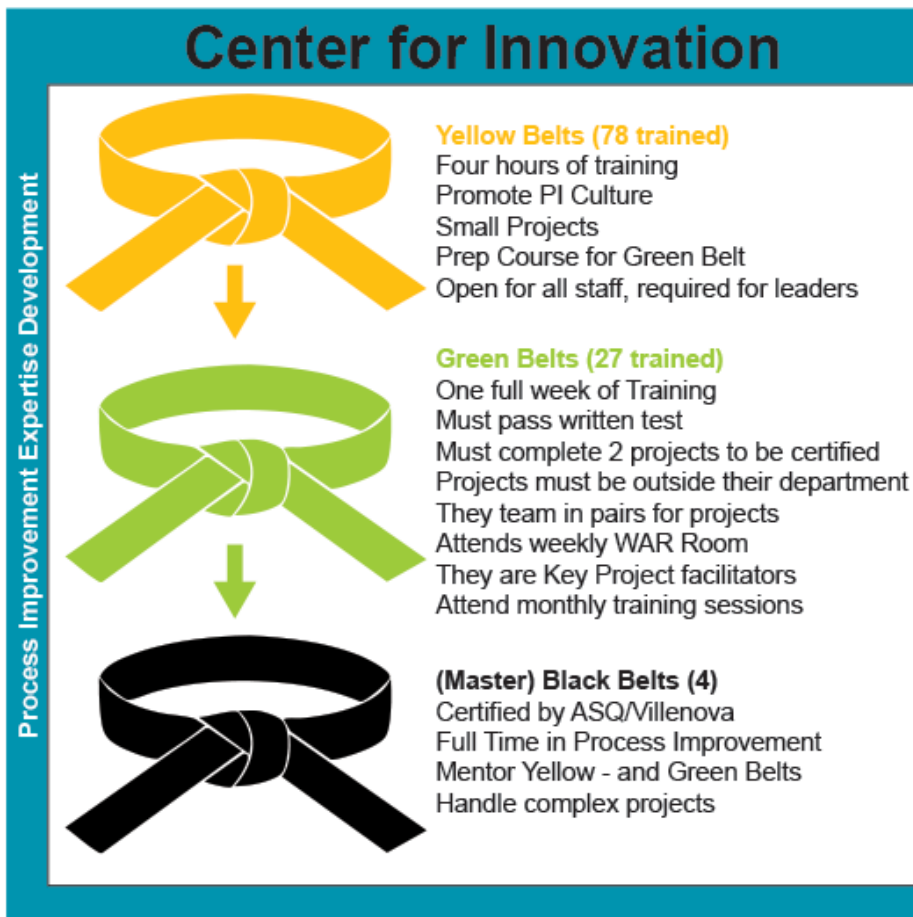


Figure OLP 2.3 Process Improvement Expertise Development

OLP 2.3 Process Improvement Expertise Development

3 - Please briefly describe your process(es) for collecting and sharing information throughout the organization and its stakeholders.

At NLHD, a robust and multi-faceted communication and information-sharing infrastructure ensures data, knowledge, and feedback are effectively collected and disseminated throughout the organization, **Figure OLP 3.1** These processes support engagement, collaboration, performance improvement, transparency, strategic alignment, and are used to communicate to all key stakeholders **Figure OLP 3.1-2**.

Information flows through formal and informal channels including monthly rounding, daily department huddles, daily safety huddles, weekly TL Huddles, monthly Leadership Meeting and monthly Medical Staff meetings, quarterly Town Halls, and annual workforce summits. The CEO and TLs actively participate to share updates, align expectations, and reinforce the MVV. They model transparent, results-driven leadership and motivate staff to deliver an Exceptional Experience by sharing performance updates, setting stretch goals, and ensuring accountability.

TLs personally onboard new team members in NEO, participate in rounding, one-on-one meetings, and use platforms such as the NLL portal, KM Drive and alignment boards to ensure clarity and connection. An annual workforce retreat realigns the workforce to the MVV. Quarterly Town Halls allow the CEO to provide updates, share best practices from other organizations, and hear directly from the workforce.

Performance and organizational updates are reinforced through monthly and quarterly meetings and robust appreciation programs. Leaders actively participate in these efforts to support a high-performance culture focused on accountability and excellence.

NLHD engages external stakeholders through traditional and digital channels Figure OLP 3.2. These platforms are used to share information, service updates, events, and strategic initiatives. Two-way communication methods including community events, focus groups, and provider meetings, gather insights and foster engagement.

Information is systematically collected and posted for stakeholders on the KM Sharepoint **Figure OLP 3.3**, the provider portal and employee portal **Figure OLP 3.3**. Data owners provide monthly updates to all platforms to ensure timeliness, accuracy, and accessibility. Information is validated, analyzed, and presented in easy-to-understand formats like dashboards and reports. The KM Sharpoint was recognized in the 2023 CAPE assessment as a best practice.

NLHD uses feedback loops, social media monitoring, and survey results to guide improvement. For example:

- Improved New Leader Orientation (2024): After a significant wave of internal promotions, this RIE introduced a monthly leadership networking breakfast and required new leaders to deliver a self-introduction presentation within their first 90 days.
- Provider Communication Strategy (2024): This RIE clarified leadership communication roles, launched a provider portal, and established a provider lounge to enhance peer networking and engagement.

Internal Communication Plan			
Communication Forum	Audience	Frequency	1-2 Way
Board Meeting	Board of Trustees, CEO, Team Leaders, Community	Monthly	2 way
Team Leader Huddles	CEO, Team Leaders	Weekly	2-way
Department Leadership Meetings	CEO, Team Leaders, Leaders	Monthly	2-way
Committee meetings	Committee Members	Quarterly	2-way
Medical Staff Meetings	Medical Staff, CEO, Team Leaders	Monthly	2-way
Department Huddles	Leaders, Staff	Daily	2-way
Department Meetings	Leaders, Staff	Monthly	2-way
Auxiliary Meetings	Volunteers, CEO	Monthly	2-way
Christmas Party	CEO, Workforce, Volunteers, Medical Staff	Annual	1-way
Rounding	Workforce	Daily	2-way
Alignment Boards	Leaders, Workforce	Monthly	1-way
New Employee Orientation	CEO, Team Leaders, Workforce	Monthly	2-way
NLL (Internal Website)	Workforce	Daily	2-way
Annual Staff Retreat	CEO, Team Leaders, Workforce	Annual	2-way
Engagement Surveys	Workforce	Annual	1-way
iAppreciate Party	CEO, Team Leaders, Workforce	Monthly	1-way
One-on-one Meetings	Team Leaders, Leaders, Workforce, Medical Staff	Daily	2-way
Town Halls	CEO, Team Leaders, Workforce, Volunteers, Leaders, Medical Staff	Quarterly	1-way
Texting	Workforce	Daily	2-way
e-Mail	Workforce, Medical Staff	Daily	2-way
90 Day Breakfast	Workforce that completed its 1st 90 days	Monthly	2-way
Communication Plan - Enhanced Forums Based on Evaluation			
Phone System	Leaders, Workforce, Medical Staff, Current Patients 2024 upgraded to new phone system	Daily	2-way
New Leader Orientation	Leaders 2024 process was enhanced	Continuous	2-way
Communication Plan - Expanded Forums Based on Evaluation			
Service Huddle	Leaders, Workforce 2022 added provider huddles	Weekly	2-way
Provider Portal	Medical Staff 2025 added provider portal (intranet)	Daily	2-way
Figure OLP 3.1 Internal Stakeholder Communication Processes			

OLP 3.1 Internal Stakeholder Communication Processes

External Communication Plan			
Communication Forum	Audience	Frequency	1-2 Way
Newspaper	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Other	3x Year	1-way
Radio	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Other	Periodic	2-way
Mail	Current Patients, Former, Future, Competitor Patients, Community Partners, Other	Continuous	2-way
Social media	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Other	Ongoing	2-way
NLHD Website	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Other	Ongoing	2-way
Phone System	Current Patients, Former, Future, Competitor Patients, Community Partners, Other	Ongoing	2-way
Rounding	Current Patients, Former/Future/Competitor Patients	Daily	2-way
Engagement Surveys	Current Patients	Continuous	1-way
Community Events	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Other	Monthly	2-way
Software	Business Partners	Ongoing	2-way
Conferences	Business Partners	Monthly	2-way
Meetings	Community Partners, Business Partners, Other	Ongoing	2-way
Television	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Other	Periodic	1-way
One-on-one Meetings	Community, Current Patients, Business Partners, Current Customers, Former, Future, Competitor Patients, Community Partners, Other	Ongoing	2-way
Billboard Advertising	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Other	Periodic	1-way
Senior Luncheon	Community	Monthly	2-way
Rotary Luncheon	Community Partners	Monthly	2-way
Open House	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Other	Periodic	2-way
Hospital Week	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Other	Annual	2-way
Communication Plan - Enhanced Forums Based on Evaluation			
Focus Groups (TOWS)	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Business Partners, Other	Annual	2-way
eMail, Fax	Business Partners, Community partners, Current Patients, Former, Future, Competitor Patients, Other 2022 upgraded to eFax	Ongoing	2-way
NLHD Website	Community, Current Patients, Former, Future, Competitor Patients, Community Partners, Other 2025 added patient communication page	Ongoing	2-way
Phone System	Current Patients, Former, Future, Competitor Patients, Community Partners, Other 2024 upgraded to a new phone system	Ongoing	2-way

Figure OLP 3.2 External Stakeholder Communication Processes

OLP 3.2 External Stakeholder Communication Processes

Owner of Data	Posted on “Knowledge Management” Site (SharePoint)
Director of Performance Excellence	<ul style="list-style-type: none"> • Patient Experience Monthly Scores by department • Patient Experience Monthly Comments, Online Reviews and other customer feedback • Quality Dashboard posted Monthly • Strategic Scorecard
HR Director	<ul style="list-style-type: none"> • Employee Engagement Scores • Turnover • Leadership Development Tools
Decision Support: Productivity Reporting, Budget, Financial Benchmark Data	<ul style="list-style-type: none"> • Financial Statistics • KYB Dashboard (Know Your Business Dashboard)
Finance: Organizational Financial Indicators	<ul style="list-style-type: none"> • Expense Reports • Finance Reports
Owner of Data	Physician Portal (SharePoint)
Director of Performance Excellence	<ul style="list-style-type: none"> • Provider Quality Scores • Provider Patient Experience Scores
CEO, Team Leaders	<ul style="list-style-type: none"> • Announcements • Professional Publications
Owner of Data	Employee Portal (Intranet)
Department / Managers / HR: NNL Portal	<ul style="list-style-type: none"> • Announcements • Department Information • Dietary Menu • Patient Experience Service Huddle Education and Reports
Figure OLP 3.3 Information Sharing	

OLP 3.3 Information Sharing

4 - Briefly describe your key process(es) that encourage innovation (e.g., practice(s) that create an environment that supports innovation).

One of NLHD’s core competencies is agility and innovation, which enables rapid response to changing conditions and a proactive evaluation, planning, implementation, and management of strategic opportunities. This competency is foundational to achieving NLHD’s Mission of Exceptional Experience, providing healthcare services that meet the evolving needs of the community and exceed customer expectations. It also supports NLHD’s vision to Enhance Lives by consistently addressing needs with forward-thinking solutions.

Innovation is deeply integrated in culture and starts even before employment **Figure OLP 4.1**. All prospective employees must agree to the iCARE standards of behavior, including a commitment to innovation: thinking forward; exploring new possibilities and setting ambitious goals.

Upon hire, employees are introduced to the NLHD iCare values “i” standing for innovation. Recognition programs further reinforce innovation:

- iCare-Cards: Peer-recognition cards are reviewed by the CEO, Executive, and Director, who write appreciation on the card before sharing with the team member.
- iCare-Awards: Quarterly awards honor exceptional innovation. Winners have photos on the iCare Wall and attend a CEO-hosted banquet.
- Annual performance evaluations: Each employee is evaluated on the iCare Innovation value and their contributions, reinforcing innovation as a sustained expectation.
- Innovation awards: (cycle of refinement in 2025) workforce summit project presentations, evaluations done by all staff, by TLs and BoT.

To further institutionalize innovation, NLHD launched its YB/GB Program in 2022 and, in 2024, established the CFI. The CFI leads process improvement initiatives that align with strategic and operational goals using

LSS improvement methodology. CFI facilitators, including GB and BB, guide multidisciplinary teams through structured innovation sessions. These sessions use a systematic process, **Figure OLP 4.2**, that accelerates team development and idea generation.

- Sessions begin with icebreakers and ground rules to create a psychologically safe environment.
- The team adopts a “No Hierarchy” rule, ensuring all voices are equal and all ideas are welcome – there are no “dumb” ideas.
- Ideas are captured individually on sticky notes, removing the influence of hierarchy and enabling equal input. Notes are displayed for group discussions using tools such as Murphy’s Analysis, Affinity Diagramming and PICK charts.

These processes not only foster creativity but also support structured decision-making. Selected solutions are prioritized, developed into action plans, and implemented through cycles of prototyping, piloting, and innovating, ensuring innovative thinking leads to measurable outcomes. At NLHD, innovation is not a one-time event – it is a core behavior supported by repeatable processes, leadership commitment, and a culture that values curiosity, collaboration, and continuous improvement.

NLHD Innovation Culture Integration	
Culture	<ul style="list-style-type: none"> • Patient Experience Monthly Scores by department • Patient Experience Monthly Comments, Online Reviews and other customer feedback • Quality Dashboard posted Monthly • Strategic Scorecard
Hiring Process	<ul style="list-style-type: none"> • Employee Engagement Scores • Turnover • Leadership Development Tools
Reward and Recognition	<ul style="list-style-type: none"> • Financial Statistics • KYB Dashboard (Know Your Business Dashboard)
Leadership	<ul style="list-style-type: none"> • Expense Reports • Finance Reports
NLHD Innovation Culture Integration - Improvement Based Upon Evaluation	
CFI Six Sigma Training (2022)	<ul style="list-style-type: none"> • All employees are encouraged to attend Six Sigma Yellow Belt Training. Selected employees participate in /greenbelt training and certification following completion of improvement project.
Center for Innovation (2024)	<ul style="list-style-type: none"> • The NLHD CFI is a department responsible for facilitation and implementation of strategic and operation improvement and innovation projects.
Center for Innovation – Innovation Awards (2025)	<ul style="list-style-type: none"> • During the 2025 employee summits, process improvement projects are presented, graded and awarded Innovation Awards
Figure OLP 4.1 Processes that Encourage Innovation	

OLP 4.1 Processes that Encourage Innovation

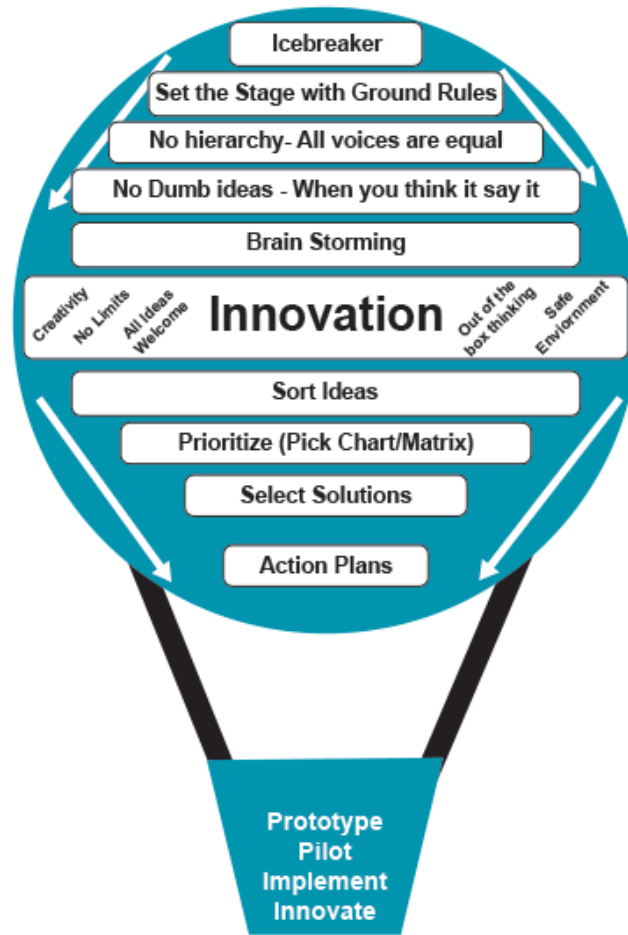


Figure OLP 4.2 Center for Innovation Approach to Innovation

OLP 4.2 Center for Innovation Approach to Innovation



Figure OLP 4.3 Center for Innovation Dashboard

OLP 4.3 Center for Innovation Dashboard

5 - Please share your process for determining which innovation opportunities to pursue, and deciding which opportunities to stop pursuing.

NLHD uses a structured process to prioritize innovation opportunities, ensuring alignment with the MVV, strategic goals and resources. The cornerstone of this prioritization process is the Prioritization Bubble Chart, **Figure OLP 5.1** and **5.2**, adapted from a two-time Baldrige recipient. This process has been used consistently during SPP since 2021.

The bubble chart visually maps all potential opportunities using three key criteria:

1. Strategic Alignment – Opportunities most aligned with NLHD’s strategic direction are positioned at the top.
2. Complexity – is plotted from left (low) to right (high), indicating the level of effort, change, or coordination required.
3. Resource Demand – Represented by the size of the bubble; larger bubbles indicate higher resource needs (e.g. time, cost, personnel).

Strategic Opportunities located in the top left quadrant are prioritized as they represent the most benefit and least risk. Conversely, bottom right bubbles are the lowest priority and are often eliminated or deferred due to the limited benefit and high risk.

This model allows NLHD to identify which innovations to pursue and which to defer. For example, a proposed Center for Pain and Excellence, though originally part of the 2023–2024 strategic plan, was discontinued in

2025 after regional healthcare data showed sufficient local availability of pain specialists. This pivot enabled redirection of resources to more urgent community needs .

Not all innovations require strategic approval. NLHD empowers department managers to pursue innovations within budgetary limits, especially those aligned with MVV. For example: New Employee 90-Day Breakfast, adapted from a Baldrige winner, was initiated by HR leadership and provides new hires with a feedback loop directly with the CEO and HR Director.

Examples of strategic innovation include:

- 2020 Transition to EPIC community connect with Providence Health System to modernize and integrate the EHR systems through the NLHD system. This improvement was made possible through the Building Relationships of Trust with our Health Partners.
- NLHD pursued the creation of a Patient Experience Program (2023): During the 2023 strategic planning cycle, NLHD evaluated an external consulting solution and determined it lacked effectiveness. NLHD pivoted to an internal model featuring four specialized teams: measurement-analysis, observation, training, and celebration. The program improved patient experiences scores from the 73rd percentile in 2023 to 82nd in 2025.
- NLHD did not pursue an inpatient Behavioral Health Unit (2021) due to the risk associated, high investment cost and low reimbursement, with this initiative

Used since 2018, this mature prioritization process has gone through several cycles of refinement including in 2023 strategic initiatives added in the annual strategy update were prioritized with the rest of the strategies and the priority scoring was displayed on the strategy map on the quality dashboard for visibility.

Pillar	ChTB Organizational Initiative	ChTB Organizational Initiative (Short description on chart)	Strategic Alignment	Complexity	Resource Effort
S	Create Sim-Lab module for employee/provider customer service training	Service Sim Lab	5.7	6.3	6.0
S	Improve ease of access to care (Phone, MyChart etc)	Improve Access to Care	6.4	7.1	8.0
Q	Train/deploy process based management/standard work	PBM Standard Work	7.3	4.9	5.1
Q	Replace YES with a new incident system	Replace YES	7.7	5.9	6.6
Q	Expand/Standardize Ai committee/structure	Expand Ai	7.6	4.7	5.3
Q	Improve Clinical Quality Metrics (HDAA, Primary Care)	Improve Quality Metrics	7.7	4.4	5.3
P	Develop Med Staff champions - Quality Service Leadership	Med Staff Champions	6.1	7.1	7.3
P	Create Leadership Development Racetrack	Leader Racetrack	6.8	4.1	4.3
P	Explore assistance for employee housing, day-care, after-school	Employee Assistance	8.0	8.6	9.0
P	Improve cybersecurity training and awareness	Cyber Training	7.4	7.9	8.4
P	Improve Succession Planning	Succession Planning	4	6	4
F	Develop a process to actively look for and manage grants	Grant Management	5	7	5
F	Improve write offs for Med Nec/ABN/Non-Covered/Labs	Med Necessity/ABN	3	7	5
F	Improve provider productivity by reducing no shows/cancels	Now Shows/Cancels	3	8	6
F	Develop a lean process team to remove dept. waste	Lean Teams	5	7	6
G			5	7	7
G			4	6	5
G			4	7	6
G			4	7	5
G			4	8	4
G			4	7	7
G	Create marketing tool kits for departments	Marketing Tool Kit	5	6	4
G	Expansion of PPC (3 story building)	Expand PPC	7	7	8
G	Renovate old PPC/Entrance	Renovate PPC Entrance	7	7	7
Figure OLP 5.1 Strategic Action Plan Prioritization Table					

OLP 5.1 Strategic Action Plan Prioritization Table

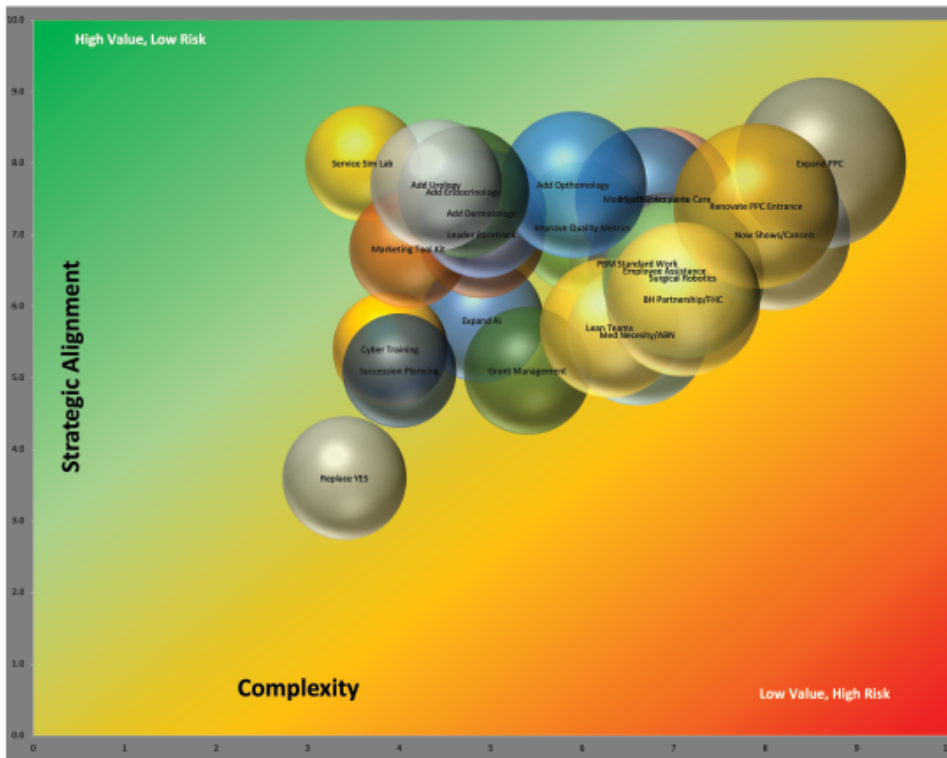


Figure OLP 5.2 Strategic Action Plan Prioritization Bubble Chart

OLP 5.2 Strategic Action Plan Prioritization Bubble Chart

6 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

NLHD has high-impact, scalable improvement practices that other organizations could learn from that drive internal success but also serve as transferable models for other organizations aiming to reduce waste, improve efficiency, outcomes, and organizational culture.

1. **Performance Excellence System, Figure ODC 2.3:** This is a framework driven by the VOC with a balanced approach to organizational management. This framework centers around the NLHD dashboard to evaluate performance with strategic and operational KPI to monitor, analyze, and drive goals. Refined over multiple cycles, it supports real-time KPI tracking, transparency, and data-driven decision-making. This is a model for aligning operations with strategy and enhancing agility and accountability across NLHD.
2. **The Center for Innovation (CFI) to drive organization excellence through:**
 - o NLHD’s Project management embedded in daily operations. Projects are reviewed weekly and tracked on Smartsheets software. A CFI Dashboard is displayed on the NLL portal for full transparency of the process improvement work.
 - o LSS development program to build PI capability and capacity, **Figure OLP 5.3.** Unique to NLHD, GB must complete two projects outside their departments to qualify. This process fosters cross-functional collaboration, systems thinking, and ensures projects yield enterprise-wide benefits.
 - o NLHD’s project improvement process with custom fit improvement methodologies to right size project improvement methods. NLHD methodology models include: DMAIC, DMAIC-Hybrid, and Rapid Improvement Events (RIEs). High-impact DMAIC projects are reviewed weekly by the TLs in the WAR (Weekly Action Review).
 - o CFI Innovation Awards, a new initiative for 2025, it was very successful and added excitement around the innovative project work across NLHD. Project facilitators were able to showcase their work. Awards were given out in several categories and the teams were recognized for their contributions to driving the MVV of NLHD.

3. **Prioritization of Strategic Initiatives:** The SPP action plans and subsequent prioritization process to create a prioritization matrix (Bubble Chart) is an effective visual tool used to evaluate opportunities by complexity, strategic alignment, and resource needs.
4. **Organizational Culture of Innovation:** Innovation is a defined core value at NLHD and is incorporated into hiring, onboarding, recognition, and annual evaluations. Staff are encouraged to take intelligent risks, and leadership actively supports innovative efforts. These processes promote innovation as an embedded behavior rather than an isolated event, enabling sustained transformation in any organization.
5. **Knowledge Management:** The KM Drive is NLHD's centralized knowledge-sharing platform, used to store and share financial reports, dashboards, strategic data, and departmental resources. Other organizations can replicate this low-complexity approach to enhance transparency, decision-making support, and internal communication.

Community Relationships

A critical element in organizational resilience and long-term success is having strong, reciprocal ties to key communities. Strong ties lead to fast, efficient resource sharing, which is crucial during disruptions and creates opportunities for benchmarking and innovation.

Context Questions

1 - Please describe your key community relationships.

Note: *Community* refers to entities from whom your organization can receive support or to whom you give support during times of disruptions, and such entities are not limited to your local geographic area. These are strategic relationships that provide support and information in times of need and growth. Examples include utility, local government, financial institutions, volunteers, chamber of commerce, businesses nearby, social services, common interest stakeholders, industry or trade associations.

Community involvement and societal responsibility are deeply embedded in NLHD's culture. To identify key geographic communities, leaders conduct a zip code analysis during the SPP, focusing on communities in Lea County and surrounding areas. Key community relationships fall into five categories as shown in **Figure CRP 2.1**.

- Community Charitable Organizations and Social Services
- Professional and Healthcare Organizations
- Businesses
- Educational Institutions
- Government Entities

In support of the vision to Enhance Lives, through the NLHD iGive program, staff are encouraged to volunteer to support community organizations. In 2023, NLHD provided a newly renovated building to provide the space needed for the Lovington Food Coalition to store food safely. NLHD staff assist weekly with the Lovington Food Coalition to distribute food to families in need.

NLHD leaders participate in multiple professional and healthcare organizations and engage in shaping healthcare policy and systems at the state level. For example:

- The CEO participated in the NMHIX group that developed the NM Health Insurance Marketplace.
- The CFO collaborated with the NMHA and NM Medicaid programs to design value-based care reimbursement for uncompensated care.

These relationships strengthen NLHD's ability to advocate for and implement changes that benefit the community.

NLHD builds strong relationships with local businesses by offering corporate wellness services. Business leaders also participate in TOWS sessions, ensuring their concerns and ideas are reflected in strategic planning.

NLHD has established strategic partnerships with the NMJC, Lovington and Hobbs Municipal Schools where they provide school-based clinics. NLHD partnered with the NMJC to build a state-of-the-art simulation lab. Leaders from these institutions participate in the SPP process through TOWS sessions to give feedback to the services and partnerships NLHD has with their institutions. NLHD also partners with over 30 colleges and universities to provide clinical placement, rotations, and internships, enhancing both the NLHD workforce development and the early recruitment of skilled clinicians completing their education.

NLHD has a long history of collaboration with local and state government leaders to expand healthcare access and promote wellness. NLHD also regularly participates in meetings and workgroups with government officials to advance healthcare and community wellbeing. Examples of collaboration include:

- Partnering with Lea County in 2004 to open a primary care clinic on Hobbs Main Street (FHC) for an underserved area in the community
- In 2015, the Hobbs Medical Clinic opened with county support
- In 2022, expanding the clinic with eight additional primary care providers.

NLHD's broader community impact is demonstrated through the ongoing monitoring of health factors and outcomes as part of its quality program, **Figure LGR 6.1**.

Process Questions

1 - Briefly describe your key processes for building relationships with your key community partners.

NLHD is proud of the strong relationships it has built with key community partners. Community engagement and social responsibility are strengths of the NLHD culture. These relationships are built through the systematic Relationship Building Process, **Figure CRP 1.1**. TLs leverage the core competency of Building and Strengthening Relationships of Trust to collaborate, identify, understand, and address the concerns and needs of key communities. This has been a core competency of NLHD since 2018.

To ensure it captures the voice of these key stakeholders, as part of the SPP, NLHD engages key communities in systematic TOWS sessions. Additionally, TLs seek input on service needs and societal concerns through other VOC processes including the CHNA and multiple community engagement events.

The relationship building process, **Figure CRP 1.1**, is a mature, systematic approach that has gone through multiple cycles of improvement. Long-term community partner relationships have been built by building trust with community partners through the ongoing process of being responsive, effective communication, and soliciting feedback. Through this process, NLHD not only sustains relationships, but also builds new community partnership relationships by staying engaged in the community, introducing ourselves and our services, and understanding the requirements of new community partners. See **Figure CRP 2.1** for a list of key community partners and the length of the relationship.

Examples of improvements based on evaluation to the relationship building process:

- Integration of community health workers (CHWs) and NLHD leadership into community boards of key communities enhances Step 1 and 2 of the relationship building process (since 2019).
- Catalyst to meet Community Needs, **Figure CRP 3.1**, process was created to proactively identify and address emerging concerns (2024).
- Expansion of Strategic TOWS sessions to include more key community groups, enhancing Step 8 of the process (2023)
- Enhanced Step 4 Work together in a Team Environment by incorporating Lead by Example. In 2023 NLHD joined the CHW State Board enabling it to contribute to the development of policy, procedures and reimbursement models. NLHD CHWs are certified and serve in Lovington, Hobbs and Tatum. NLHD also serves as a practicum site for CHW certification.
- Selection process for community support, **Figure CRP 1.2**, introduced to guide which community boards and partnerships NLHD prioritizes to align with the MVV and strategy of NLHD (FY2024).
- Process added in 2024 to Engage with Government Representatives more deliberately and effectively, **Figure CRP 3.2**.

NLHD's Relationship Building Process ensures long-term, trust-based partnerships that evolve alongside community needs, demonstrating a commitment to shared success and well-being.

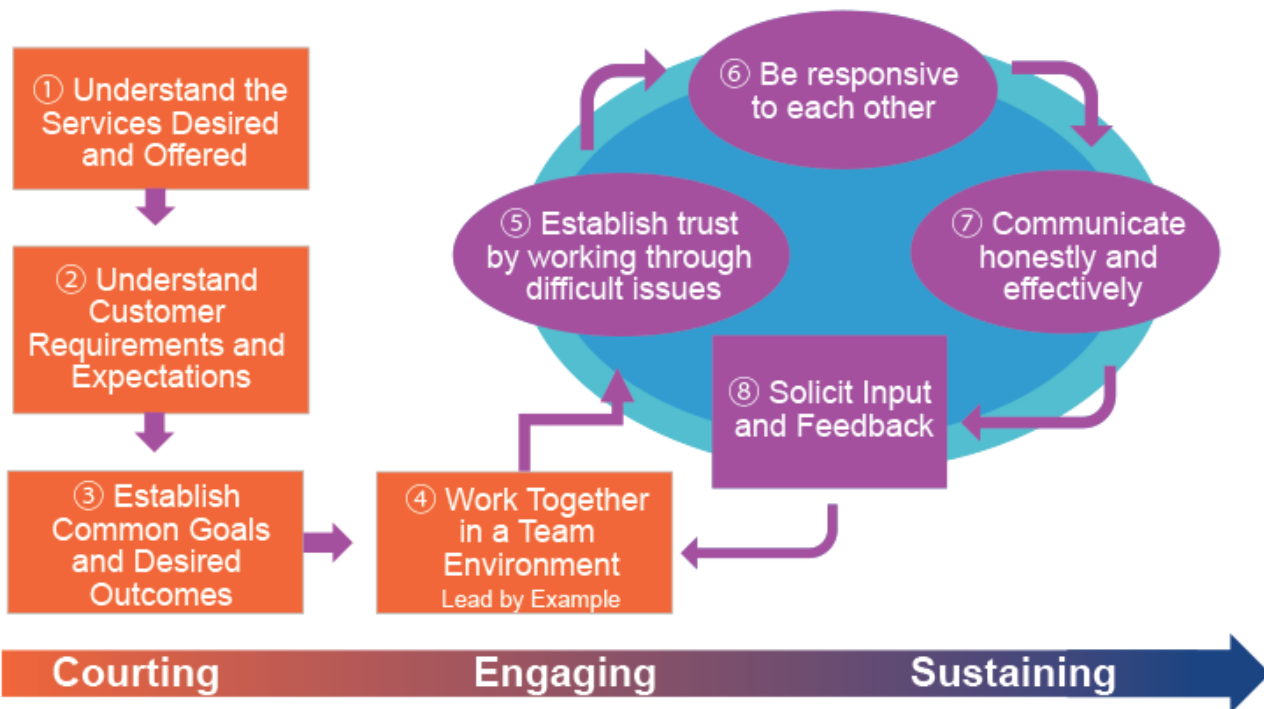


Figure CRP 1.1 Relationship Building Process

CRP 1.1



Figure CRP 1.2 Selection of Community Support

CRP 1.1 Selection of Community Support

2 - For each key community relationship, provide the following:

- a. the organization or group type (see list above)
- b. the frequency of engagement (e.g., monthly, quarterly, annually, etc.)
- c. the length of engagement (e.g., how long have you had this relationship).

Participating in community events that align with the NLHD’s MVV is part of the organizational culture. Leaders and staff are encouraged to participate in and lead organizations that benefit the overall wellness of the community. NLHD is involved in multiple key communities as illustrated in **Figure CRP 2.1**.

Group	Engagement Type	Started	Freq	Purpose
Community Charitable and Social Services				
Lovington Food Coalition	NLHD Staff volunteers/participates - NLHD owns the building	2012	M	Partnering to provide food security for Lovington
Court Appointed Special Advocate of Lea County - Children (CASA)	NLHD Sponsors Fundraising - Toy Drive	2017	A	Collects Christmas gifts for children within the CASA program
	NLHD Sponsors - Boots & Blings	2015	A	Sponsor CASA's largest fundraising event
Stepping Stones Daycare	Provide building contract services	2022	C	Owens building
Soup Kitchen/Sharing Spoons	Key facilitator	2024	2xW	NLHD provides community support for homeless
United Way Allocation Team	NLHD staff is member	2022	A	Ensure access to United Way funds for NP programs
Housing Insecurity Coalition	NLHD staff is member	2018	M	NLHD representation for underserved population
Adolescent Health Coalition	NLHD staff is member	2013	M	Sets measurable goals impacting adolescent health
Lea County Local Collaborative for Behavioral Health	NLHD staff is member	2024	M	Connects disadvantaged community members to support services
Salvation Army Board	NLHD staff is member	2019	M	Voice in services offered to community
Maddox Foundation	Mobile Units	2017	C	Mobile healthcare unit
	Guardian Angel Fund	2024	A	Funds for patient social needs
Lea County Health Council	NLHD staff is Chair	2012	M	Develop initiatives impacting greatest health needs
Professional and Healthcare Organizations				
CHW Advisory Board NM	NLHD staff is member	2023	Q	Voice at a state level on the progress of CHW Initiative
NM Rural Health Network	Multiple leaders are members/chairs	2013	Q	Networking
Yellowstone Risk Retention	NLHD CEO is Chair	2005	Q	Insurance
American College of Cardiology	Partner for teaching the community	2024	M	NLHD gets training from ACOC to provide curated education to community related to cardiovascular health
Clear Lake, Stop-Loss Self Insurance Group	NLHD CEO is secretary of the Board	2023	Q	Insurance
Businesses				
JF Maddox Foundation	NLHD benefits from this partnership through various programs	2016	A	The Foundation provides Leadership Development for NLHD leaders at no cost. The Foundation granted NLHD over \$1M to initiate Nor-Lea Family Medicine Residency Program. The Foundation gives NLHD a Good Samaritan fund each year to use for patient-centered products.
Lovington Rotary Club	NLHD staff are members	2000	W	Civic group where Service Above Self is their mission
Lovington Main Street	NLHD sponsors	2012	A	Revives Lovington city center and brings organizations and programs to enrich life in Lovington
Lovington EDC	NLHD staff is Vice President	2010	M	Invests in growing Lovington by bringing in new businesses
Lea County Fair & Rodeo	NLHD sponsors and advertises	2011	A	Annual entertainment/information sharing for Lea County
Lovington Chamber of Comm.	NLHD staff is Director	2010	M	Promotes business in Lovington
Hobbs Chamber of Commerce	NLHD CEO is member	2020	A	Promotes business in Hobbs
Corporate wellness (40 orgs.)	NLHD provides wellness services	2012	A	Provides preventative annual wellness testing
All local businesses	Invited for TOWS for NLHD SPP	2012	A	Provide business leader input into NLHD's SPP
Educational Institutions				
Lovington Municipal Schools	NLHD CFO on audit committee	2020	A	Reviews external audits for Lovington Municipal Schools
	Partnership for Lovington School-Based Clinic	2004	C	Primary care and behavioral health for LMS employees, students and residents
Hobbs Municipal Schools	Eagle Student Health Center	2020	C	Primary care and behavioral health and HMS employees, students and residents
New Mexico Junior College	NLHD CFO is VP of Foundation Board	2023	Q	Promote education in Lea County
	NLHD CFO is member of Scholarship committee	2019	A	Promote education in Lea County
	NLHD CFO is member of Finance committee	2019	Q	Promote education in Lea County
	Thunderbird Clinic on campus	2023	C	Primary care and family planning services for NMJC employees and students with
	Sim-Lab	2017	C	Provides funding to support enhancements at sim lab
University of the Southwest	NLHD CEO is member of board	2023	Q	Promote education in Lea County
All School Systems	Offering wellness services	2015	A	Promote health and wellness
	Invited for TOWS for NLHD SPP	2015	A	Community input into SPP
Government Entities				
Lea County	TOWS sessions	2015	A	Community input to SPP
	Partnership for Family Health Clinic	2004	C	Primary care clinic for underserved population
	Partnership for Hobbs Medical Clinic	2016	C	Primary care clinic building rented to us for \$1/year
	Tabitha's Mission	2023	Bi	Refurbish medical & other equipment for donation
City of Lovington	TOWS sessions	2012	A	Community input into SPP
	Paramedicine Program	2025	C	Decrease ED readmissions
City of Hobbs	TOWS sessions	2012	A	Community Input into SPP
Key: 2xW - 2 times a week, W - Weekly, M - Monthly, Q - Quarterly, BA - Bi-Annually, A - Annually, C - Continuous				
Figure CRP 2.1 Key Community Relationships				

CRP 2.1 Key Community Relationships

3 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

1. Relationship Building Process – This best practice enables sustainable growth and impactful service in a rural healthcare setting. Rooted in the core competency of building and strengthening relationships of trust, this systematic approach is used across NLHD’s workforce, patients, community, partners, and local and state leaders, **Figure CRP 1.1**. These relationships are not incidental but cultivated through intentional design and ongoing engagement.

A clear example of this process in action was the development of the Lovington Community Wellness Center, created in partnership with the City of Lovington and the local school district. The center features a competition-sized pool and offers exceptional wellness and prevention programs. Similarly, NLHD’s state-of-the-art Cancer Center, built in partnership with the Joe Arrington Cancer Center in Lubbock, extends regional access to advanced cancer care. These long-term, trust-based relationships allow NLHD to deliver services that far exceed what is typically possible in small, rural health systems

2. Catalyst to meet Community Needs - Figure CRP 3.1 This best practice offers a replicable model of how healthcare organizations can extend their impact beyond clinical care. Through deep community partnerships NLHD identifies unmet needs that impact health and well-being and mobilizes resources to address them – often resources are from partners and for individuals who are outside traditional healthcare access points.

For example, a 20-year-old female amputee from outside the country lacked insurance and had no means to obtain a prosthetic. NLHD leveraged its partnership with United Way and a state-funded program to secure one on her behalf. This reflects NLHD’s commitment to using its network for direct community impact. NLHD also partners with Lea County to recycle medical equipment that would otherwise go into landfills. Items such as wheelchairs, scooters, hospital beds, and canes are collected, refurbished, and redistributed every six months to organizations that serve community members in need.

3. Engage Government Representatives – Figure CRP 3.2 NLHD’s Engage Government Representatives process is a best practice in public-sector collaboration. Using a structured 7-step process, NLHD builds internal legislative awareness, forms strategic alliances, and identifies key policymakers. Through targeted engagement and dialogue, NLHD shares its impact and aligns legislative priorities with community needs. This positions NLHD as a trusted partner in advancing policy that improves health outcomes across the region. NLHD has secured many capital dollars through this process. See **Figure FC 2.1** Access to Capital – Financial Partnerships.



Figure CRP 3.1 NLHD Catalyst for Community Needs

CRP 3.1 NLHD Catalyst for Community Needs



Figure CRP 3.2 Engage Government Representatives

CRP 3.2 Engage Government Representatives

Glossary of Terms and Acronyms

1 - Provide brief definitions of terms and acronyms used in your responses to the criteria questions. The glossary should be pasted into the text box. Glossaries larger than 20000 characters will need to be uploaded as an image. A maximum of three images is permitted. If uploading an image of your glossary, please enter "n/a" in the text box to activate the image upload icon.

Note: Acceptable examples of a glossary entry are:

PES: Performance Evaluation System

SPP: strategic planning process

AANEM American Association of Neuromuscular & Electrodiagnostic Medicine

ACO Accountable Care Organization

ACR American College of Radiology

AED Automated External Defibrillator

AHRQ Agency for Healthcare Research and Quality

AI Artificial Intelligence

AOS Available On Site

APP/AP Advance Practice Providers

ASHHRA American Society for Health Care Human Resources Administration

ASQ American Society for Quality

ATD Association for Talent Development

Avg Average

BB Black Belts

BH Behavioral Health

BMI Body Mass Index

BoT Board of Trustees

CAH Critical Access Hospital

CAP College of American Pathology

CAPE California Awards for Performance Excellence

CBC Complete Blood Count (Blood Test)

CCM Chronic Care Management

CEO Chief Executive Officer

CFI Center for Innovation

CFO Chief Financial Officer

CHHH Covenant Health Hobbs Hospital

CHNA Community Health Needs Assessment

CHRO Chief Human Resource Officer

CHW Community Health Worker

CLA Clifton Larson Allen LLP

CME Continuing Medical Education

CMO Chief Medical officer

CMP Comprehensive Metabolic Panel (Blood Test)

CMS Centers for Medicare and Medicaid Services

CNO Chief Nursing Officer

COO Chief Operating Officer

COOP Continuity of Operations Plan

COPD Chronic Obstructive Pulmonary Disease

CPCO Chief Primary Care Officer

CT Cat Scan

CtB Change the Business referring to Strategy

CY Calendar Year

DADMOV Define Analyze Design Measure Optimize Verify

DART Days Away, Restricted or Transferred

DMAIC Define Measure Analyze Improve Control

DME Durable Medical Equipment
DNV Det Norske Veritas - Hospital Accreditation Agency
DPMO Defects per Millon
ED Emergency Department
EEOC Equal Employment Opportunity Commission
EHR Electronic Hospital Record
EMR Electronic Medical Record
EMS Emergency Medical Services
EPM Enterprise Process Model
ESHC Eagle School based Health Clinic
FDA Food and Drugs Administration
FHC Family Health Clinic
FTE Full Time Employee
FY Fiscal Year
GB Green Belt
GPO Group Purchasing Organization
GPR Gross Profit ratio
H/L High/Low
HAC Hospital Acquired Condition
HCAHPS Hospital Consumer Assessment of Healthcare Providers and Systems
HF Heart Failure
HIIN Hospital Improvement Innovation Network
HIPPA Health Insurance Portability and Accountability Act
HMC Hobbs Medical Clinic
HPSA Healthcare Professional Shortage Area
HQAA Healthcare Quality Association on Accreditation
HR Human Resources
HRET Health Research & Education Trust
HRSA Health Resources and Services Administration
HS High school
HSC Hospital Services Corporation
iCare Innovation Compassion Accountability Respect Empowerment
ICS Incident Command System
INPT Inpatient
IP Inpatient
IRS Internal revenue Service
IT Information Technology
JACC Joe Arrington Cancer Center (Lubbock Texas)
JDI Just Do It
KM Knowledge Management
KPI Key Process Indicators
KYB Know Your Business
LDI Leadership Development Institute
LDL Low Density Lipoprotein (Cholesterol)
LMC Lovington Medical Clinic
LOS Length of Stay
LS Leadership System
LSBC Lovington School Based Clinic
LSS Lean Six Sigma
LT Leadership Team
LT Long Term
LWC Lovington Wellness Center
LWOBS Left Without Being Seen
MA Medical Assistant

MBB Master Black Belt
MEC Medical Executive Committee
MED Medication
MRI Magnetic Resonance Imaging
MS Medical Staff
MVV Mission Vision Values
N/A Not Applicable
NEO New Employee Orientation
NIH National Institute for Health
NLGH Nor Lea General Hospital
NLHD Nor Lea hospital district
NLL Nor Lea Life (Employee Intranet/Portal)
NM New Mexico
NMDOH New Mexico Department of Health
NMHA New Mexico Hospital Association
NMHIX New Mexico Health Insurance Exchange
NMJC New Mexico Junior College
NSI Nursing
Ntl National
OBS Observation
OIG Office of the Inspector General
OP Outpatient
OSHA Occupational Safety and Health Administration
PDCA Plan Do Check Act
PEC Performance Excellence Council
PET-CT Positron Emission Tomography - Computed Tomography
PG Press Ganey
PI Performance Improvement
PICK Possible Implement Challenge Kill
PM Period Maintenance
PPC Professional Providers Clinic (Specialists Clinic)
PPE Personal Protective Equipment
PPS Perspective payment system
QBR Quarterly Business Review
RAPID Review Analyze Prioritize Improve Develop
RHC Rural health Clinic
RIE Rapid Improvement Event
RtB Run the Business (refers to Operations)
SERVANT Selfless Exemplary Results-Driven Visionary Approachable Nurturing Transparent
SHRM Society for Human Resource Management
SNF Skilled Nursing Facility
SP Strategic Plan
SPP Strategic Planning Process
ST Short Term
STAT
TAT Turn Around time
TB Tuberculosis
THC Thunderbird Health Clinic
TLs Team Leaders (Executives/C-Suite/Senior Leaders)
TMC Tatum Medical Clinic
TOWS Threats Opportunities Weakness Strengths
TRIR Total Recordable Incident Rate
TX Texas
UNM University of New Mexico

US United States
VBP Value Based Purchasing
VOC Voice of the Customer
VP Vice President
WAR Weekly Action Review
WF Workforce
YB Yellow Belt
YES Yellowstone Event System
YTD Year to date

Release and Ethics Statements

Release Statement

- ✓ I understand that *
 - this application will be reviewed by members of the Board of Examiners.
 - if my organization is selected for a site visit, my organization will host the site visit,
 - facilitate an open and unbiased examination, and
 - pay reasonable costs associated with the award evaluation.
- ✓ If selected to receive an award, my organization will share nonproprietary information on its successful performance excellence strategies with other U.S. organizations. *

Ethics Statement

- ✓ I state and attest that *
 - I have reviewed the information provided by my organization in this award application package.
 - To the best of my knowledge, this package contains no untrue statement of a material fact and omits no material fact that I am legally permitted to disclose and that affects my organization's ethical and legal practices. This includes but is not limited to sanctions and ethical breaches.
- ✓ I understand that after I submit the application, I will not be able to update it. *

Date: * 5/22/2025 4:47:54 PM ET

Signature: * Johannes Baijense

Baldrige Award Application - Site Visit Process Data

Application Submission Date: 05/22/2025 16:47 ET

Application Submitted By: Johannes Baijense

Site Visit Information Submission Date: 09/04/2025 16:42 ET

Submitted By: Johannes Baijense

Leadership and Governance

This section asks about your performance and processes related to senior leadership communication, governance and accountability, grievances, and complaints. It also asks about succession planning and societal contributions.

Process Questions

1 - Briefly describe your key process(es) for your leadership succession planning.

Figure LGP 1.1 illustrates NLHD's systematic approach to succession planning, emphasizing leadership development and alignment with both organizational need and individual readiness.

The executive team, through the education committee, oversees the succession planning process and leader development through the Coordinator, Manager, Director, and Executive leadership tiers.

The process starts with assessment of current and future organizational leadership requirements, which is done annually through SPP, when staffing capacity/capability needs are determined.

Assessment is followed by identifying leadership talent that could step into a higher-level role, **Figure LGC 1.2**. NLHD identifies internal leadership candidates through rounding, scorecard reviews, participation in strategic projects as well as formal and informal reviews.

Development of the candidates occurs through multiple structured programs, including the Coordinator "Racetrack" training, the Leader Development Institute (LDI), and Lean Six Sigma (LSS) Training. Emerging leaders participate in operational councils and strategic project review sessions to build knowledge of system-wide decision-making. Monthly rounding allows for mentorship and guided development. Leaders are evaluated through annual reviews and participate in monthly leadership scorecard briefings to reinforce accountability and growth.

Through the development process, specific candidates for potential succession are identified and personal development plans are discussed. Continuous engagement of candidates is key in this process.

This approach promotes continuous development, reflective leadership, and shared responsibility across NLHD. This cross-functional readiness ensures organizational continuity during planned or unplanned leadership transitions. It allows NLHD to select leaders based on current need and individual readiness.

In addition, part of NLHD succession planning approach is to hardwire operational processes and workforce capacity and capability to create process reliability within the departments, resulting in the department functioning at high performance without direct leadership oversight for day-to-day operations. This links to NLHD iCare value of Empowerment.

Results - 88% of NLHD leaders have been promoted internally (38 out of 43), demonstrating the effectiveness of NLHD's succession strategy. Leadership turnover remains at top decile (10%) and engagement of leadership is at 98%tile, indicating strong retention of talent. These outcomes validate the success of NLHD's integrated leader development and succession planning approach



Figure LGP 1.1 NLHD Succession Planning Process

NLHD Succession Planning Process

Year	Evaluation Conducted	Improvement Made
2019	2019 Baldrige Site Visit identified that the SERVANT leadership model was not fully integrated with leader evaluation and training.	Refinement of the Servant leadership system and leadership development model to establish leadership behaviors and skills that need to be developed. Developed LDIs that were linked to each.
2022	Through SPP process improvement was identified as a process that could be accelerated. Refinement of Lean Six Sigma program was identified as an opportunity and action item on the SP.	Refinement of Lean Six Sigma Program as well as Green belt Training. (See Org Learning Dimension)
2024	Through the SPP it was identified that new leaders lacked certain skill and understanding of operations.	A project was chartered to enhance new-leader training. Leadership orientation was refined and hardwired. In addition to enhanced training, this included adding a networking section to the leadership meeting, in which new leaders give a presentation of their services.

Figure LGP 1.2 Leadership Succession Planning

Leadership Succession Planning Improvements

2 - Briefly describe your key process(es) for senior leaders’ two-way communication with the workforce.

2-Way communication among TLs and workforce is essential for building trust, fostering engagement, and ensuring alignment across NLHD. Guided by the SERVANT leadership model and iCARE values, NLHD ensures leaders actively listen, respond, and act on workforce input to align decisions with the MVV through the systematic processes, **Figure LGP 2.1**.

Direct communication: NLHD TLs maintain an open-door policy allowing workforce members to meet with them directly.

- Monthly i-Appreciate meetings- TLs provide updates & recognize workforce service awards.
- 90-day breakfast meeting- The CEO & CHRO meet monthly with new employees who complete their 90 days of employment gathering feedback used to enhance hiring, onboarding and orientation processes.
- Annual hospital week celebration in May with the Lovington & Hobbs picnic and night shift cookout. The TLs and BoTs give updates to the entire workforce and thanks them for their dedication to fulfill the NLHD MVV.
- Quarterly Town Halls are done at multiple times and locations by the CEO and other TLs provide updates and allow for open Q&A with all workforce members.
- Annual Staff Retreats are done offsite for a full week with half-day sessions for all workforce. These retreats focus on the MVV, and organizational expectations to annually realign the team through training and team development. The CEO provides updates and feedback is gathered.
- Annual Christmas Party- The CEO, TLs and BoTs give updates to the entire workforce and thanks them for their dedication to fulfill the NLHD MVV.
- Monthly Medical Staff meetings- The CEO presents to the medical staff on organizational and strategic updates. The CEO and TLs are available during medical staff to answer questions and get feedback from the medical staff.

Cascaded communication - The CEO meets weekly with all TLs in the executive meeting and holds monthly one-on-ones with each team lead. Each team leader meets with their team monthly, meets weekly and has one-on-one meetings each direct report. The CEO then shares key information with the entire leadership team monthly. In addition, the entire leadership team joins a daily safety Teams call to review key information on safety, security, census staffing, volumes and throughput, and any key information that needs to be communicated throughout NLHD. The information is then cascaded throughout the organization through team huddles, staff meetings and monthly rounding with each workforce member and provider.

Strategic Planning Communication - Workforce feedback is a critical input to the SPP.

- Feedback is gathered from the workforce through annual engagement survey and annual TOWS sessions, **Figure LGP 2.2**. This feedback is reviewed by TLs and incorporated into the SPP. Examples of Improvement based in evaluation is in **Figure LGP 2.3**.
- The Strategic Plan and its progress are communicated back to the workforce via Alignment Boards, Town Halls, Nor-Lea Life (employee portal), celebration events, and staff meetings.

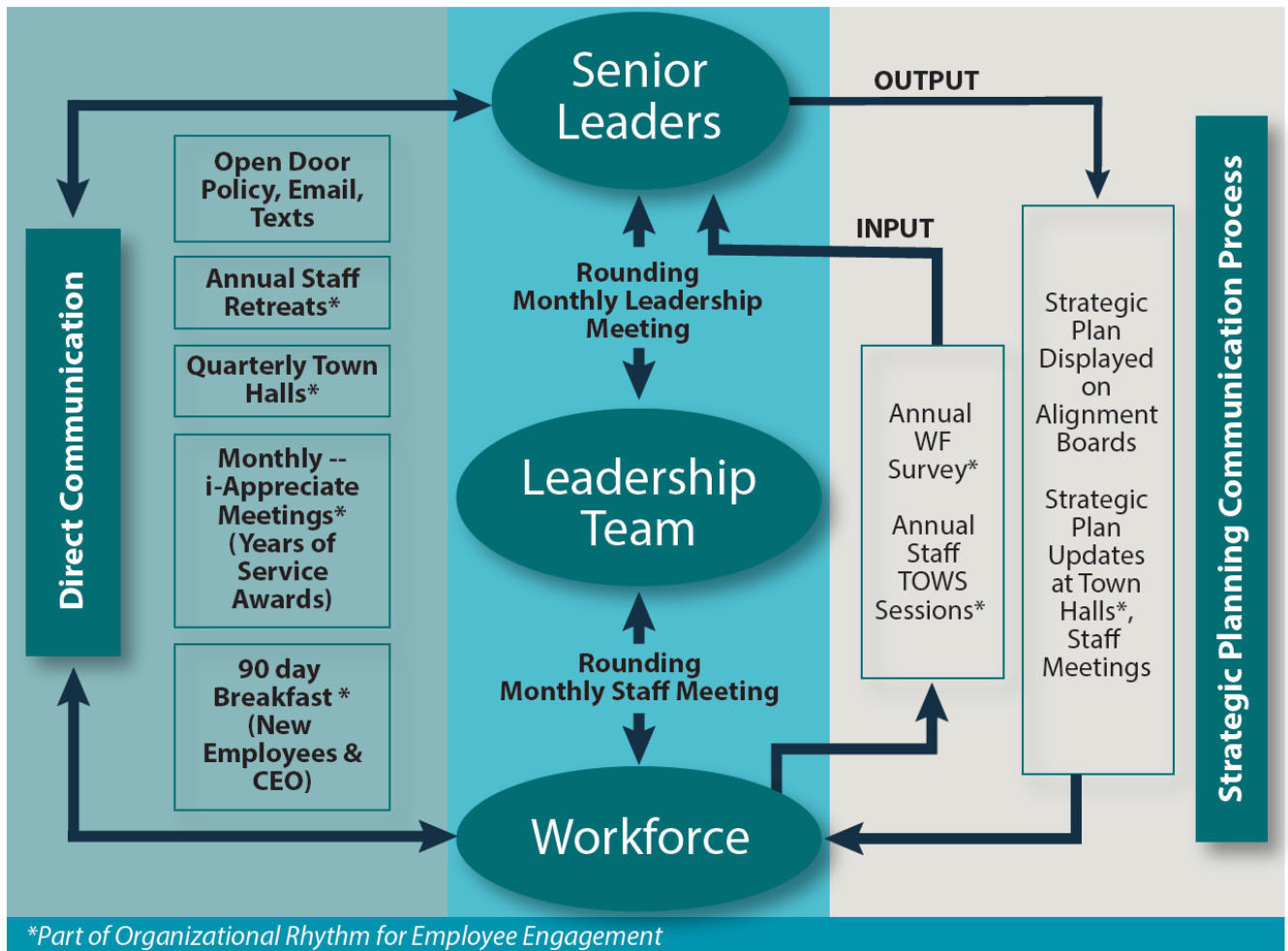


Figure LGP 2.1 Process for 2-way Communication of Senior Leaders with the Workforce

Process for 2-Way Communication of Senior Leaders with the Workforce

Group	2020	2021	2022	2023	2024	2025
Team Leaders (TL)	◆	◆	◆	◆	◆	◆
Clinical Frontline Staff			◆	◆		◆
Non-Clinical Front Line staff			◆	◆	◆	◆
Managers/Directors	◆		◆	◆		◆
Advances Practitioners	◆		◆	◆		◆
Physicians	◆		◆	◆		◆
Staff Advisory/Exceptional Care Committee	◆					

Figure LGP 2.2 Senior Leader 2-Way Communication - Workforce TOWS

Senior Leaders 2-Way Communication - Workforce TOWS

Year	Evaluation Conducted	Improvement Made
2023	Through the SPP it was identified that employee rounding did not have quantifiable metric, which would help with identifying improvement of staff engagement.	It was proposed to enhance the rounding tool to capture quantifiable employee feedback. The rounding tool software was changed and scalable results options as well as automated notification for leaders were added.
2024	Through the SPP turnover was reviewed, showing improvement over four years, however an action item was created to accelerate this improvement to achieve top quartile.	An improvement project team was created. Data sharing and transparency were improved and aligned. This includes data captures from multiple sources, such as termination reasons, exit interviews, 90-day breakfast feedback and workforce engagement survey. Recognition was improved by adding 1 and 3 years employment recognition for staff at the i-Appreciate meetings.
2024 2025	Press Ganey survey results for providers identified communication as a key process for improvement.	A project team was chartered to improve provider communication with the executive team. The provider communication project identified action items, such as consistent provider rounding and a tiered communication system that includes directors and managers and the creation of a provider portal for information sharing. Adding a quarterly advance practitioner to enhance engagement and share information. This resulted in improved provider engagement.

Figure LGP 2.3 Senior Leader 2-Way Workforce Communication

Senior Leaders 2-Way Communication Workforce Communication - Improvements

3 - Briefly describe your key process(es) for senior leaders’ two-way communication with customers.

TLs at NLHD communicate with patients and other customers through a well-defined set of structured processes designed to ensure high service quality, responsiveness, and strong community trust. These interactions are anchored in the SERVANT leadership model and iCARE values, which emphasize listening, empathy, accountability, and respect, ensuring that communication is both authentic and action-oriented.

Customer Engagement in Community

- **Community Forums and Town Halls:** Leaders host open meetings to share updates on services, outline strategic initiatives, and discuss community health resources. These sessions encourage questions and dialogue, allowing leaders to address concerns directly from customers and gather ideas for improvement.
- **Participation in Local Events:** TLs actively engage in health fairs, school programs, and civic activities, reinforcing their visibility and accessibility within the community while building strong relationships with stakeholders.

Advisory Councils and Committees

- **Patient and Family Advisory Council:** Provides a structured forum for gathering firsthand feedback on patient and family experiences, enabling collaboration on service improvements.
- **Specialty Service Focus Groups:** Engage targeted groups (e.g., senior care, primary care) to gather tailored input.

Direct Patient and Customer Feedback

- **Patient Satisfaction Surveys:** Conducted regularly to collect quantitative and qualitative feedback on care quality, safety, and service experience directly from customers.

Information Sharing and Transparency

- Updates on quality, safety, and new initiatives are communicated via the **hospital website** and **social media**. Timely communication ensures the public remains informed about changes, achievements, and opportunities for engagement.

Service Recovery Process

- Staff are empowered to acknowledge issues, apologize, and offer amends when service falls short. While NLHD aims to resolve concerns at the point of contact, restoring confidence and addressing unmet expectations promptly, TLs become engaged in resolution and recovery when the service failure cannot be resolved by the staff or direct leader. Unresolved complaints are escalated to the Risk Manager and CEO for investigation and a formal written response. See Service Recovery Process, **Figure LGP 3.1**.
- Complaints are logged in the **Yellowstone Event System (YES)** for tracking, investigation, and follow-up. Aggregated complaint data is reviewed monthly at executive huddles, BoT meetings, quarterly business reviews (QBRs), and annually during strategic planning.
- Information is routed to appropriate leaders to ensure timely resolution, identify systemic issues, and guide process improvements, coaching, or training.

Through these channels, NLHD TLs maintain a continuous dialogue with customers, ensuring engagement and feedback that drives ongoing organizational improvements. (**Figure LGP 3.2**).

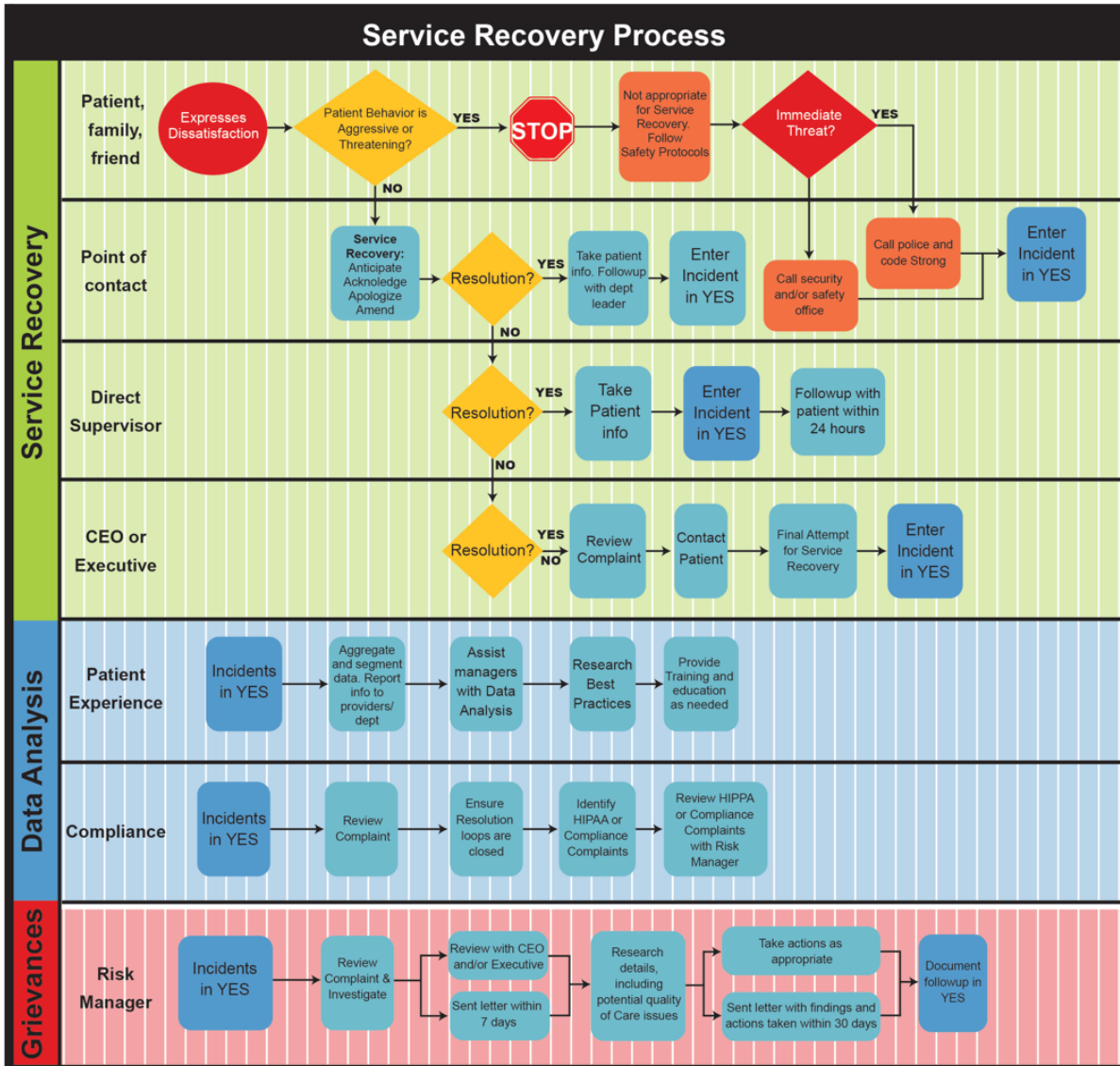


Figure LGP 3.1 NLHD Service Recovery Process

NLHD Service Recovery Process

Year	Evaluation Conducted	Improvement Made
2023	Through the Quarterly business review (QBR) - Customer complaint data and review of service recovery process was identified as an opportunity for improvement. Complaint data was tracked; however, service recovery events were not trackable.	A more robust process was created, filing all service recovery events in the YES-System that tracks complaints. Key staff were identified and trained to deploy the process of service recovery. This improvement created trackable data and trending for service recovery.
2024	Through day-to-day operations Marketing identified that management of NLHD online reputation was an opportunity for improvement.	Enhancement of customer interaction and engagement with online platforms was reviewed and a process was proposed to improve online engagement of customers. The process of engaging customers was improved by using Social Climb. This resulted in continuous feedback and engagement of customers of NLHD Hospital, NLHD clinics and providers through Google ratings and comments.
2024 2025	Through quarterly meetings with the New Mexico Rural Health Network a patient family advisory council was identified as a best practice.	Patient and Family Advisory Council was launched to receive direct patient and family feedback. This feedback is used to improve processes as well as customer engagement.

Figure LGP 3.2 Senior Leader 2-Way Customer Communication

Senior Leader 2-Way Communication with Customers - Improvements

4 - Briefly describe your key process(es) for senior leaders’ two-way communication with stakeholders.

TLs at NLHD maintain well-defined two-way communication processes with key stakeholders, specifically the BoT and the community, to ensure transparency, trust, and alignment with organizational priorities. Guided by the SERVANT leadership model and iCARE values, these processes emphasize ongoing open dialogue, timely responsiveness, and accountability.

BoTs Communication

- Monthly BoT Meetings: TLs provide the BoT with organizational performance data, strategic progress and action plans, fostering informed discussions and collaborative decision-making.
- Annual TOWS Sessions: The BoT identifies Threats, Opportunities, Weaknesses, Threats with results directly integrated into the SPP to inform priorities **Figure LGP 4.1**
- Annual BoT Survey: Conducted to measure communication effectiveness and governance performance, with results reviewed jointly to identify improvement opportunities.
- Ongoing formal and informal conversations with Board members who share community concerns & compliments.
- Exceptional Care Banquet- CEO, TLs, and BoTs host a quarterly awards banquet for exceptional iCare recognition of employees.
- BoT Education meetings with CEO- education and discussion on board and CEO responsibilities and organizational processes.
- BoT and TLs attend physician interview lunch to greet potential new physicians, share the NLHD MVV, and answer questions on prospective candidates.

Community Engagement

- Community TOWS Sessions: Held annually, alternating between key groups. Feedback from these sessions is incorporated into the SPP and communicated to these key stakeholder

groups **Figure LGP 4.1**

- Community Forums & Town Halls: TLs share updates on services, initiatives, and health resources, while inviting questions and input from attendees.
- Participation in Local Events: Leaders actively engage in health fairs, school programs and civic activities, ensuring visibility and approachability.
- Leadership participation in community boards and civic clubs **Figure CRP 2.1**
- Community Needs Assessment: Conducted every 3 years to gather healthcare-related community feedback, with resulting action plans posted on the NLHD website.
- Direct Communication: Community members contact TLs directly via phone, email, or in person.
- Digital Platforms: The NLHD website and social media channels serve as ongoing communication tools to update the community and receive feedback. Feedback, such as website messages and google reviews, are reviewed in real time, sent through appropriate established complaint and recognition processes, and a timely response and follow-up are sent to ensure the person knows the message was received and their feedback is appreciated.

Through these approaches, NLHD TLs create consistent, meaningful opportunities for stakeholder voices to be heard, ensuring their perspectives directly influence organizational planning, decision-making and community health outcomes. health outcomes. Examples of Improvement based in evaluation is in **Figure LGP 4.2**.

Stakeholder - Board of Trustees TOWS	2020	2021	2022	2023	2024	2025
Board of Trustees	◆	◆	◆	◆	◆	◆
Stakeholder - Community TOWS	2020	2021	2022	2023	2024	2025
Lovington Business Leaders	◆		◆		◆	◆
Lovington Schools			◆		◆	◆
Lovington Government			◆		◆	◆
Hobbs Business Leaders	◆		◆		◆	◆
Lovington Patients and Families			◆		◆	◆
Hobbs Government			◆		◆	◆
Community Social Services/Non-Profit			◆			
Figure LGP 4.1 Senior Leader 2-Way Communication - Stakeholder TOWS						

Senior Leader 2-Way Communication with Stakeholders - TOWS

Year	Evaluation Conducted	Improvement Made
2022	Through the 2019 Baldrige assessment it was identified that the board self-evaluation could be enhanced by adding more process-based questions.	Board Evaluation process was updated with standard questions that aligned with standardized survey adopted by the NMRHN. Implementation was delayed due to the COVID pandemic.
2024	Through the SPP it was identified that marketing data was difficult to obtain, but enhancement of data would be greatly beneficial to the SPP.	NLHD holds a Community Needs Assessment every 3 years. This assessment was expanded using a marketing vendor (3D health) to provide market data for Lea County and surrounding areas. This enhancement improved the ability to identify potential areas for growth and expanding services
2025	Through the 2024 Baldrige process it was identified that the Board Self Evaluation did not have any benchmark compare.	Benchmark data was added to key questions of the Board Self Evaluation providing the ability to gage the efficiency of the BoT processes (Figure LGR 3.1).
2025	Through the SPP, engagement and alignment of local and state representatives with NLHD delivery of healthcare services was identified as an opportunity for improvement.	NLHD improved the process to engage local and state representatives by creating engagement meetings to showcase NLHD ability to deliver healthcare services and meet the needs of their constituents (Figure LGR 3.1).

Figure LGP 4.2 Senior Leader 2-Way Stakeholder Communication - See also Figure LGP 3.2

Senior Leader 2-Way Stakeholder Communication - Improvements

5 - Briefly describe your key process(es) for ensuring responsible governance related to accountability for senior leaders’ actions, fiscal accountability, and transparency.

NLHD ensures effective governance related to TL actions, fiscal accountability, and transparency through a robust framework of systematic processes, operational controls and quality improvement approaches that ensure both performance and trust are maintained across NLHD. See **Figure LGP 5.1**

Accountability for Senior Leaders’ actions begins with structured performance evaluations for TLs, coupled with monthly BoT service, quality, people, growth and financial review that provide ongoing oversight. TL updates to the BoT ensure leadership remains informed on services, recruitment, legal, compliance and legislative updates. This accountability framework is reinforced through a comprehensive compliance plan, ongoing audits and monitoring, a monthly finance report and investment report, QBRs to align operations with strategic goals, and annual Baldrige assessments and feedback. Ethical standards are safeguarded by requiring all Leadership and BoT to sign annual conflict-of-interest disclosures, fostering transparency and impartiality in decision-making. The BoTs begin each monthly meeting with verifying there are no conflicts of interest on any agenda item, members abstain if they have any actual or perceived conflicts.

Fiscal accountability is achieved through the annual budgeting process paired with monthly monitoring of performance to financial goals. Daily, weekly and monthly financial performance reviews help identify variances early, while department specific scorecards establish targeted financial objectives. Productivity monitoring ensures resources are used efficiently. Financial process integrity is audited annually through an independent external auditing firm. Regulatory

compliance is further reinforced by external audits & internal oversight, including monthly process-based compliance audits and external coding audits to ensure accurate documentation and billing.

Transparency in operations is a defining element of the governance model. Open BoT meetings allow for public oversight, while Mill Levy votes provide the community a voice in funding decisions. Meeting minutes and financial statements are made available to the public, reflecting a commitment to openness in governance. Operational transparency extends to publishing minutes from managerial and BoT meetings on the KM Sharepoint, ensuring accessibility for staff and stakeholders. Annual financial audit is published by the office of the State Auditor. Key organizational changes are communicated through NLL, social media, and local newspapers, ensuring that critical updates reach a wide audience.

Collectively, these processes form an integrated system of leadership accountability, financial stewardship, and transparent governance. By combining rigorous performance oversight, structured financial monitoring, and proactive communication, NLHD not only meets its compliance and ethical obligations but also builds stakeholder confidence. Examples of Improvement are in **Figure LGP 5.2**.

Key Aspect	Processes
Accountability for Senior Leaders' Actions	<ul style="list-style-type: none"> • Team Leader Performance Evaluations • BoT monthly quality and financial reviews • Administrative update monthly to BoT on services, recruiting, legislative updates Compliance plan, audits, & monitoring • Monthly Organizational Dashboard • Quarterly Business Reviews • Annual Baldrige assessments • Signed conflict of interest by all Team Leaders
Fiscal Accountability	<ul style="list-style-type: none"> • Annual budgeting and monthly review • Weekly/monthly financial reviews • Department scorecard financial goals • Daily and monthly productivity performance and projections
Transparency in Operations	<ul style="list-style-type: none"> • Open Board meetings • Mill Levy votes • All minutes / financial statements are public information • Posted minutes from Manager's meeting, BoT meeting, Medical Staff Meetings on NLL • Key changes posted on NLL, social media, and local newspapers
Figure LGP 5.1 Senior Leader Accountability and Transparency	

Senior Leader Accountability and Transparency

Year	Evaluation Conducted	Improvement Made
2022	Annual review of financial viability process showed that benchmarking data was expensive and difficult to obtain for a compared to other CAH as well as the top performance hospitals.	NLHD required the auditor to provide solid benchmarking data to gage level of performance. Changed auditors to Clifton & Larsen (CLA). To provide better benchmarking and compares with other critical access hospitals. This includes top decile and quartile as well as the CLA Gold Standard. (See Financial Dimension)
2024	Through the SPP it was identified that new leaders lacked certain skill and understanding of operations.	A project was chartered to enhance new-leader training, Figure LGP 1.2 . New leader Orientation was enhances by adding 30, 60 and 90 day training and review of the financial maintenance and viability processes. This empowers leaders to make well informed decisions in management of supplies, staff and other financial impact items.
2024	Through the revenue cycle and coding audits and feedback from the providers it was identified that coding audits did not provide educational feedback and resources for improvement.	We switched to AAPC this year and have had positive feedback as a result. The providers are getting one on one annual training as well as group training. HIMS identified and engaged a vendor for auditing that would provide a quantifiable score and education resources with feedback. In addition, the CDI staff members are the liaison between the auditing company and the provider so that the provider will always have a resource helping them improve.

Figure LGP 5.2 Senior Leader Governance, Fiscal Responsibility

Senior Leader Governance and Fiscal Responsibility - Improvements

6 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

1. Leadership commitment to MVV, organizational culture & pursuing excellence. NLHD leadership team infuses the MVV and the pursuit of excellence throughout NLHD. This genuine commitment to the organizational culture and high standards engages the entire workforce and partners, which leads to long term organizational success. NLHD leadership has aligned the MVV, organizational culture, and the pursuit of excellence into multiple key processes including the peer interview, town halls, iAppreciate, performance improvement plans, evaluations, strategy, LDIs, service huddles, NEO, recognition programs, and rounding. The integration of the MVV and organizational culture throughout the organization has led to “it is just how it is done”, where NLHD has normalized the extraordinary.

Other organizations could benefit from this intentional alignment of MVV, organizational culture, and the pursuit of excellence to align all processes leading to a purpose driven organization with extraordinary results.

2. Robust values-based leadership development with defined competencies - The leadership system is anchored in the SERVANT leadership model and iCARE values, supported by defined competencies for every leadership level. Each competency is tied to concrete development resources including e-learning, classroom training, mentoring, and Lean Six Sigma training. This ensures leadership behaviors are

consistent and culturally aligned.

Value to Other Organizations: Embedding clear leadership attributes and linking them to actionable training pathways ensures leaders are both skilled and values-driven. This creates a consistent leadership culture, enhances decision-making, and increases employee trust and engagement across the organization.

3. NLHD cultivates strong workforce, customer, and community engagement through robust, multi-channel two-way communication systems - TLs maintain regular, structured communication with employees, customers, and stakeholders through multiple channels, listed in leadership and governance processes questions 2-4. Feedback from these interactions is actively incorporated into decision-making and builds engagement with each group. See employee engagement results.

Value to Other Organizations: Implementing diverse, intentional communication methods builds trust, ensures transparency, and fosters collaboration. By creating predictable and accessible forums for dialogue, organizations can strengthen engagement, respond more effectively to concerns, and align actions with the needs of their customers, workforce and community.

In summary, NLHD's integrated values-based leadership development, and multi-channel communication processes provide a replicable blueprint for organizations aiming to improve leadership readiness, cultural cohesion, and stakeholder relationships. These practices not only enhance operational resilience but also position organizations to thrive through periods of change while maintaining trust and alignment.

Operations

This section asks about your performance and processes related to your main products, services, and/or programs. Results requested pertain to the performance of your products, services, or programs and the efficiency and effectiveness of your processes for producing and providing them. Results are also requested regarding your supply-network management, cybersecurity effectiveness, risk management, emergency preparedness, and continuity of operations.

Process Questions

1 - Briefly describe your key process(es) for producing your products and services.

NLHD key services include Hospital Services, Provider Clinics, and Community Wellness Services (**Figure ODC 1.1**). The key process to produce these services is the NLHD Performance Excellence System (**Figure ODC 2.3**).

1. **Voice of the Customer** → The process begins with the voice of the customer, where requirements are defined and segmented by work systems (Healthcare, Leadership, Support) and key processes (**ODC 5.1, EPM**). Process owners, identified in the organizational structure, manage operations and ensure feedback drives continuous improvement.
2. **What We Measure** → Process and outcome measures are balanced across five strategic pillars—service, quality, people, finance, and growth—grounded in the Mission, Vision, and Values. This ensures prioritization and provides a framework for monitoring performance and identifying opportunities to improve.
3. **How We Evaluate Performance** → Evaluation occurs through monthly process owner scorecards, department meetings, committees, executive weekly meetings, dashboards, BoT meetings, quarterly reviews, and the annual planning retreat. These cycles ensure accountability,
4. **Performance Excellence Structure** → The framework has two tracks: (1) *Run the Business (Rtb)* focuses on operations, metrics, and continuous improvements. Processes are stable, with NLHD achieving 90% of key targets in FY2025. (2) *Change the Business (Ctb)* focuses on strategic initiatives and major changes (see Strategy Dimension). The organizational scorecard integrates both tracks, aligning operations and strategy while creating a cycle where learning from operations informs direction.
5. **How We Improve** → The NLHD Center for Innovation leads training, education, and Lean Six Sigma project management. Improvement projects may be operational or strategic (see Organizational Learning and Strategy Dimension). Progress is reviewed at QBRs. This cycle of review, evaluation, and adjustment embeds learning across the organization (**examples in Figure OPP 1.2**).
6. **Who We Are and What We Do** → Outcomes are evaluated against NLHD's mission of delivering an Exceptional Experience and the vision of Enhancing Lives. This alignment strengthens NLHD's core competencies of innovation, agility, trusted relationships, and primary care excellence.

The process to design and deliver new services follows the DMAIC Innovation Process (**Figure OPP 1.1**). This approach, deployed to expand services identified during the SPP, ensures learning from past initiatives informs future innovations. Examples include:

- The new clinic at New Mexico Junior College, which leveraged best practices from other school-based clinics and introduced an innovative billing structure for students without traditional insurance coverage.

Planned expansion of ophthalmology and urology service lines in the FY2026–2028 strategic plan, reflecting evaluation of community needs and organizational learning.

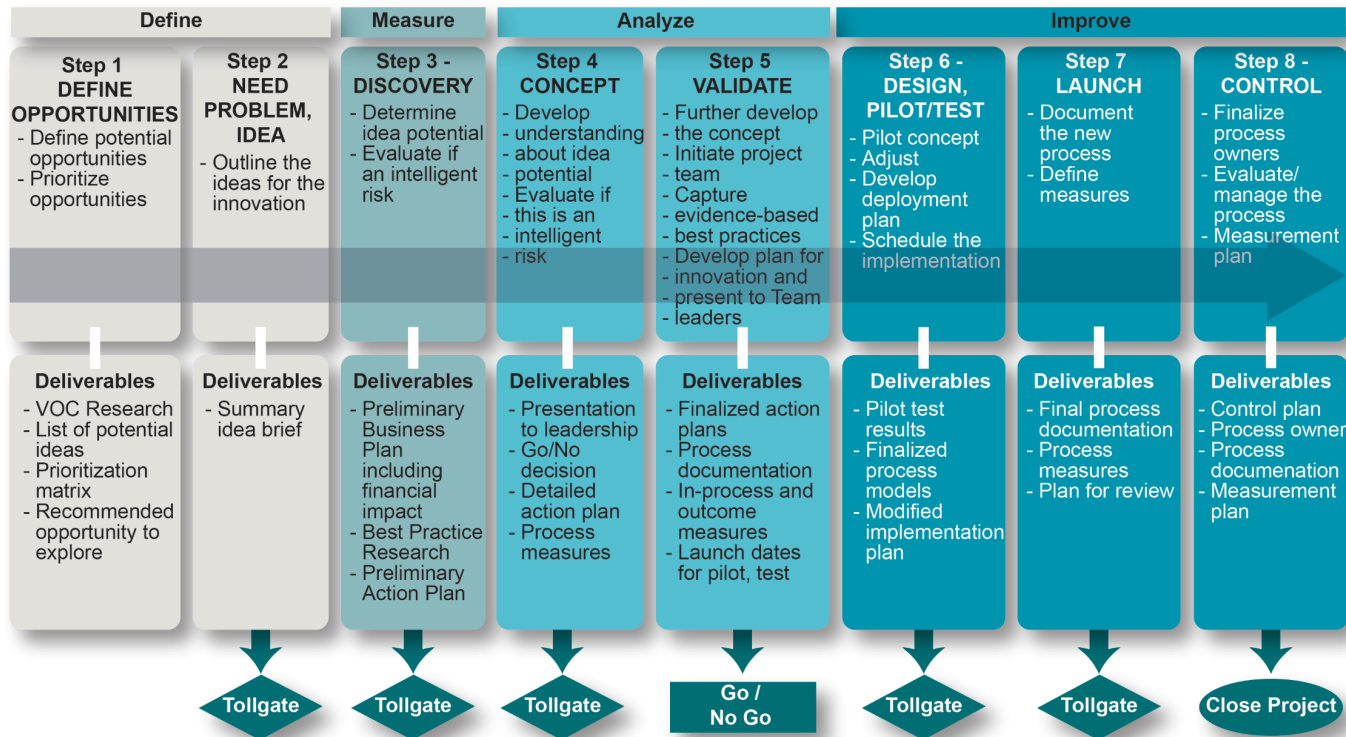


Figure OPP 1.1 DMAIC Innovation Process

DMAIC Innovation Process

Year	Evaluation Conducted	Improvement Made
2019	The Baldrige process identified a need for a structured approach to innovation. DMAIC Innovation process was formalized.	As a result, the DMAIC Innovation Process was formalized, creating a standardized methodology for designing and deploying new services. This has since enabled consistent, reliable, data-driven service expansion.
2022	Through the Strategic Planning Process, leaders identified the need for more robust process improvement tools. Six Sigma Program was enhanced (see Dimension Org Learning).	The Six Sigma Program was expanded and aligned with organizational learning initiatives, providing workforce training and certification pathways. This enhancement has improved project success rates and accelerated improvement cycles.
2023	The CAPE evaluation reinforced the importance of distinguishing between operational (Run the Business) and strategic (Change the Business) processes. Performance Excellence system enhanced, clarifying Rtb and Ctb tracks.	NLHD enhanced its Performance Excellence System to formally clarify RtB and CtB tracks, improving accountability, focus, and measurement of both operational and strategic outcomes.
2024	An organizational evaluation identified the need for dedicated oversight of improvement and innovation.	NLHD created the Center for Innovation, which provides structured project management, training, and oversight for Lean Six Sigma projects. This has accelerated improvement deployment and fostered a culture of innovation across all departments.

Figure OPP 1.2 Improvement Cycles for Producing Products and Services

Improvement Cycles for Producing Products and Services

2 - Briefly describe your key process(es) for supply network management.

The key processes for supply network management are structured and standardized to ensure efficiency, quality, and cost-effectiveness.

- **Workflow Automation (Figure OPP 2.1):** Supplies are managed in the NetSuite system, which automates ordering. The system distinguishes between Transfer Orders (Central Supply) and Purchase Orders (vendors). Implemented in 2020, this automation ensures consistency. Products are set up with preferred and alternate vendors, with selections based on price, quality, and availability.
- **Verification Process:** For supplies not previously ordered or not in NetSuite, verification steps include checking for similar items, Revenue Integrity review, confirming the request is not capital or one-time, conducting a GPO check, and vendor setup if needed.
- **Supply Usage:** Usage data determines whether an item is stocked in departmental lean supply rooms or maintained in Central Supply.
- **Vendor Diversification:** To reduce risk, NLHD diversifies its vendor base, ensuring products are purchased at the best combination of price, availability, and quality.

A core strength of this process is that Materials Management operates under data-driven leadership and is empowered to make purchasing decisions with leadership collaboration. This drives continuous improvement (Figure OPP 2.3) focused on organizing, standardizing, automating, and innovating supply chain practices, leading to measurable efficiency gains (Figure OPP 2.2).

Another key element is vendor evaluation. Vendors with significant impact—based on volume, cost, or strategic importance—are formally assessed. High-impact vendors are invited onsite for review. Prior to these reviews, vendors complete a questionnaire, allowing NLHD to confirm alignment of their Mission, Vision, and Values (MVV) with NLHD’s MVV and identify opportunities for improvement and innovation.

Supply Chain Best Practices

- **Integrated, Data-Driven Supply Chain Management (Figure OPP 2.1):** NLHD’s process is a best practice built on data-driven leadership, empowered decision-making, and collaboration with leadership. This structure drives standardization, automation, and innovation, ensuring efficiency and resource availability.
- **Resilient and Flexible Vendor Strategy:** NLHD avoids exclusive vendor agreements, enabling evaluation of multiple vendors in real time. This ensures purchases at the best available price without compromising quality and enhances resiliency to adapt to market fluctuations, shortages, or price shifts.
- **Mission-Aligned Vendor Partnerships:** High-impact vendors are evaluated for alignment with NLHD’s MVV. This ensures cost and quality while fostering innovation, trusted relationships, and long-term sustainability.

Together, these best practices reinforce NLHD’s competencies of agility, innovation, and trusted relationships, ensuring a supply network that is resilient, efficient, and mission driven.

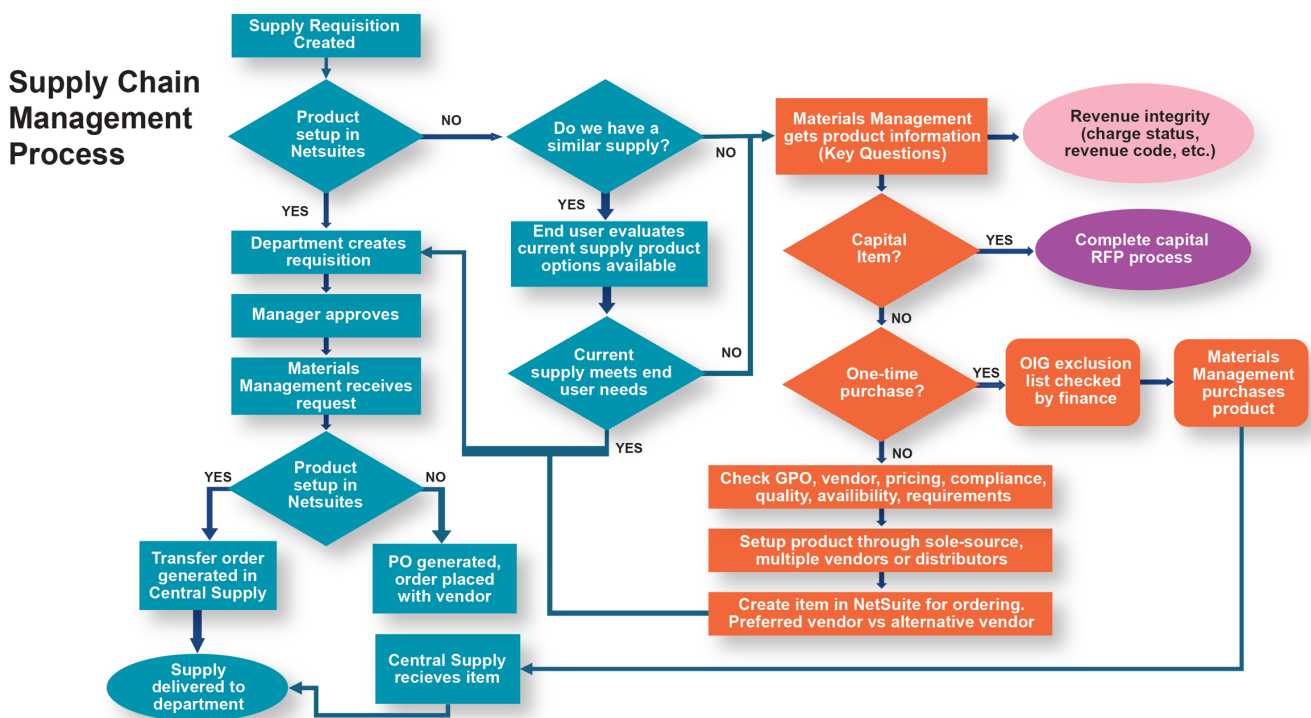


Figure OPP 2.1 Supply Chain Management Process

Supply Chain Management Process

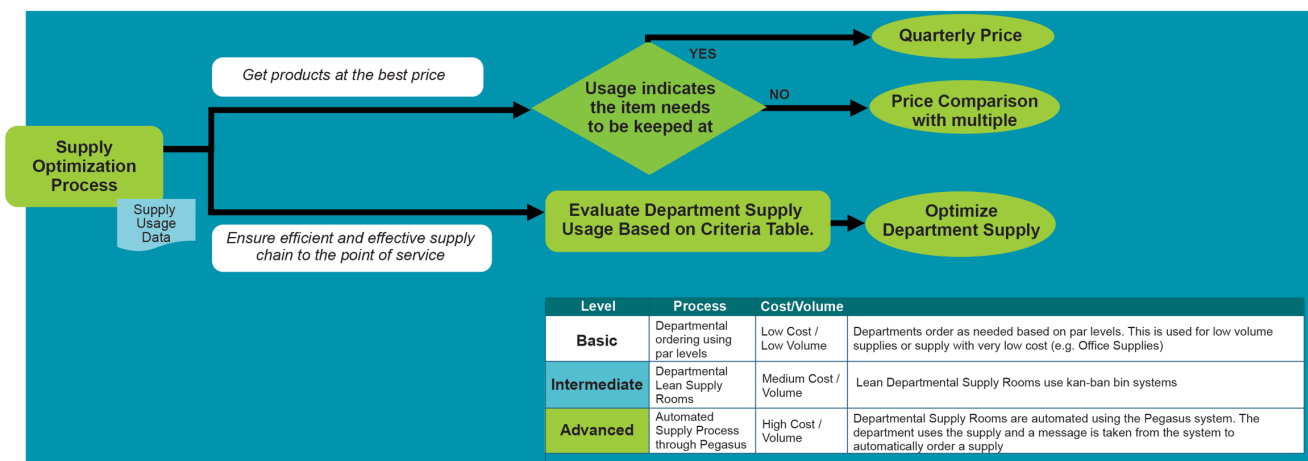


Figure OPP 2.2 Levels of Supply Management Processes

Levels of Supply Management Process - Optimization

Year	Evaluation Conducted	Improvement Made
2020	SPP process identified an opportunity to collaborate with Providence Health to upgrade the EHR to Epic. As part of this change, a recommendation was made to upgrade supply management software from CPSI to NetSuite.	Purchasing process was automated and standardized through NetSuite system, eliminating most paper purchase orders.
2020	Evaluation of materials management process by incident command during the COVID-19 pandemic recommended empowering the purchasing department.	The purchasing department was empowered to make independent data-driven supply decisions in collaboration with the leadership team.
2021	Continuous evaluation of supply chain efficiency revealed that products were being purchased even though similar products with the same function and quality were already available in the system.	The process for product review, including evaluation of similar products with the same function was hardwired to standardize purchase and prevent duplication.
2021	Continuous evaluation of supply chain efficiency identified inefficiencies and lack of a data- driven approach in department supply rooms.	Standardization and creation of departmental Lean Supply Rooms replacing par-level closets, improving efficiencies.
2022	Continuous evaluation of supply chain efficiency, identified the opportunity to automate the supply count process through scanners.	Scanners for supply tracking were piloted and after a successful trial, fully deployed in the materials management department. This process has improved staff efficiency.
2023	NLHD leadership identified a best practice in supply management automation using the Pegasus system. This process showed potential for cost savings and improve efficiency.	Automated department lean supply rooms were implemented in the ED through the Pegasus system (2023). This initiative improved efficiency and reduces supply cost, saving NLHD more than ██████████
2023-2025	Evaluation of cost savings from the initial Pegasus rollout prompted expansion of this automated process, with emphasis on high volume and high-cost supplies.	Automated department lean-supply rooms were expanded to MedSurg (2024), Endoscopy, Sleep-Lab, Respiratory, Cancer Center, OR, and Hobbs Clinic (2025)

Figure OPP 2.3 Evaluation and Improvement Table for Supply Network

Evaluation and Improvement Tables for Supply Chain

3 - Briefly describe your key process(es) for risk management.

The NLHD risk management process is structured around six key elements (**Figure OPP 3.1**)

1. **Mitigation & Prevention:** All new employees are trained in the NLHD's Safety Culture, which includes concepts such as "See Something, Say Something". NLHD conducts a daily, system wide, virtual safety huddle lasting fewer than 15 minutes to align leadership across all locations and communicate critical information to the workforce. During this huddle, leaders review reports that allow them to adjust operations, flex staffing using predictive analytics, and identify actions to mitigate or remediate any emerging risks. Annual risk assessments are also conducted, with action plans developed to address identified risk.
2. **Identify Risk Events** – NLHD reports risk events in the YES system. In 2023 reporting capability were enhance with the addition of an anonymous third-party reporting system. Risk events are also identifies through patient complaints, patient surveys, social media and other workforce and customer listening approaches.
3. **Response** – All staff are trained in the Service Recovery Process (**Figure LGP 3.1**)
4. **Investigate** – All events reported are investigated. Investigations may include patient chart review, customer interviews, and workforce interviews.
5. **Improve** – Based on investigation findings, corrective actions are taken. NLHD reviews best practices and updates policies and processes accordingly. The safety Huddle also serves as a key process to share findings, disseminate best practices, and educate leadership on changes and
6. **Evaluate** – Risk events are tracked and trended by the Risk Manager. In 2024, patient complaint management was strengthen with the creation of the NLHD Patient Experience Measurement Team, which consolidates all customer feedback for tracking, trending, and identifying opportunities for improvement.

Striving for excellence, NLHD continuously reviews the processes related to Risk Management (**Figure LGP 3.3**)



Figure OPP 3.1 Risk Management System

Risk Management System

Year	Evaluation Conducted	Improvement Made
2022	Through the NM Rural health Network and the NMHA, patient and family advisory councils were identified as a best practice.	A Patient Family Advisory Council was established as an avenue to gather feedback directly from customers and their families.
2023	Through the Quarterly business review (QBR) and financial audits - Customer complaint data and review of service recovery process was identified as an opportunity for improvement. Complaint data was tracked; however, service recovery events were not trackable. The Risk Manager was assigned to improve this process.	A more robust process was created, filing all service recovery events in the YES-System that tracks complaints. Key staff were identified and trained to deploy the process of service recovery. This improvement created trackable data and trending for service recovery.
2023	PYA consultants were engaged to evaluate compliance and risk processes. They identified an opportunity to strengthen reporting by adding an anonymous third-party reporting system, replacing the prior NLHD-only portal.	An anonymous reporting system managed by a third-party vendor was implemented to enhance anonymous reporting and accountability.
2024	Through the SPP it was identified that customer engagement was not improving through the approach used by the external consultant (Huron). This approach was abandoned, and a project team was chartered to redesign the patient experience program (See Customer and Markets Dimension).	The Patient Experience Measurement Team was created to consolidate feedback from all customer listening approaches. Customer complaints were added to this dataset and incorporated as Voice of the Customer (VOC). This enhancement included the reporting of all negative online feedback into our YES-Systems (Complaint Management) for timely feedback and follow up.

Figure OPP 3.2 Improvement Cycles for Risk Management

Improvement Cycles for Risk Management

4 - Briefly describe your key process(es) for emergency preparedness.

Emergency Preparedness processes are fully embedded within NLHD’s operational continuity processes (**Figure OPP5.1**). The program is designed to mitigate risks, prepare for, respond to, and recover from emergencies and other disruptions, ensuring business continuity through the systematic cycle outlined in Figure **OPP4.1** including improvements **Figure OPP4.1**.

- 1. Risk Analysis, Evaluations:** Comprehensive risk assessments and evaluations of emergency events are conducted at both the organizational and county levels. These include Hazard Vulnerability Analyses (HVAs), hotwashes, and structured evaluations of events, drills, and training. Findings feed directly into preparedness planning, ensuring a systematic approach to identifying vulnerabilities and strengthening resilience.
- 2. Preparedness: Training, Drills, and Communication Protocols:** Training and drills are conducted year-round, both internally and with external partners, to ensure workforce readiness in high-risk areas. Training includes new employee orientation, e-learning, simulation exercises, and scenario-based drills such as Code Blue and active shooter events. Communication protocols are established and tested (landlines, cell phones, radios, Everbridge) to ensure continual communication during disruptions. This systematic preparedness process integrates workforce capability building with operational continuity.

3. **Coordination with External Partners:** Preparedness is integrated with community and regional partners including Lovington Fire, Lea County, law enforcement, AeroCare, NM Region 3, FEMA, and CDC. Joint drills, shared protocols, and collaborative workshops strengthen interagency coordination, building system-level resilience and ensuring a unified response capability.
4. **Evaluation and Continuous Improvement:** Drills and events are evaluated, hotwashes are conducted to capture lessons learned. Effectiveness is assessed, gaps are identified, and corrective actions are incorporated into future training and response protocols. This evaluation cycle reinforces organizational learning and ensures that improvements are deployed across the system.

Examples of NLHD Preparedness Drills

- Emergency communication drills using backup radios (2021)
- Telestroke protocol testing (2021)
- Adult and pediatric Code Blue simulations (2022, 2023)
- Stat Nurse and rapid response drills (2023, 2024)
- Active shooter scenarios (2023)
- AeroCare flight coordination for unstable trauma patients (2023, 2024)
- Measles outbreak response (2025)

Emergency preparedness is not a stand-alone activity; it is aligned with NLHD's mission to deliver an Exceptional Experience and with organizational agility. The process integrates with workforce training, risk management, patient safety, and business continuity. By embedding preparedness into daily operations, NLHD ensures that improvements identified through drills and real events are systematically deployed, evaluated, and reinforced across all departments and partner organizations.

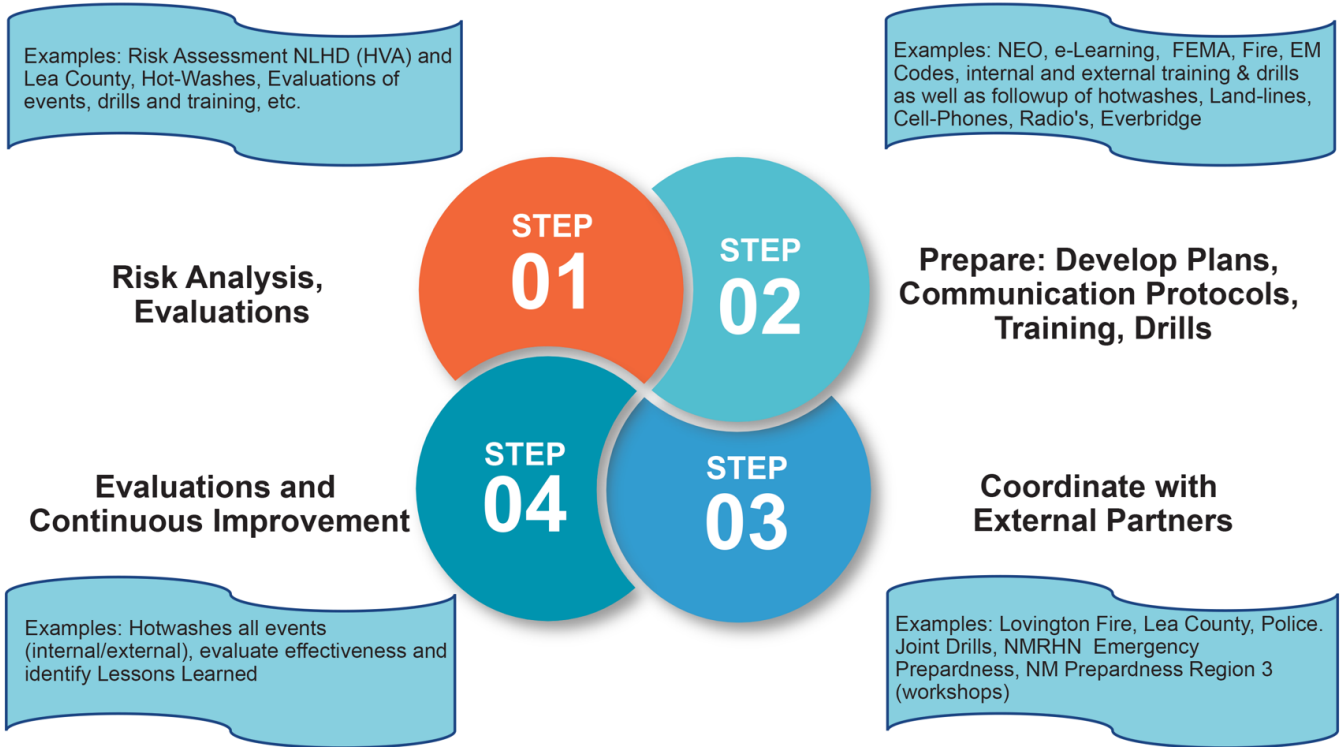


Figure OPP 4.1 Emergency Preparedness Process

Emergency Preparedness Process

Year	Evaluation Conducted	Improvement Made
2020	COVID-19 pandemic preparedness and response efforts were evaluated for efficiency.	Creation of phases response protocols of Green, Yellow, Red and Black were developed. These protocols were later reapplied during the measles outbreak in 2025.
2022-2023	As part of the ED renovation a threat and risk assessment was conducted and opportunities for employee safety, patient safety (behavioral Health) and surg capacity were identified as opportunities to incorporate in the ED re-model.	The ED renovation incorporated surge capacity features and safety enhancements, including designated patient-violent and nonviolent rooms for behavioral health patients, bullet proof glass, and other protective features.
2024	Through the 2024 Baldrige Evaluation it was identified that hotwashes lacked an efficiency measure.	A scale of effectiveness was added to hotwashes to evaluate and improve processes. The Emergency Preparedness Coordinator now tracks and uses this scale to strengthen drills and response activities.
2024	Through day-to-day operations a challenge was identified in communication when phone systems were unavailable. The emergency preparedness coordinator was tasked to improve this process.	Radios were shifted to serve as the primary mode of communication during phone outages.
2025	Through the 2024 Baldrige Assessment an opportunity to align (internal and external) risk assessments and evaluations within emergency preparedness.	Risk assessments from Lea County, NLHD and hotwash evaluations were synchronized to create comprehensive plans for training and drills.

Figure OPP 4.2 Improvement Cycles - Emergency Preparedness

Improvement Cycles - Emergency Preparedness

5 - Briefly describe your key process(es) for continuity of operations.

Continuity of Operations is managed through the structured process outlined in **Figure OPP 5.1**. NLHD reduces the risk of service disruption by focusing on prevention and minimizing the impact when disruptions occur. Through mitigation strategies, response plans and comprehensive preparedness activities, leaders and staff are prepared to respond effectively whenever disruptions to normal operations arise.

- NLHD standard operating procedures address critical services-including electricity, water, gas, oxygen, internet, EHR, phone systems, and other essential utilities by incorporating mitigation, response, and preparedness measures. These plans are reviewed annually and updated based on evaluation findings and improvement activities.
- Mitigation strategies implementing redundant systems such as backup generators and redundant servers to prevent or minimize down times. Monitoring and testing systems are conducted to ensure functionality and to proactively identify trends that could signal potential system failures.

NLHD conducts a daily, system wide, <15-minute virtual safety huddle to align leadership across all locations with critical updates for the workforce. During this huddle, leaders follow a standard agenda, receive real-time updates, and adjust operations, flex staffing using predictive analytics, and identify mitigation or remedial actions as needed. Response plans consist of policies, procedures, and standard work documents that are fully integrated into operating processes. Preparedness activities include workforce training, audits, and testing to ensure these plans are effective and efficient.

- Disruption- A disruption in normal operations activates the response plan. Each disruption event is assessed to determine scope, potential risk, and the appropriate initial response.
- Response- Communications are immediately cascaded from the administrator on call to all impacted departments with instructions on required actions. Process owners troubleshoot to identify root causes and implement corrective actions to resolve the disruption.
- Recovery – After a solution is implemented, it is evaluated for stability and long-term viability. This review also determines whether bypass or alternative workflows need to be reverted to standard operations.
- Evaluate – Following each disruption event, a hotwash evaluation conducted with primary participants, and an action plan is developed to address needed improvements.
- Improvement: Mitigation, response, and preparedness processes are refined using insights from hotwashes and action plans after each event. These insights, combined with local, state, and national occurrences and best practices, are incorporated into the annual risk assessment to prioritize and implement improvements.

Operationally Continuity plans are continuously evaluated for effectiveness through evolutions and risk analysis (**Figure OPP 5.2**)

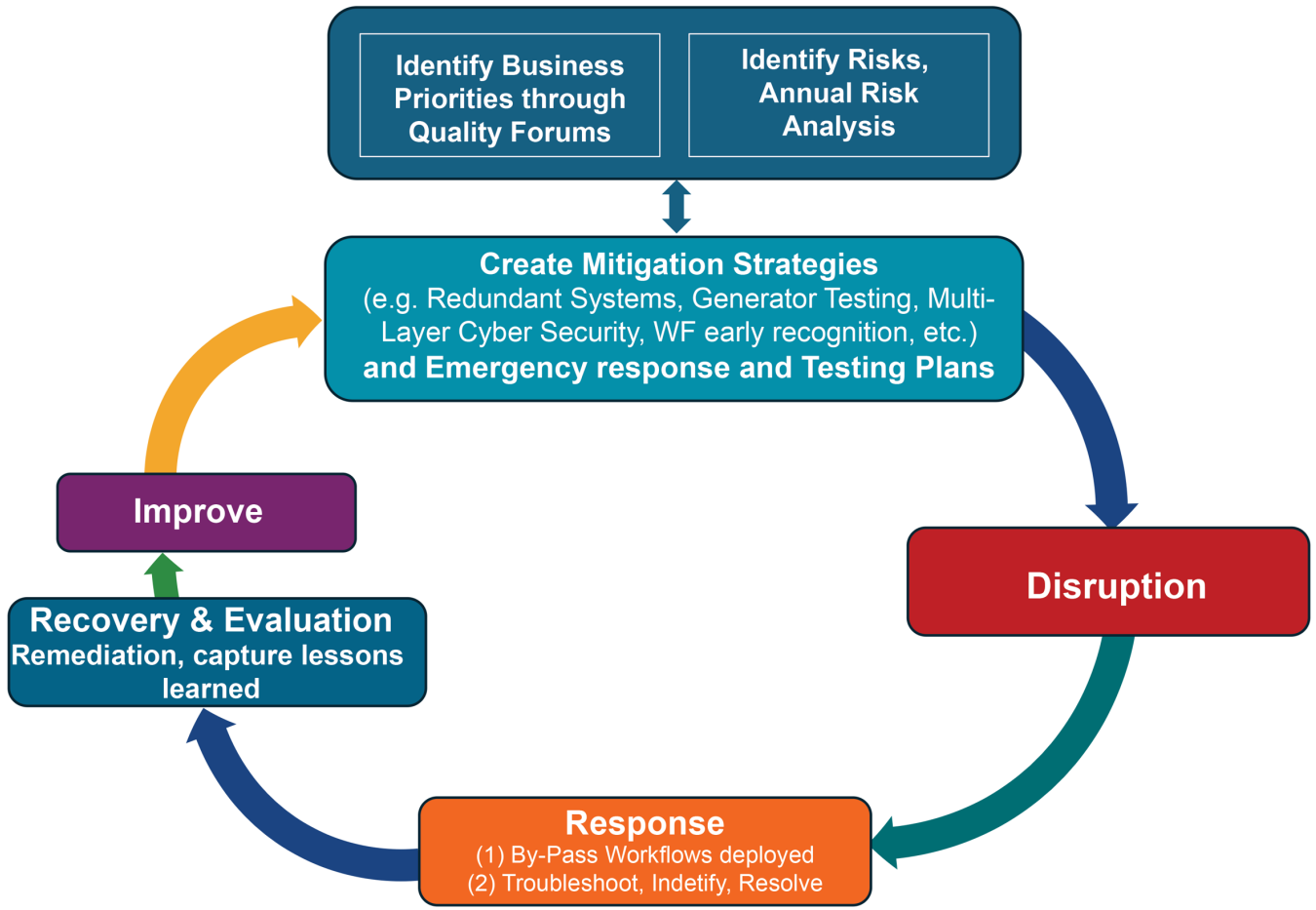


Figure OPP 5.1 Operational Continuity Process

Operational Continuity Process

Year	Evaluation Conducted	Improvement Made
2020	The annual IT Risk assessment identified an opportunity to mitigate risk for network downtime. Segmenting the network will prevent complete downtime of the network.	Network segmentation strategies were implemented to reduce vulnerabilities.
2020	Providence Health Technical Evaluation of network and internet connectivity identified opportunities to strengthen internet connections by creating redundancy of internet connections.	Redundant internet connectivity was created in 2020 and further enhanced in 2024 to ensure reliability.
2024	Event evaluation through Hotwashes identified an opportunity for improvement by vendor diversification	Vendors were diversified by converting from MPLS to SDWAN for EHR connections, creating backup and redundancy for NLHD internet.
2022	Event evaluation through a hotwash identified an opportunity to mitigate the risk for IT breaches by creating a specific security response plan.	A comprehensive PC security response plan was created and deployed.
2023	Event evaluation of a hotwash showed an opportunity to mitigate delayed response times by simplifying the process and contact vendors directly.	A downtime response plan was created, improving troubleshooting efficiency. Vendors such as Kronos or Providence are now contacted first before further investigation. Another bypass options were also added-for example, in Radiology, connections between the EHR and radiology equipment can now failover to ensure continuity of operations.
2023	Event evaluations of a hotwash showed an opportunity for enhancing workforce training and create security agreements with the workforce.	This resulted in updates to NEO training and workstation security agreements.
2024	Hotwash evaluations again emphasized the importance of internet reliability.	The transition from MPLS to SDWAN was implemented, providing backup redundancy for EHR connectivity.
2025	A DNV audit identified an opportunity to mitigate risk with third party vendors.	Contracts with third party vendors were updated to include IT security evaluations.

Figure OPP 5.2 Improvement Cycles for Continuity of Operations

Improvement Cycles for Continuity of Operations

6 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

Performance Excellence System

- NLHD has utilized the performance excellence system, (**Figure ODC 2.3**) for many years refining it through multiple cycles of improvement. This system is driven by the voice of the customer and incorporates a structured measurement framework balanced across the five pillars, aligning customer needs with business requirements. It distinguishes between ongoing operational processes, which must be monitored, controlled, and improved, and strategic processes that drive long-term growth and transformation. The systems separated Run the Business (RtB) from Change the Business (CtB), ensuring clear focus on both operational excellence and strategic innovation. Its structured measurement approach enables identification of improvement opportunities, while standardized improvement

methodologies guide process owners through continuous cycle of refinement. This system represents a best practice that can be adopted by any organization seeking a balanced, customer-driven approach to process improvement.

DMAIC Innovation Process

- The DMAIC Innovation Process is a best practice. Through the SSP NLHD identifies emerging customer and community needs. DMAIC Innovation process has been successfully used to designed and deploy new services such as the Patient Transport System, the Primary Clinic at NMJC, and the Hobbs High School Eagle Clinic.

Six Sigma and Innovation

- The NLHD Center for Innovation project management. Although most organizations have a Six Sigma program, the robust deployment through strategic planning and weekly WAR room meetings with the unique approach of developing expertise is a best practice (See Organizational Learning Dimension).

Supply Chain

- **Process Levels:** The Supply Chain Management Levels framework (**Figure OPP 2.2**) has driven a structured improvement approach that has saved NLHD significant costs. This model is replicable for other organizations seeking to optimize supply chain efficiency and reduce expenses.
- **Integrated, Data-Driven Supply Chain Management (Figure OPP 2.1):** NLHD's process is a best practice built on data-driven leadership, empowered decision-making, and collaboration with leadership. This structure drives standardization, automation, and innovation, ensuring efficiency and resource availability.
- **Resilient and Flexible Vendor Strategy:** NLHD avoids exclusive vendor agreements, enabling evaluation of multiple vendors in real time. This ensures purchases at the best available price without compromising quality and enhances resiliency to adapt to market fluctuations,
- **Mission-Aligned Vendor Partnerships:** High-impact vendors are evaluated for alignment with NLHD's MVV. This ensures cost and quality while fostering innovation, trusted relationships, and long-term sustainability.

Workforce

This section asks about your performance for key processes related to your workforce. This section about the performance of your key processes for engaging and developing/training your workforce members, as well as ensuring their health and safety in the workplace. Results requested pertain to the performance of these processes as reflected in measures of workforce satisfaction, engagement, turnover, and absenteeism. This section also asks about the development of your organization's current and future leaders, workforce training, safety-related incidents, and additional indicators of workplace health and safety.

Process Questions

1 - Briefly describe your key process(es) for workforce engagement.

NLHD leadership engages its workforce through a year-round Workforce Engagement **Operational Rhythm, Figure WFP 1.1**, that aligns with the MVV. This rhythm integrates onboarding, recognition, communication, development, and feedback processes to reinforce the MVV and organizational culture

Employee Selection

- Every candidate goes through 3 levels of interviews including a cultural interview, the initial skills/education/experience interview, and the iCARE behavioral-based peer team interview.

Onboarding

- New hires attend NEO for a full day and a half where they are introduced to the leadership team and cover the organizational standards. The CEO personally presents the MVV.
- New hires complete department specific orientation to ensure competency and consistency across all key processes.
- After 90 days, the CEO and CHRO host a breakfast with new staff to discuss their experiences, and themes are shared with leaders to identify opportunities for improvement.

Recognition, Celebration

- Monthly *iAppreciate* events recognize years of service.
- Quarterly, the Exceptional Care Awards banquet is held to honor employees who exemplify the iCARE values.
- Daisy award nurse recognition program is done bi-annually to celebrate nursing exceptional care.
- The Celebration Team reinforces a culture of gratitude by highlighting patient compliments with handwritten notes and small tokens.
- Workforce engagement events including cornhole tournaments, ice cream socials, workforce picnics, Christmas parties, and family fun nights.

Communication, Alignment

- Executives hold quarterly Town Halls to update staff on strategy, performance, and organizational progress.
- The annual Employee Summit provides offsite learning, team building, and engagement around the organizational expectations, see Workforce Development Model **Figure LGC 1.2**.
- Leaders conduct monthly rounding with staff; compliance is tracked and on leader evaluations.

- Employee Portal is kept up with current events, important links, and key information.
- Department alignment boards display strategic goals and results, promotes transparency and accountability.

Compensation, Performance Alignment

- NLHD ensures competitive pay through an annual market survey, adjustments are made to maintain competitive pay for both current and new employees.
- MVV, quality goals, and organizational expectations are integrated into annual employee evaluations.

Feedback and Improvement

- Workforce engagement and feedback is collected through the annual Press Ganey Engagement Survey. Each department develops action plans with their teams to continuously improve.
- Additional feedback is from employee rounding, service huddles, town hall Q&A, 90-Day breakfast discussions, annual summits, exit interviews, and the annual workforce strategic TOWS assessment.

NLHD ensures the workforce feel valued, informed, and engaged. Leadership continuously monitors and improves processes to sustain exceptional workforce engagement (**Figure WFP 1.2**)



Figure WFP 1.1 Workforce Engagement Operational Rhythm

Workforce Engagement Operational Rhythm

Year	Evaluation Conducted	Improvement Made
2019	The 2019 Baldrige Feedback report indicated that there was an opportunity to integrate the leadership SERVANT values with leader and provider evaluations.	The iCare values were added in addition to the SERVANT leader attributes, to the leader and provider evaluations.
2019	Evaluation of staff engagement through the monthly birthday parties determined a more meaningful experience for staff was showing appreciation for years of service in a public setting.	i-Appreciate was created to focus on recognizing the workforce years of service.
2022	Through the SPP an action item was identified that a structured schedule throughout the year was necessary to spread out events to improve planning, discipline, and manage resource allocation.	An organizational rhythm for meetings and events was created to improve process discipline, empowerment and engagement. This best practice was adapted from a Baldrige winning organization. In 2022, the racetrack was created to streamline the organizational rhythm (See Leadership). Employee engagement events were added to the operational rhythm including the Employee Picnic, Christmas party, Corn Hole Tournaments and Family Days/Movie Nights.
2022	Through the SPP, improving turnover was identified as a key opportunity for NLHD.	A project was chartered and the team recommended enhancement of department orientation. Department orientation was enhanced by a standardized and structured approach that starts in HR and follows through to the department.
2022	Through the SPP an opportunity was identified to enhance the process improvement program.	An action item was to train six sigma greenbelts in process improvement. The Center for Innovation started providing learning, education and training on Lean Six Sigma. A Green Belt and later a Yellow Belt class was developed (See under Strategy).
2023	Through the feedback from the Workforce Engagement Survey it was identified that staff engagement was improved through workforce events.	As a cycle of refinement, NLHD hardwired the organizational rhythm for workforce engagement (“HR Racetrack”) Figure WFP 1.1 .
2023	Through the SPP and review of best practices from other Baldrige winning organizations an opportunity was identified to enhance the hiring process by including culture interviews.	Culture interviews were deployed to ensure new employees are an organizational culture fit.
2023	The annual Press Ganey Survey for employee engagement showed an opportunity to enhance wellness for employees.	In 2023, the Employee Wellness Program was enhanced by adding Tria Health. This program provides an approach to chronic care of your health based on an individualized health assessment as well as personal health coaching. Additionally employees can use four free counseling visits per year with NLHD’s behavioral health team.
2024	Through the SPP feedback from the medical staff and staff identified a gap in the patient experience program recognition and celebration of positive feedback.	As a cycle of improvement, the patient experience program cancelled the existing contract with a consultant that was not effective and a project team was chartered to improve the overall program. As part of the recommendations of this project a celebration team was created to offer recognition for employees that have been complimented by our patients on our patient surveys. Workforce members are recognized by receiving a small token and celebration card with the compliment and a few encouraging words by the team.
2025	During the SPP turnover was identified as an opportunity for improvement. Turnover was noted to be at the national mean for healthcare organizations in comparison with several national benchmarks.	A project was chartered in 2024 and based on specific turnover data that showed turnover was greater between 1-3 years. As a results the iAppreciate awards were expanded to include a 1-year and 3-years of service certificate.
Figure WFP 1.2 Workforce Engagement, Improvement Based on Evaluation		

Workforce Engagement Improvement Based on Evaluation

2 - Briefly describe your key process(es) for workforce development and training.

NLHD supports workforce development through a structured process that identifies skill gaps, responds to emerging needs, and leverages innovation to provide resources. This process is outlined in **Figure WFP 2.1** and begins with Strategic planning, staffing planning, gap analysis, workforce needs assessments, and employee initiative. When new requirements arise, such as technology changes, new services, or hard-to-fill roles like Nursing or Medical Assistants, NLHD budgets for these emerging needs and either develops the employee, recruits outside talent, partners with outside programs, or develops programs to meet these needs. Workforce

development is supported and prioritized through strategic planning and the annual budget process.

1. **Guidance and Support**

As shown in **Figure WFP 2.1**, leaders, recruiters, and educators guide employees in pursuing opportunities. Career development is encouraged through mentorship, certifications, advanced degrees, promotions, and cross-training.

2. **Access to Current Resources**

NLHD provides a variety of training resources, **Figure WFP 2.2**. These include the fully funded Medical Assistant (MA) Program, tuition reimbursement for degree completion, conference participation, professional development workshops, and specialized training programs. Nor-Lea University provides clinical and non-clinical training, while peer-to-peer sessions, GB/YB belt training, and on-site development expand workforce capability.

3. **Innovation in Program Creation**

When existing resources do not meet workforce needs, NLHD leverages its core competency of innovation and either designs new programs or develops new partnerships. Examples include the MA Program (2020), Lean Six Sigma Green, Yellow, and Black Belt Training (2022), and the CDI Program (2023). The creation of the Center for Innovation (2024) further demonstrates responsiveness and agility.

Clinical and non-clinical career progression is fostered by supporting staff to earn higher degrees, obtain certifications, and take on new roles. Leadership development is anchored in a competency system built on iCARE values and SERVANT leadership attributes. Competencies are defined by level, with expected behaviors linked to resources, tools, and training, **Figure LGC 1.2**. This ensures leaders and emerging leaders are consistently developed through structured processes. Workforce development efforts are continuously evaluated, and improvements are made, **Figure WFP 2.3**.

Through a structured approach, consistent delivery mechanisms, and continuous improvement, **Figures WFP 2.1–2.3**, NLHD ensures its workforce is prepared to meet current and future needs. This integrated approach sustains a skilled, adaptable, and engaged workforce aligned with organizational MVV, see Top Decile performance results for **Workforce Development WFR 6.1**.

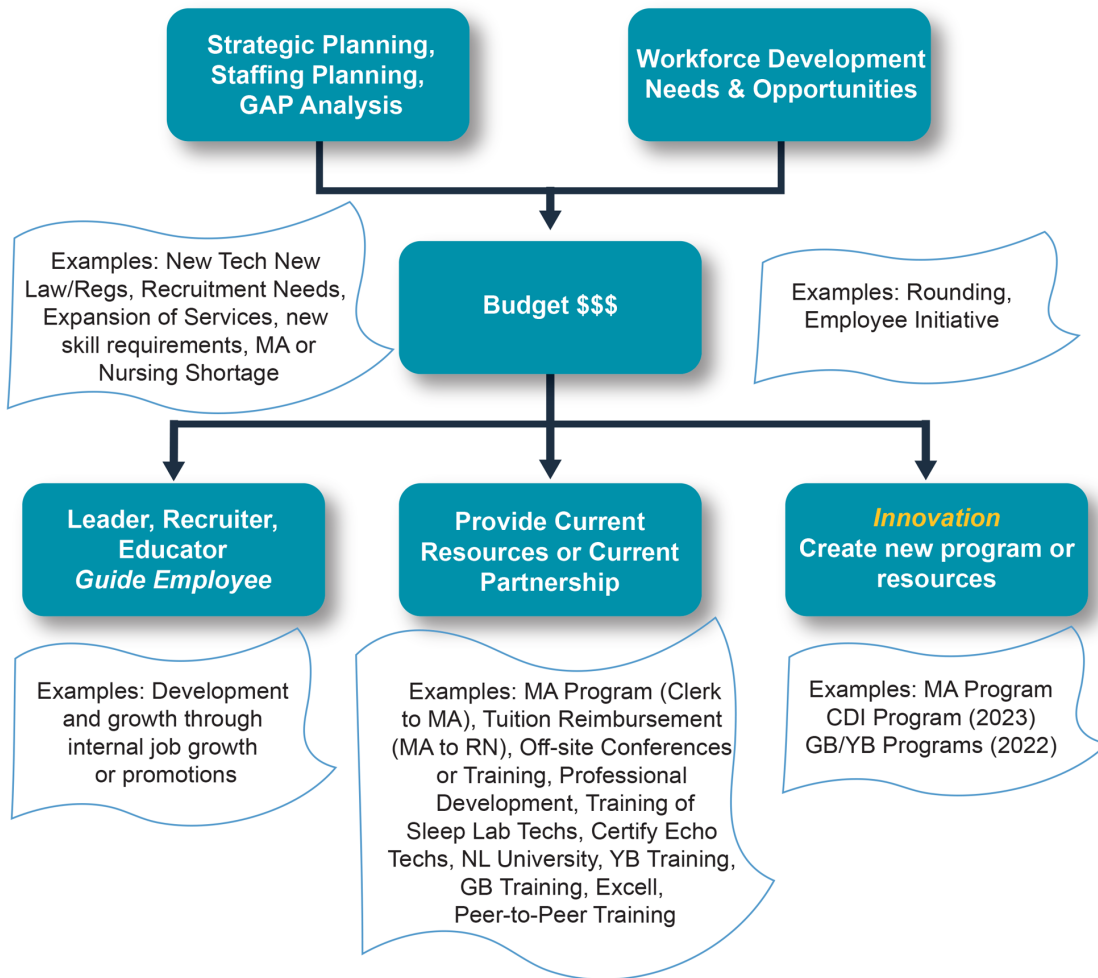


Figure WFP 2.1 Workforce Development and Growth Pathways

Workforce Development and Growth Pathways

Workforce Development	Required/Voluntary	Delivery Mechanism
New Employee Orientation	R	Blended e-Learning, In-Person
Department Orientation	R	In-Person
Formal Education Tuition Reimbursement	V	
Leadership Development Institute (LDI) <ul style="list-style-type: none"> • 5 Levels of Leadership • Crucial Conversations • Lean Six Sigma Yellow Belt • Emotional Intelligence 	R (Leaders)	e-Learning, Online, In-Person
Coordinator (Leads) Development Track	R (Coordinators)	In-Person
Performance Excellence Training <ul style="list-style-type: none"> • Baldrige Framework • Lean Six Sigma Yellow Belt, Green Belt, Black Belt • Process based Management 	R (Leaders)	In-Person and Project Mentoring
Department Competency training	R	In-Person
CME	V	Blended e-Learning, In-Person
MA Program	V	Blended In-Person, e-Learning
Cyber Security Training	R	e-Learning
Service Huddles	R	In-Person
Workforce Development by Nor-Lea University	Required/Voluntary	Delivery Mechanism
Annual Safety Training, Infection Control, Emergency Preparedness, Privacy, Cybersecurity, Ethics, Workplace Violence, Diversity, Patient Experience, Communication, Clinical Skills Review	R	e-Learning
Annual Skills Fair (Clinical)	R	In-Person at NMJC skills sim lab
Peer to Peer Interview Training	R for peer teams	In-Person
NLHD Policy System	R for leaders	In-Person, Virtual
Microsoft Excel, Word, Power-Point, Outlook	V	In-Person at NMJC classroom
Clinical Certifications: BLS, ACLS, PALS, TNCC, ATLS, APLS, NRP, ALICE (Clinical staff)	R for key areas	Blended e-Learning and skills check off
CPI (Crisis Prevention Institute)	R for High-risk areas	Blended e-Learning/In-Person

Figure WFP 2.2 Workforce Development and Delivery Mechanism

Workforce Development and Delivery Mechanism

Year	Evaluation Conducted	Improvement Made
2018	Through the SPP hard to fill positions were identified as an opportunity for improvement.	Enhancement of Workforce Development by creating opportunities through guidance by leader, recruiter or educator. This includes tracks like Medical Assistant to RN, etc.
2022	This was identified through SPP that the expansion of the LSS quality program to build an education program to expand knowledge of LSS would accelerate improvements across the organization.	Lean Six Sigma Green, Yellow, Black Belt training education program was created and implemented.
2022	Education committee identified an opportunity for enhancement of workforce development.	Nor-Lea University enhanced to include non-clinical workforce.
2024	Education committee identified an opportunity for enhancement of educating the coordinators.	Organizational Training Rhythm for Coordinators was developed.

Figure WFP 2.3 Workforce Development Evaluation and Improvement

Workforce Development - Evaluation and Improvement

3 - Briefly describe your key process(es) for ensuring workplace health and safety.

NLHD ensures workplace health and safety through a comprehensive system that integrates risk assessment, committee oversight, training, daily communication, employee wellness programs, and

continuous evaluation and improvement. These processes create a safe, clean, and effective environment for employees, patients, and visitors

The safety and facilities manager lead an annual organizational risk assessment to identify and score potential hazards using a probability and severity matrix, **Figure WFP 3.1**. Potential events are analyzed, and action plans are created for the highest-risk events. Emergency preparedness integrates these plans into drills and staff training to ensure readiness.

The NLHD Safety Committee meets quarterly to review safety data, trends, and incidents, creating and executing action plans as needed. Safety process effectiveness is further validated through external audits. Evaluation of the results have driven improvements such as enhanced chronic condition management, daily safety huddles, safety and reporting orientation, expanded security at Hobbs and Lovington campuses, enhanced security features across campuses, and well-being programs targeting burnout prevention.

All staff complete safety training annually, **Figure WFP 3.2**. These initiatives emphasize prevention, resilience, and early intervention. NLHD provides robust wellness programs, **Figure WFP 3.2**. These wellness programs are designed to promote overall health and wellness of the workforce.

In 2021, delayed communication in incident response was identified as an opportunity for improvement. Leadership responded by implementing daily safety huddles for managers to review safety, security, IT, and staffing reports. This change improved communication, accelerated resolution, and fostered proactive safety awareness.

Workplace safety is also embedded into facility design. In 2023, the Emergency Department remodel prioritized safety in the design and included improved security cameras, improved visibility of the waiting room and patient rooms, bullet resistant glass and protective wall at registration, violent and nonviolent behavioral health rooms, including one designed for highly combative patients, to protect staff, patients, and others in the environment.

By linking structured risk assessments, employee wellness, safety processes, and continuous evaluation with targeted improvements, NLHD ensures workplace safety is proactive, systematic, and responsive. This integrated approach sustains a healthy, engaged, and secure workforce while protecting high-quality patient care. See Top Decile Results in **Figure WFR 8.1**, “Where I work, employees and management work together to ensure the safest possible working conditions”.

Workforce Safety efforts are continuously evaluated, and improvements are made, **Figure WFP 3.3**.

EVENT	PROBABILITY	SEVERITY = (MAGNITUDE - MITIGATION)						RISK
		HUMAN IMPACT	PROPERTY IMPACT	BUSINESS IMPACT	PREPARED-N ESS	INTERNAL RESPONSE	EXTERNAL RESPONSE	
	<i>Likelihood this will occur</i>	<i>Possibility of death or injury</i>	<i>Physical losses and damages</i>	<i>Interuption of services</i>	<i>Preplanning</i>	<i>Time, effectiveness, resouces</i>	<i>Community/ Mutual Aid staff and supplies</i>	<i>Relative threat*</i>
SCORE	0 = N/A 1 = Low 2 = Moderate 3 = High	0 = N/A 1 = Low 2 = Moderate 3 = High	0 = N/A 1 = Low 2 = Moderate 3 = High	0 = N/A 1 = Low 2 = Moderate 3 = High	0 = N/A 1 = High 2 = Moderate 3 = Low or none	0 = N/A 1 = High 2 = Moderate 3 = Low or none	0 = N/A 1 = High 2 = Moderate 3 = Low or none	0 - 100%
Mass Casualty Incident (trauma)								
Mass Casualty Incident (medical/infectious)								
Terrorism, Biological								
VIP Situation								
Infant Abduction								
Hostage Situation								
Civil Disturbance								
Labor Action								
Forensic Admission								
Bomb Threat								
Active Shooter								
AVERAGE								
<i>*Threat increases with percentage.</i>								
		RISK = PROBABILITY * SEVERITY						
		0.19	0.33	0.56				

Figure WFP 3.1 Annual Risk Analysis for Safety

Annual Risk Analysis for Safety (Example)

Employee Health and Wellness Processes		
Service/Process	Safety/Wellness	Metrics/Results
Free Employee Wellness Testing	Wellness	100% of employees are offered free wellness testing and 50% employees participated in 2025 to date (350)
Free Gym Membership	Wellness	100% of employees are offered free gym membership and 61 % of employees receive free gym membership
Employee Assistance Program	Wellness	100% of employees are offered a assistance program providing legal, mental, physical and financial advice or coaching.
Free telehealth through medical benefits	Wellness	Employees with medical benefits are offered free telehealth through the medical insurance carrier
Free Employee Immunizations	Wellness	100% of employees are offered immunization of HepB, TDp
Partners providing Employee Health Programs	Wellness	Program for management of chronic conditions or overall wellbeing
Employee Safety Processes		
Service/Process	Safety/Wellness	Metrics/Results
Annual Hazard and Vulnerability Assessment (Risk Assessment)	Safety	Annual Completion with action plans
Employee Safety Program	Safety	99% compliance with TB and N95-mask Fit testing, DART rate
Non-Clinical staff (Registration/Concierges) training in safety patient handling	Safety	100% of applicable staff has been trained
Daily Leadership Safety Huddle	Safety	Leadership team is required to attend this meeting every morning
Annual e-Learning: Safety Training, Infection Control, Emergency Preparedness, Workplace Violence	Safety	94 % Compliant
Germ Blast	Safety	<200 CFU monitored by InfectionControl
Figure WFP 3.2 Workforce Workplace Health, Wellness, and Safety		

Workplace Health, Wellness and Safety

Year	Evaluation Conducted	Improvement Made
2021	Annual workforce survey showed an opportunity for improvement to expand wellness services for the workforce that have chronic medical conditions.	TRIA Health – enhancement for diabetes only to a chronic condition management (Diabetes, HTN, Med Management)
2021	A risk management evaluation by the leadership team was conducted and revealed opportunities to improve communication of potential risk identified.	To enhance reporting and communication of safety and risk the daily safety huddle was implemented. The entire leadership team attends a virtual safety huddle facilitated by risk manager or an executive team member. The new process improved communication on current safety concerns.
2022	SPP identified safety and security as a priority for the workforce. An evaluation of the work environment of the Hobbs clinic revealed a security concern from aggressive patients.	NLHD added a Security Guard in the Hobbs Clinic to ensure a safe environment for the workforce resulting in improved security.
2023	Annual workforce survey showed an opportunity for improvement to expand wellness services for the workforce that includes healthy lifestyles and coaching.	Enhance employee wellbeing through the program Navigate – Employee wellbeing portal (Step challenges, Financial Wellbeing Courses, Hydration challenges) prevention of burnout and promote good health
2024	Evaluation of the work environment at the Lovington Campus revealed increased security events and request for police presence.	Implemented 24-7 Security for Lovington Main Campus to improve security.

Figure WFP 3.3 Workforce Health and Safety Improvements Based on Evaluation

Workforce Health and Safety Improvement Based on Evaluation

4 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

NLHD has developed workforce practices that serve as best practices for strengthening engagement, development, and retention. These approaches can be adapted across sectors to improve culture and workforce outcomes.

1. NLHD’s Operational Rhythm for Engagement, **Figure WFP 1.1**, is a best practice. Adapted from Baldrige award-winning organizations, this rhythm hardwires processes for onboarding, recognition, communication, and feedback into a predictable annual cycle. Events such as orientation, 90-Day Breakfasts, Town Halls, *iAppreciate* celebrations, and summits create consistent opportunities for recognition and interaction with leadership.

Other organizations, in any industry, can replicate this cadence to strengthen cultural alignment and ensure employees feel consistently valued.

2. NLHD’s multi-layered recognition system is another best practice. The *iAppreciate* program was redesigned to include 1- and 3-year milestones to reduce early-tenure turnover. The Exceptional Care Awards Banquet recognizes employees who exemplify NLHD’s values, with families and leaders. The Daisy Award program recognizes exceptional care in nursing. In 2024, NLHD launched a Celebration Team to honor patient compliments with handwritten notes and tokens of appreciation. These recognition strategies tie employee contributions directly to the mission and customer experience.

Organizations in any sector can benefit from these practices. Early-tenure recognition helps reduce costly turnover, a challenge faced across industries. Values-based recognition to include the family reinforces the importance of the organizational culture and strengthens pride and loyalty, while customer-driven recognition reinforces service excellence by linking workforce performance to outcomes in any service-oriented environment.

3. NLHD's Workforce Development Process, **Figure WFP 2.1**, is also a best practice. Employees are guided to pursue opportunities, access existing resources, or join new programs. Examples include the M.A. Program, launched in 2016 to address shortages, and Lean Six Sigma Green, Yellow, and Black Belt training, which embedded a culture of improvement. In 2024, NLHD created the Center for Innovation to sustain workforce development and improvement capability. As shown in **Figures WFP 2.2 and 2.3**, evaluation and strategic planning directly translate into programs that prepare staff for current and future roles.

Other organizations can adapt this model by embedding evaluation into workforce planning, developing training pipelines for hard-to-fill roles, and building internal improvement expertise.

By combining a structured engagement rhythm, layered recognition, and innovation-driven workforce development, NLHD sustains a skilled, connected, and resilient workforce. These practices ensure employees feel valued and supported, while organizations strengthen retention, culture, and long-term performance.

Customers and Markets

This section asks about your performance for key processes related to your Customers and Markets. First you are asked about market share for your main products and services. Then you are asked about customer satisfaction and dissatisfaction. Finally, you will find questions about customer loyalty.

Process Questions

1 - Briefly describe your key customer listening process(es).

NLHD's key customer listening processes are embedded in its Patient Experience Framework (**Figure CMP 2.1**) and is operationalized through the Voice of the Customer (VOC) model, that connects what patients and customers require with how services are delivered (**Figure CMP 1.1**). This ensures that input is continuously gathered, analyzed, acted upon, and integrated into improvement cycles. Inputs are collected through multiple channels, including post-visit surveys, online feedback, social media reviews, complaints, direct observations, one-on-one conversations, leader rounding, and community town halls. By drawing from diverse sources, NLHD listens and hears the voices of all customers and service sites, ensuring a balanced and representative perspective.

The Measurement and Analysis team (**Figure CMP 2.2**) aggregates and analyzes collected data by segment, identifying themes in customer requirements, concerns, and compliments enabling leaders to focus resources effectively. These findings follow two structured deployment pathways. First, department-level weekly Service Huddles provide a rapid, unit-based feedback loop (**Figure CMP 1.2**) where frontline staff and leaders review patient comments from the prior week, discuss service gaps, and receive micro-training created by the Patient Experience Training Team. This focused process fosters shared learning and immediate adjustments, while also creating accountability at the point of care. Second, organization-level themed feedback is escalated into the Strategic Planning Process (SPP), where systemic actions and resources are aligned to address strengths and weaknesses in providing an exceptional patient experience.

The cycle of listening, analysis, and improvement is evident in practice. For example, VOC inputs across several channels elevated "getting through on the phone" as a concern. Leadership prioritized this, and a cross-functional team benchmarked best practices, engaged experts, and implemented a new phone platform in March 2024. Post-implementation, patient engagement improved, and negative feedback declined (**Figure CMP 1.3**). Similar approaches addressed community safety concerns, leading to town halls, targeted education, AED placement, and Narcan distribution. Other listening structures, such as the Patient-Family Advisory Council, provide forums where patients and families co-design solutions and validate proposed changes.

Effectiveness is monitored through trended indices, cycle times, complaint resolution, and adoption rates of huddle-driven actions. Results are reported through the Performance Excellence System and reviewed within the SPP to reinforce learning and sustain improvement. This integrated process—anchored by VOC principles, daily huddles, and strategic planning—creates a consistent, transparent, and responsive system that advances NLHD's mission of delivering an Exceptional Experience while strengthening loyalty through action on what matters most to patients and customers.



Figure CMP 1.1 Customer Listening Process

Customer Listening Process

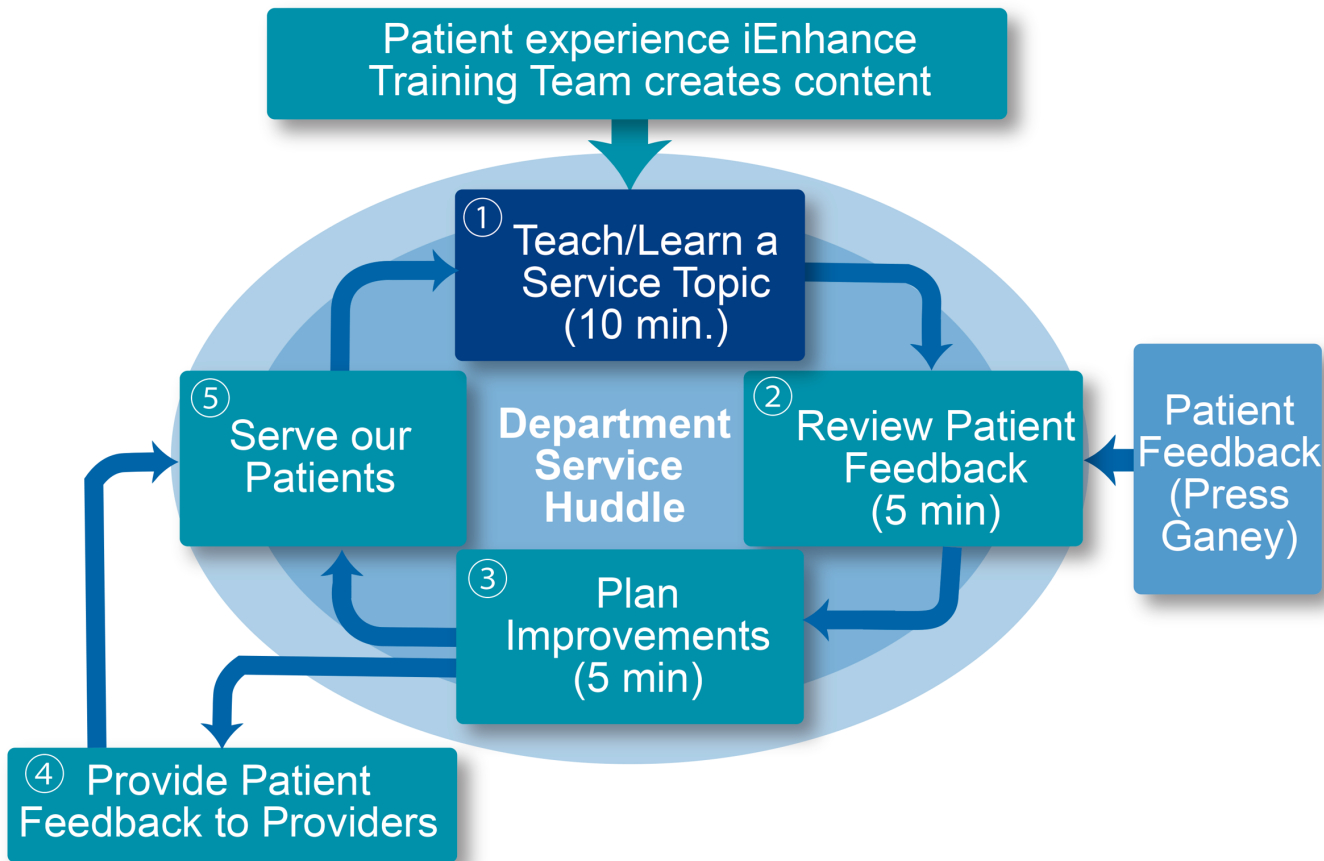


Figure CMP 1.2 Department Service Huddle

Department Service Huddle

Year	Evaluation Conducted	Improvement Made
2022	In 2022, customers had given feedback to the frontline staff, leadership and executive team about concerns getting through to NLHD by phone. This was relayed through several of the voice of the customer approaches, including comments in surveys, google, in TOWS, etc. Based on these concerns, this became a top priority in the strategic planning cycle of 2023-2025 (Priority 10 out of scale of 10). The issue was also identified high in complexity (score 10 out of 10) as well as high in the need for resources (score 10 out of 10).	A team was created to evaluate the phone system, and it was determined that NLHD had outgrown the current system, and the old system had to be replaced. Several healthcare providers, including a Baldrige winner, were contacted to evaluate best practices of phone processes & system-hardware. A team was chartered to research best practices and evaluate new systems. Key requirements were determined, and a selection was made for a new phone system. The implementation of the new phone system was completed in March of 2024. The implementation directly correlated with patient engagement scores improving and negative patient comments significantly decreasing.
2022	Through the SPP process customer service was identified as a key challenge. This led to a change in approach by improving service delivery through weekly service huddles.	Weekly Service Huddles piloted and deployed. Training developed and implemented by the quality team (Figure CMP 1.2).
2022	Through the NM Rural Health Network and the NMHA patient family advisory councils were identified as a best practice. NLHD committed to form this council.	Patient-family advisory council was created in 2023. This council provides direct feedback from patients and their families. This platform is also used to vet ideas for improvements/innovations that directly impact patients.
2023	Through the SPP it was identified that customer engagement was not improving through the approach used by the external consultant (Huron). This approach was abandoned, and a project team was chartered to redesign the patient experience program.	The patient experience framework/program was re-designed (Figure CMP 2.1). This includes the formation of four teams: (1) Measurement & Analysis Team, that analyzes all patient feedback and presents training topics. (2) Observation Team (3) Training Team that creates training topics for service huddles (4) Celebration Team that recognizes staff for providing an exceptional experience for patients and other customers. (Figure CMP 2.2). This program was redesigned in 2023 and deployed in 2024
2023	In 2023 a sudden cardiac death in the rural town of Tatum, where NLHD has the Tatum RHC brought many concerns from patients and the community. NLHD held a community town hall to communicate current services and listen to feedback and any concerns. NLHD conducted a comprehensive evaluation of the rural setting of Tatum and committed to assist the community in addressing these concerns.	An action plan was developed in response to the feedback received. Subsequently, the NLHD leadership, pharmacy staff, emergency department staff, emergency preparedness staff, and the TMC team, in partnership with the Lovington EMS held a health fair at the Tatum senior center. Education was provided on first aid, CPR with AED use, tourniquet application for trauma, medication safety and Narcan use. An AED was provided to the senior's center to improve the response time to an AED in the event of a sudden cardiac arrest. The pharmacy staff provided training on the use of Narcan and handed out Narcan kits provided by the State of NM.
2025	Patients experience Measurement & Analysis evaluation of FY2025 patient experience program.	Patients experience Measurement & Analysis enhanced reporting of patient feedback from press ganey surveys by sharing in depth scoring and ranking of patient surveys themes.
Figure CMP 1.3 Sample Customer Listening Improvements		

Sample of Customer Listening Improvements

2 - Briefly describe your key customer engagement process(es).

Patient Experience Framework Customer engagement is operationalized through the Patient Experience Framework **Figure CMP 2.1**, which defines leadership accountability, training, recognition, and VOC integration as essential drivers. This framework is brought to life by four frontline teams **Figure CMP 2.2** that ensure engagement. The Observation Team captures real-time interactions and feeds patient comments from multiple channels into the Measurement & Analysis Team, that translates raw VOC into clear, behavior-based priorities. The Training Team then converts those priorities into concise, leader-led lessons deployed through weekly Service Huddles-embedding expectations into frontline practice. Meanwhile, the Celebration Team sustains

motivation by recognizing staff highlighted in patient comments and rewarding top-decile departments with certificates, trophies, and CEO recognition.

This model follows an intentional cycle of evaluation and improvement. Early assessments identified that external consultant-led approaches were not driving sustained improvement. In response, the organization chartered a cross-functional DMAIC project that shifted to a redesigned, internally owned framework in 2023, with full launch in 2024. Evaluations of the patient experience program highlighted opportunities to hard-wire recognition, resulting in structured award systems for providers and departments performing at the highest levels. These recognitions are now delivered quarterly and annually, reinforcing engagement through both peer visibility and leadership recognition. In 2025, the cycle extended further with the introduction of an annual Customer Service Week, designed to showcase excellence, reinforce practices, and sustain engagement.

Relationship Building Process At the point of care, the relationship-building process **Figure CRP 1.1** provides eight repeatable steps: align desired services, translate VOC into explicit expectations, co-create care plans, engage patients and families as partners, build trust, resolve concerns with empathy and transparency, communicate consistently through AIDET, rounding, and whiteboards, and recapture feedback to correct near-term issues and drive systemic change through the Service Performance Program.

Performance Evaluation Performance is monitored by segment and site through indices such as likelihood to recommend, compliments per encounter, and huddle deployment reliability. These results are reviewed in QBR's, and when gaps are identified, corrective actions are prioritized and rapidly deployed. Each cycle of evaluation-whether it revealed ineffective external strategies, highlighted the need for structured recognition, or identified opportunities for broader cultural reinforcement-has led directly to the next set of improvements. This cadence of assessment, redesign, and reinforcement ensures that engagement practices remain regular, repeatable, and continuously improving. Examples of Improvement are in **Figure LGP 5.2**.

PATIENT EXPERIENCE FRAMEWORK

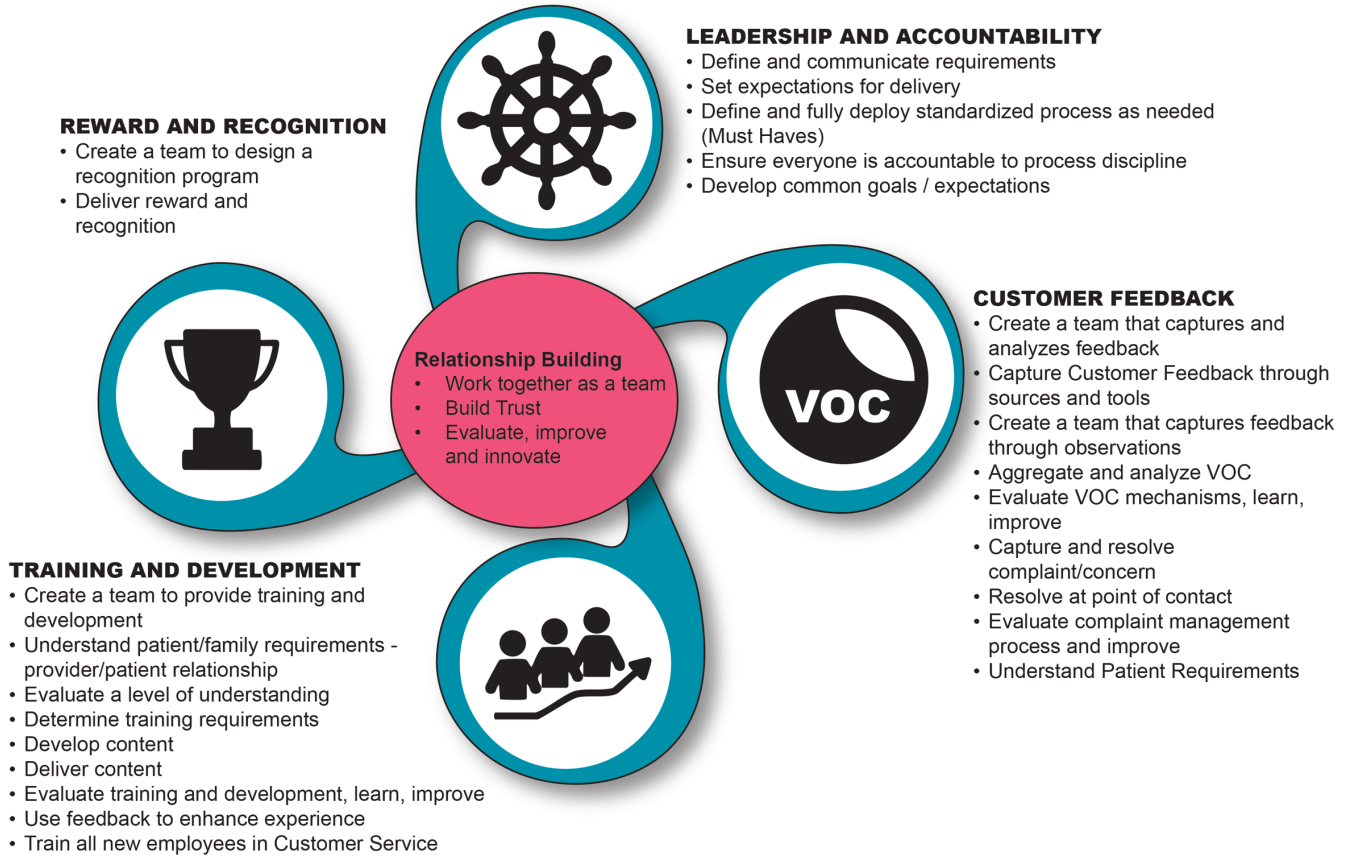


Figure CMP 2.1 Patient Experience Framework

Patient Experience Framework

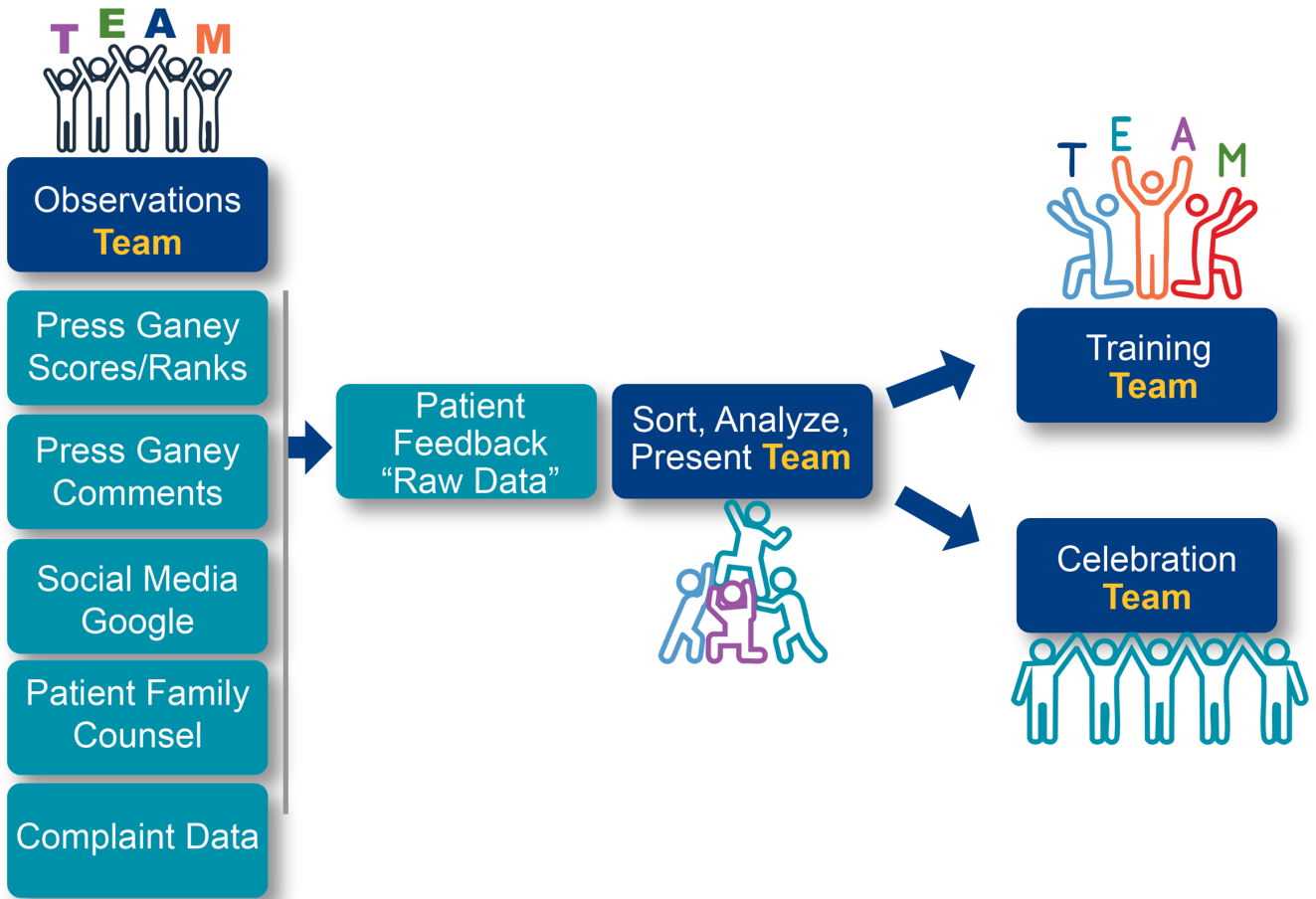


Figure CMP 2.2 The Four Patient Experience Teams

The Four Patient Experience Teams

Year	Evaluation Conducted	Improvement Made
2022	Through the evaluation of the patient experience program, a recommendation was made to award top performing providers and departments.	Award program was created to award providers at top decile every quarter with a certificate stating "Top-Performing Doctor" annually. These are presented at their Medical Staff meeting in front of their peers. Departments that are performing in top decile are awarded a certificate every quarter and annually a trophy with a pizza party and recognition by the CEO with a picture displayed of the team on the employee portal.
2023	Through the SPP it was identified that customer engagement was not improving through the approach used by the external consultant (Huron). This approach was abandoned, and a project team was chartered to redesign the patient experience program.	The patient experience framework/program was re-designed (Figure CMP 2.1). This includes the formation of four teams: (1) Measurement & Analys Team, that analysis all patient feedback and presents training topics. (2) Observation Team (3) Training Team that creates training topics for service huddles (4) Celebration Team that recognizes staff for providing an exceptional experience for patients and other customers. (Figure CMP 2.2). This program was redesigned in 2023 and deployed in 2024.

Figure CMP 2.3 Customer Engagement Improvements - Additional Improvements in Figure CMP 1.3

Customer Engagement Improvements

3 - Briefly describe your key customer support process(es).

NLHD’s support processes remove practical barriers to care and navigation, with emphasis on access, affordability, and continuity. These processes integrate financial, logistical, and social supports, and are systematically evaluated and improved.

Financial Advocacy/Counselors/CHW– At every point of contact, patients without insurance are referred immediately to a financial advocate. Advocates proactively screen before services are rendered, ensuring patients have coverage or program enrollment at the time of care. This approach results in a community uninsured rate of less than 4%, compared to the surrounding area’s 20%. Certified CHWs secure over [REDACTED] annually in medication assistance and leverage agreements with pharmacies and foundations to expand resources for low-income patients. This early intervention process is both preventive and innovative, ensuring financial access does not delay treatment.

Transportation Services– Providers and families initiate transport support whenever patients express need. Delivered at approximately 30% of industry cost, the service reduces no-shows, prevents emergency visits, and ensures continuity for dialysis and oncology. A distinctive feature is “return transport,” where NLHD retrieves patients flown out for emergencies to distant hospitals, reuniting them with their community—an innovative approach to whole-person, community-centered care.

Oncology Navigation Services by Community Health Workers– Navigation began with breast cancer and reduced the time from diagnosis to treatment from 44 days to less than 11 days. CHW navigators coordinate appointments, transport, insurance, and social supports such as food and gas. In 2025, this model expanded to all oncology patients, demonstrating systematic scaling of a proven innovation.

Emergency Department and Community Integration - CHWs coordinate care for patients with mental health and substance use risks, needs linking them to housing, food, transport, and safety resources. A paramedicine program, supported by NLHD foundation funding, extends care into the homes of patients, improving quality of life and reducing unnecessary admissions.

Digital and Self-Service Supports- The patient portal provides convenient access to scheduling, results, messaging with care teams, and billing. Current projects expand portal use for proactive engagement and personalized care, aligning with patient preference for digital-first support.

Additional Support Services- NLHD complements core supports with wayfinding, nutrition classes, chaplaincy, senior luncheons, and community programming. Each process is monitored for effectiveness through feedback, performance indicators, and quarterly reviews.

Through these integrated and innovative supports, NLHD demonstrates a customer support system that not only reduces barriers but also continuously adapts through systematic evaluation, learning, and improvement **Figure CMP 3.1**

4 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

NLHD demonstrates several integrated processes that stand out as best practices in customer listening, engagement, and support. These practices not only drive measurable improvements internally but also offer proven models that other organizations can adapt.

Patient Experience Program

NLHD's Patient Experience Program exemplifies a comprehensive, closed-loop approach to customer engagement. It integrates a Voice of the Customer system, leader-led weekly Service Huddles, four teams that translate feedback into behaviors, and a standardized relationship-building process. This framework replaced reliance on external consultants and delivered sustained improvements in customer engagement. Other organizations can learn from the discipline of translating customer data into specific behaviors, reinforcing them through observation and celebration, and embedding human connection into every interaction.

Patient Advocacy Program

Through its Patient Advocacy Program, NLHD proactively assists uninsured patients in accessing financial resources and coverage, achieving top performance with a private-pay rate below 4%. Regional hospitals, including [REDACTED], have already benchmarked this approach, underscoring its transferability. The key lesson for other organizations is the value of preemptive, structured advocacy in reducing barriers to care and improving financial sustainability.

Community Health Worker (CHW) Program

NLHD leverages Community Health Workers in the Emergency Department to address social determinants of health and conduct brief interventions for patients at risk for alcohol or drug misuse. Where other hospitals have struggled to implement these interventions through clinical staff, NLHD's model demonstrates that community-based personnel can successfully bridge gaps in care. This best practice has already been shared with rural health networks and the NMHA. The lesson for peers is that aligning the right workforce to the right function can overcome implementation barriers and extend reach.

Transportation Services

NLHD's Transportation Service ensures patients, particularly those undergoing cancer treatment, can access care consistently. By reducing no-shows and supporting continuity across transfers, this service directly enhances patient outcomes. The adoption of this program by neighboring [REDACTED] Hospital highlights its replicability. Other organizations can learn from the way NLHD operationalized a service into a strategic enabler of access and continuity of care.

Each of these programs reflects the Baldrige expectation for systematic execution, repeated evaluation, and measurable improvement. Other organizations can learn that **best practices are not isolated activities but integrated processes**—designed to close feedback loops, align strategy with execution, and embed equity and access into care delivery.

Finance

This section asks about the performance of your organization's financial management efforts. Results requested pertain to both financial viability and financial performance. This section also asks two important context questions and asks you to briefly describe your process(es) for ensuring access to capital during periods of disruption as well to support your short-term needs and long-term success.

Process Questions

1 - Briefly describe your process(es) for ensuring access to capital for short-term needs, periods of disruption, and long-term success.

NLHD ensures access to capital through a financial viability process (**FC 1.1**) that has been embedded in the organizational rhythm since 2011 and has undergone multiple cycles of evaluation and refinement. This approach links strategic planning, budgeting, leadership development, and financial monitoring into a system that is continuously improved to meet short-term needs, respond to disruptions, and ensure long-term success.

The process begins with the SPP (**Figure SC 1.1**), where goals are established. Step 4 of the SPP initiates the budget process (**Figure FP 1.1**), aligning annual operational and strategic direction with financial priorities. Leadership Development Institute (LDI) training integrates financial and budgeting processes into orientation for new leaders. As financial tools evolve based on leader feedback, LDI cycles are updated, reinforcing a culture of continuous improvement.

Key financials— including Days Cash on Hand, Long-Term Debt to Capitalization (**Figure FR 1.1, FR 1.2**), and the KYB dashboard (**Figure FC 1.2**) – are monitored through organizational dashboards, financial reports, and leader scorecards. A centralized knowledge management repository (KM Drive), established in 2017 and refined in 2025, enhances access and review of these metrics. Provider engagement, achieved through contract alignment dashboards, education, and quarterly meetings, strengthens financial viability by making the connection for providers to their financial metrics. The Patient Financial Advocacy process supports access by enrolling patients in insurance options, influencing payer mix and reducing private pay dependence.

Revenue cycle processes undergo regular evaluation to ensure integrity in charge capture, coding accuracy, and denials management. Contract management processes for vendors, payers, and partners include structured review, renegotiation, and renew cycles, ensuring optimal financial impact.

To maintain capital access during disruptions, NLHD reserves cash for construction and capital purchases and operates with minimal debt, consistent with organizational values (**ODC 2.1**) and leadership principles (**LGC 1.1**). Since 1999, NLHD has issued only two bonds totaling \$16 million, while completing more than \$176 million in construction and renovation. Cycles of review focus on revenue generation, new service opportunities, balancing cash reserved, debt to capitalization, and average age of plant to maintain resilience. Long-term success is reinforced by leveraging core competencies. Through cycles of partnership development and legislative engagement, NLHD has secured appropriations, competitive grants, and joint project funding (**FC 2.1**). Recent outcomes include funding for the Hobbs Medical and Family Health Clinic (\$2.6M), ED renovations (\$900K) and behavioral health expansion (\$1.2M). By evaluating and improving financial processes (**Figure FP 1.2**), monitoring outcomes, and refining strategies, NLHD sustains a resilient financial culture.

Year	Financial Viability/Area	Annual Evaluation Prompt	How we evaluated the opportunity	Current/Future Evaluation Process
2021	Provider Engagement Physician scorecard Provider Performance Dashboard	Quarterly rounding revealed provider confusion and lack of buy-in due to inconsistent data sources, formats, and key metrics from multiple sources and in varying formats (patients/hr, satisfaction, evaluation). Needed consistent, clear communication of performance results.	Reviewed how providers received/interpreted data; analyzed productivity vs. targets; gathered feedback. Found gaps in clarity/consistency of different formats which limited engagement and accountability.	Annual review checks accuracy, consistency, and clarity of provider performance data. Aligns results with targets, integrates feedback, and identifies communication gaps. Produces actionable improvements for reliable, transparent, and supportive measures aligned with organizational goals.
2022	Monitoring Revenue Tool	Budget review noted delays in financial data left leaders without timely insights to respond to operational/market shifts. Rapid volume/revenue changes highlighted need for real-time monitoring.	Analyzed impact of reporting delays vs. pace of change. Confirmed reliance on month-end data caused late reactions, weak financial decisions, and limited census management. This highlighted the need for near real-time visibility to detect and respond to market shifts as they happened.	Annual review compares projected vs. actual revenue, evaluates assumptions, and integrates leader feedback. Highlights gaps, builds data trust, and drives improvements that strengthen census management and financial stability.
2023	Provider Engagement Quarterly Provider Rounding	Quarterly rounding revealed provider mistrust of data and requests for one-on-one education. Concerns highlighted need to reassess communication method and expertise used.	Reviewed provider complaints and feedback; analyzed communication practices. Found lack of subject matter expertise in presenting data contributed to confusion.	Annual review evaluates how provider data is communicated to ensure clarity and trust. Incorporates feedback, addresses gaps, and leverages subject expertise for education. Builds provider confidence, collaboration, and actionable performance insights.
2023	Contract Management Contract Management	Evaluation revealed untracked, unknown, or auto-renewed contracts without oversight. Highlighted need to improve visibility and accountability.	Examined opportunities from untracked/auto-renewed contracts. Found absence of formal tracking created significant risk for oversight and decision-making.	Annual review evaluates tracking, renewals, and compliance. Ensures agreements are visible, monitored, and aligned with priorities. Identifies gaps, drives centralized tracking, improves accountability and oversight, reduces risks.
2024	Revenue Cycle Management Credentialing Alignment	Reorganization revealed credentialing delays/gaps affecting contracts, reimbursement, and revenue flow. Needed to reassess role of credentialing in revenue cycle.	Evaluated impact of delays on contracts, reimbursement, and revenue. Confirmed inefficiencies with credentialing being managed separately. Determined need to integrate into revenue cycle for effectiveness around payor contracts and revenue capture.	Annual review of credentialing checks accuracy, renewals, and compliance. Identifies risks, adds centralized tracking, standardized review checkpoints, and ownership. Strengthens compliance, reduces risk, and builds provider trust.
2025	Monitoring Knowledge Management Monitoring	Strategic planning showed confusion with data access: scattered between SharePoint/network drives, unclear ownership, difficult to locate, weak integrity controls.	Observed confusion with scattered data systems; delays and user feedback confirmed need for centralized, user-friendly solution.	Annual review evaluates data structure, access, and safeguards. Identifies risks and drives improvements in centralized storage, clear ownership, and stronger controls. Enhances transparency, protects data, and supports reliable decision-making.

Figure FP 1.2 Improvements Financial Viability and Access to Capital during Disruptions

Improvements Financial Viability and Access to Capital during Disruptions

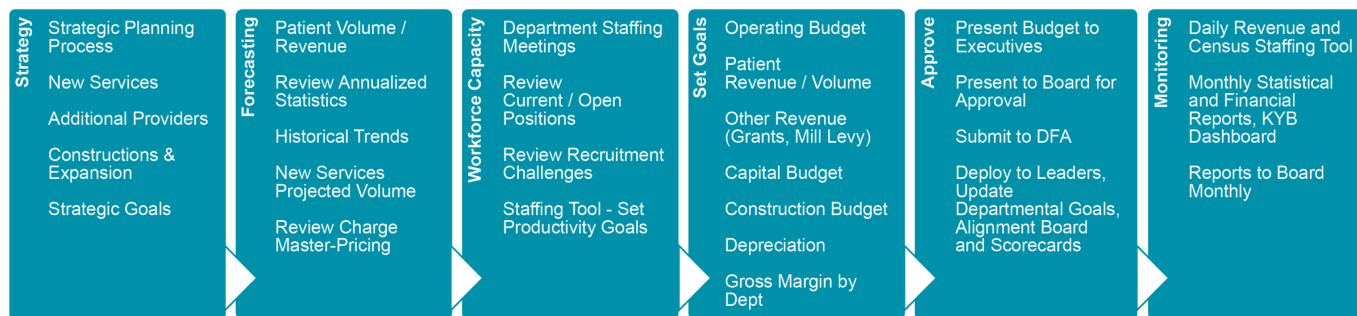


Figure FP 1.1 Annual Budget Process

Annual Budget Process

2 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?

Best practices in Finance that other organizations could adopt to strengthen financial performance:

1. Structured financial viability process -since 2011, NLHD has continuously refined its processes, monitoring indicators such as Days Cash on Hand and Total Margin. This enables proactive decision-making and rapid responses to performance shifts.

2. Relationship building-Trust-based partnerships are a core NLHD competency. This has enabled secured legislative appropriations, advanced public-private initiatives, and captured competitive grant funding (Figure FC 2.1). This approach ensures access to capital and is replicable for other organizations.

3. Daily census management. Introduced in 2014 and enhanced in 2023, this tool extends census management beyond clinical teams to non-clinical areas. Staffing is adjusted daily and discussed in safety huddles, followed by weekly refinements. It improves workforce costs during low-volume periods. Benchmarking found no equivalent approaches, positioning it as an innovative practice supporting financial viability (Figures FR 1.1 and 1.2).

4. Gross Margin for non-clinical departments-This tool aligns support department expenses with patient volumes and revenue performance. NLHD found no comparable practices in the network applying this approach, making it a transferable innovation for improving margin discipline across non-clinical areas.

5. KYB dashboard (Figure FC 1.2) Provides leaders a single view of financial performance, showing budget progress and highlighting strengths and opportunities. Annual refinements improved usability with hover-over instructions, and in 2025 added prior-year comparisons. This strengthens accountability and equips leaders with actionable insights.

6. Productivity Tools (Figure FP 2.1) use benchmark-driven standards (50th percentile for clinical departments, top quartile for non-clinical). Reviewed annually during budgeting, these ensure alignment with the staffing tool and promote fairness and accountability across all departments. Data is available at KM SharePoint.

7. The KM SharePoint (Knowledge Management) (Figure FP 2.2) Houses organizational knowledge with transparency, real-time decision data, and historical trends to guide improvement. Continuous refinements strengthened accessibility, usability, and finance integration. While SharePoint is widely used, NLHD's version is designed for robust functionality, user-friendliness, and ease of access. Staff can efficiently locate, share, and apply knowledge at the point of need, supporting collaboration, decision-making, and continuous improvement.

Staffing Performance FYE 2025

Department Report

Pay Period	26	
Pay Period Date	6/8/25	6/21/25
Budgeted FTE	30.20	Less Provider
Open Positions	3.00	Current PP

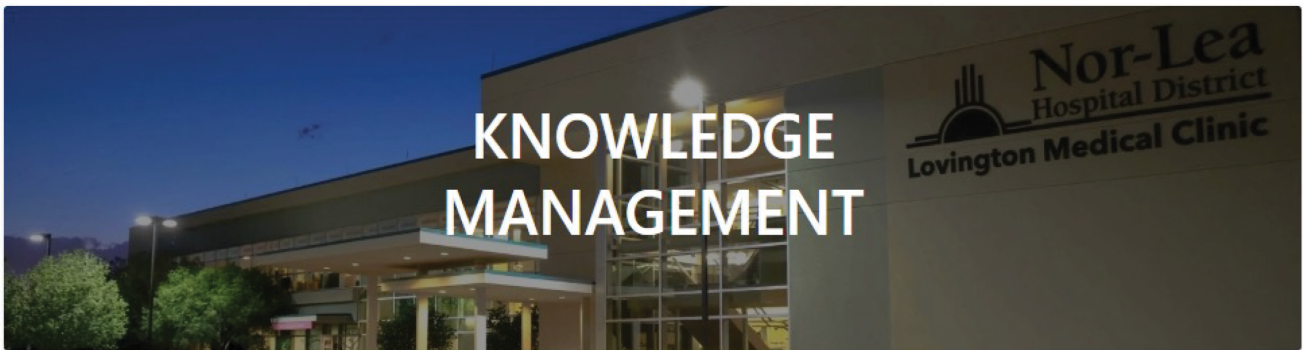
Dept:	092	Laboratory
UOS:	Hours per Test	
2025 Target	0.1700	Percentile: 50th
Variable Target	0.1700	Percentile: 2025 Goal

Executive	Bryan Welch
Director	Amy Molinar
Manager	TB D-Lab Mgr
Coordinator	Mercy Rosales

PP	Pay Period Dates	Productive Hours	Paid Hours	Overtime Hours	Call-in Hours	Contract Hours	UOS Volume Actual	UOS Volume Target	UOS Variance	Actual	Target	Variance	Prod %	Actual	Target	Variance	Open Positions	Salary Exp Variance	
1	06/23/2024 - 07/06/2024	1,731.14	2,098.22	-	56.82	-	124.50	11,311	10,183	11,200	21.64	24.04	2.40	111.08%	26.23	28.24	2.01	3.00	4,047.26
2	07/07/2024 - 07/20/2024	2,038.98	2,206.84	-	83.54	-	165.00	12,892	11,994	12,900	25.49	27.40	1.91	107.49%	27.59	29.48	1.89	5.00	3,807.29
3	07/21/2024 - 08/03/2024	2,010.39	2,237.29	-	119.22	-	170.50	11,331	11,826	11,800	25.13	24.08	-1.05	96.82%	27.97	26.52	-1.46	5.00	(2,936.83)
4	08/04/2024 - 08/17/2024	2,080.82	2,255.53	-	149.26	-	153.50	14,374	12,240	12,300	26.01	30.54	4.53	117.43%	28.19	32.91	4.72	4.00	9,482.20
5	08/18/2024 - 08/31/2024	2,051.86	2,209.64	-	119.63	-	147.50	14,850	12,070	12,000	25.65	31.56	5.91	123.03%	27.62	33.81	6.19	4.00	12,442.43
6	09/01/2024 - 09/14/2024	1,918.87	2,123.52	-	76.32	-	96.50	12,756	11,287	11,300	23.99	27.11	3.12	113.01%	26.54	29.72	3.17	5.00	6,382.69
7	09/15/2024 - 09/28/2024	2,115.38	2,272.39	-	91.22	-	179.50	13,874	12,443	12,500	26.44	29.48	3.04	111.50%	28.40	31.52	3.11	3.00	6,261.27
8	09/29/2024 - 10/12/2024	2,077.24	2,203.15	-	167.77	-	122.50	14,843	12,219	12,300	25.97	31.54	5.58	121.47%	27.54	33.34	5.80	2.00	11,669.55
9	10/13/2024 - 10/26/2024	1,928.57	2,185.85	-	169.11	-	82.83	12,705	11,345	11,400	24.11	27.00	2.89	111.99%	27.32	30.18	2.85	2.00	5,735.12
10	10/27/2024 - 11/09/2024	2,007.30	2,242.99	-	97.09	-	40.50	13,742	11,808	11,900	25.09	29.20	4.11	116.38%	28.04	32.27	4.23	2.00	8,509.72
11	11/10/2024 - 11/23/2024	2,124.15	2,325.50	-	146.08	-	82.50	12,795	12,495	12,500	26.55	27.19	0.64	102.40%	29.07	29.54	0.47	1.00	954.49
12	11/24/2024 - 12/07/2024	1,966.50	2,257.61	-	97.74	-	83.50	11,604	11,568	11,600	24.58	24.66	0.08	100.31%	28.22	27.84	-0.38	1.00	(767.99)
13	12/08/2024 - 12/21/2024	2,096.53	2,341.56	-	105.36	-	81.00	13,122	12,333	12,400	26.21	27.88	1.68	106.40%	29.27	30.80	1.53	1.00	3,081.27
14	12/22/2024 - 01/04/2025	1,572.40	2,079.80	-	18.58	-	80.00	8,734	9,249	9,200	19.66	18.56	-1.10	94.43%	26.00	23.09	-2.91	1.00	(5,849.87)
15	01/05/2025 - 01/18/2025	2,116.29	2,297.00	-	134.60	-	82.00	15,019	12,449	12,500	26.45	31.92	5.46	120.65%	28.71	34.43	5.71	1.00	11,486.88
16	01/19/2025 - 02/01/2025	2,054.96	2,233.33	-	96.23	-	75.50	15,496	12,088	12,100	25.69	32.93	7.24	128.19%	27.92	35.56	7.64	-	15,364.13
17	02/02/2025 - 02/15/2025	2,314.31	2,422.45	-	100.20	-	83.00	16,980	13,614	13,700	28.93	36.08	7.15	124.73%	30.28	37.69	7.41	2.00	14,902.34
18	02/16/2025 - 03/01/2025	2,060.55	2,243.21	-	85.12	-	86.00	15,803	12,121	12,200	25.76	33.58	7.82	130.38%	28.04	36.32	8.28	2.00	16,637.49
19	03/02/2025 - 03/15/2025	2,190.89	2,337.66	-	110.64	-	81.50	15,899	12,888	12,900	27.39	33.79	6.40	123.37%	29.22	35.91	6.69	1.00	13,441.21
20	03/16/2025 - 03/29/2025	2,115.33	2,299.01	-	79.69	-	83.50	14,578	12,443	12,500	26.44	30.98	4.54	117.16%	28.74	33.45	4.72	3.00	9,480.32
21	03/30/2025 - 04/12/2025	2,071.65	2,240.33	-	103.33	-	80.50	15,337	12,186	12,200	25.90	32.59	6.70	125.86%	28.00	35.04	7.04	2.00	14,154.96
22	04/13/2025 - 04/26/2025	2,078.37	2,301.10	-	88.18	-	82.50	14,783	12,226	12,300	25.98	31.41	5.43	120.92%	28.76	34.45	5.69	3.00	11,440.71
23	04/27/2025 - 05/10/2025	1,976.84	2,113.01	-	66.66	-	82.00	16,936	11,628	11,700	24.71	35.99	11.28	145.64%	26.41	38.31	11.90	3.00	23,914.99
24	05/11/2025 - 05/24/2025	2,030.67	2,200.46	-	131.20	-	81.00	14,299	11,945	12,000	25.38	30.39	5.00	119.71%	27.51	32.73	5.22	2.00	11,176.57
25	05/25/2025 - 06/07/2025	1,881.96	2,041.16	-	69.96	-	80.00	13,565	11,070	11,100	23.52	28.83	5.30	122.53%	25.51	31.07	5.56	2.00	11,176.57
26	06/08/2025 - 06/21/2025	1,893.31	2,114.82	-	118.61	-	80.00	17,380	11,137	11,200	23.67	36.93	13.27	156.05%	26.44	40.80	14.37	3.00	28,880.65
YTD	YTD	52,505.26	57,883.43	-	2,682.16	-	2,587.33	365,008	308,854	309,000	25.24	29.83	4.59	118.18%	27.83	32.60	4.78	2.00	249,625.26

Figure FP 2.1 Productivity Tool - Example Lab Department

Productivity Tool - Example Lab Department



<p>FINANCIALS Monique Galindo (Ext. 2203)</p>	<p>DECISION SUPPORT Lynda Davis (Ext. 2208)</p>	<p>QUALITY/PERFORMANCE EXCELLENCE Hans Baijense (Ext. 5451)</p>	<p>HUMAN RESOURCES Alexandra Gonzalez (Ext. 2401)</p>
<p>ADMINISTRATION Olivia Camp (Ext. 1202)</p>	<p>COMMITTEES Hans Baijense (Ext. 5451)</p>	<p>MARKETING Alejandra Cano (Ext. 2701)</p>	<p>MATERIALS Meredith Snook (Ext. 2755)</p>

Figure FP 2.2 Knowledge Management - SharePoint

Knowledge Management - Sharepoint

Release and Ethics Statements

Release Statement

- ✓ I understand that *
 - this information will be reviewed by members of the Board of Examiners,
 - my organization is required to pay the site visit fee listed in the invoice (sent by ASQ).
- ✓ If selected to receive an award, my organization will share nonproprietary information on its successful performance excellence strategies with other U.S. organizations. *

Ethics Statement

- ✓ I state and attest that *
 - I have reviewed the information provided by my organization in this award application package.
 - To the best of my knowledge, this package contains no untrue statement of a material fact and omits no material fact that I am legally permitted to disclose and that affects my organization's ethical and legal practices. This includes but is not limited to sanctions and ethical breaches.
- ✓ I understand that after I submit the site visit information, I will not be able to update it. *

Date: * 9/4/2025 4:42:02 PM ET

Signature: * Johannes Baijense