Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 010109 **, and ending** 123109

B Check if applicable
- [X] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

Please use IRS label or print or type See Specific Instructions.

C Name of organization Healthcare Information Xchange
Doing Business As of New York, Inc.
Number and street (or P O box if mail is not delivered to street address) 855 Route 146 Suite 170
Room/suite
City or town, state or country, and ZIP + 4 Clifton Park NY 12065

D Employer identification number 14-1825979

E Telephone number 518-357-3689

G Gross receipts $ 2269529

F Name and address of principal officer
Louis Snitkoff, MD
501 New Karner Road Albany NY 12205

H(a) Is this a group return for affiliates? [X] Yes [ ] No
H(b) Are all affiliates included? [X] Yes [ ] No
If "No," attach a list (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status [X] 501(c) (4) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ www.hixny.org

K Form of organization [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation 1999

M State of legal domicile NY

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: See Schedule O		
	2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of employees (Part V, line 2a)	5	7
	6 Total number of volunteers (estimate if necessary)	6	112
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	1438688	2119192
	9 Program service revenue (Part VIII, line 2g)	157500	108750
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	28171	15287
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	26300
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1624359	2269529
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	570903
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	815542	1042571
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	815542	1613474
	19 Revenue less expenses. Subtract line 18 from line 12	808817	656055

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	2798755	3689881
	21 Total liabilities (Part X, line 26)	415599	650670
	22 Net assets or fund balances Subtract line 21 from line 20	2383156	3039211

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MAY 19 2010
OGDEN, UT

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer — Date 5/14/2010

Dominick Bizzarro, CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed ▶ [ ] | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 | EIN ▶ | Phone no

May the IRS discuss this return with the preparer shown above? (see instructions) [ ] Yes [ ] No

SCANNED JUL 12 2010

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Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
To mobilize medical information for the benefit of the patients that our member organizations serve. HIXNY will promote quality care and reduce health care costs.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: 519100) (Expenses $ 1613474 including grants of $ 0) (Revenue $ 2269529)
Collaboration with healthcare provider members to build, operate and expand a health information exchange (HIE) that protects patient privacy and securely aggregates and accurately delivers clinical information in a standardized, protected, paperless format.

4b (Code.) (Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4c (Code:) (Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4d Other program services (Describe in Schedule O.)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ▶ 1613474

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1		X
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	Is the organization's answer to any of the following questions "Yes"? *If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII.*	12	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.* (Yes: X / No)	12A	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II.*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III.*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II.*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25.*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S. Information Returns Enter -0- if not applicable	1a	12		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	7		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a			X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			X
b	If "Yes," enter the name of the foreign country: ▶ ..... See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	0		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	0		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	0		
11	**Section 501(c)(12) organizations.** Enter.				
a	Gross income from members or shareholders	11a	0		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	0		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	0		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body	1a 12		
b	Enter the number of voting members that are independent	1b 11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	3		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9a		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NY

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ Debra Hamway Healthcare Information Xch 518-357-3689

855 Route 146 Clifton Park NY 12065

Suite 170

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees, officers, key employees; highest compensated employees; and former such persons

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Louis Snitkoff, MD, Chair CapitalCare Medical Group	15	X		X				0	0	0
Jerry Salkowe, MD, Secretary	10	X		X				0	0	0
Gary Fitzgerald, Treasurer	10	X		X				0	0	0
John Collins, MD, Vice Chair Northeast Health	10	X		X				0	0	0
George Hickman	5	X						0	0	0
Lynda Hohmann, MD	5	X						0	0	0
Paul Macielak	5	X						0	0	0
Sumeet Murarka	5	X						0	0	0
Philip Nasca	5	X						0	0	0
Bruce Nash, MD	5	X						0	0	0
John Rugge, MD	5	X						0	0	0
Bridget Walsh	5	X						0	0	0
Dominick Bizzarro	60			X				103862	0	114171
D. Scott Momrow	60				X	X		154311	0	0

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total ▶								258173	0	114171

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 2

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*		X
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Ray Murphy Ramco Consulting 36 Ridge Lane Hillsdale NY 12529	Project Consulta	150249

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 1

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a 0				
	b Membership dues	1b 914290				
	c Fundraising events	1c 0				
	d Related organizations	1d 0				
	e Government grants (contributions)	1e 1204902				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 0				
	g Noncash contributions included in lines 1a-1f: $ 0					
	h **Total.** Add lines 1a–1f ▶		2119192			
Program Service Revenue		Business Code				
	2a Consulting	541600	108750	108750	0	0
	b		0	0	0	0
	c		0	0	0	0
	d		0	0	0	0
	e		0	0	0	0
	f All other program service revenue		0	0	0	0
	g **Total.** Add lines 2a–2f ▶		108750			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		15287	15287	0	0
	4 Income from investment of tax-exempt bond proceeds ▶		0	0	0	0
	5 Royalties ▶		0	0	0	0
		(i) Real / (ii) Personal				
	6a Gross Rents	0 / 0				
	b Less: rental expenses	0 / 0				
	c Rental income or (loss)	0 / 0				
	d Net rental income or (loss) ▶		0	0	0	0
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	0 / 0				
	b Less cost or other basis and sales expenses	0 / 0				
	c Gain or (loss)	0 / 0				
	d Net gain or (loss) ▶		0	0	0	0
	8a Gross income from fundraising events (not including $ 0 of contributions reported on line 1c). See Part IV, line 18 a	0				
	b Less direct expenses b	0				
	c Net income or (loss) from fundraising events ▶		0	0	0	0
	9a Gross income from gaming activities. See Part IV, line 19 a	0				
	b Less direct expenses b	0				
	c Net income or (loss) from gaming activities ▶		0	0	0	0
	10a Gross sales of inventory, less returns and allowances a	0				
	b Less cost of goods sold b	0				
	c Net income or (loss) from sales of inventory ▶		0	0	0	0
	Miscellaneous Revenue	Business Code				
	11a Hosting and Grant Admini	541600	16300	16300	0	0
	b Sponsership	541990	10000	10000	0	0
	c		0	0	0	0
	d All other revenue	115110	0	0	0	0
	e **Total.** Add lines 11a–11d ▶		26300			
	12 **Total revenue.** See instructions. ▶		2269529	150337	0	0

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0	0		
2 Grants and other assistance to individuals in the U S. See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the U S. See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	351322	248207	103115	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	156601	93606	62996	0
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0	0	0	0
9 Other employee benefits	25564	19146	6418	0
10 Payroll taxes	37416	18499	18917	0
11 Fees for services (non-employees):				
a Management	230104	183942	46161	0
b Legal	34125	0	34125	0
c Accounting	50697	9814	40883	0
d Lobbying	0	0	0	0
e Professional fundraising services. See Part IV, line 17	0			0
f Investment management fees	0	0	0	0
g Other	72145	71621	525	0
12 Advertising and promotion	23986	0	23986	0
13 Office expenses	35729	0	35729	0
14 Information technology	247304	247304	0	0
15 Royalties	0	0	0	0
16 Occupancy	17605	0	17605	0
17 Travel	11733	0	11733	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	8550	0	8550	0
20 Interest	0	0	0	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	302788	299352	3436	0
23 Insurance	7805	4453	3352	0
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	0	0	0	0
b	0	0	0	0
c	0	0	0	0
d	0	0	0	0
e	0	0	0	0
f All other expenses	0	0	0	0
25 **Total functional expenses.** Add lines 1 through 24f	1613474	1195944	417531	0
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation	0	0	0	0

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		933935	2	568857
	3	Pledges and grants receivable, net		223690	3	605742
	4	Accounts receivable, net		0	4	7925
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		40906	9	80157
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2741167			
	b	Less: accumulated depreciation	10b 313967	1600224	10c	2427200
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		0	15	0
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		2798755	16	3689881
Liabilities	17	Accounts payable and accrued expenses		227448	17	621254
	18	Grants payable		0	18	0
	19	Deferred revenue		188151	19	29416
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities. Complete Part X of Schedule D		0	25	0
	26	**Total liabilities.** Add lines 17 through 25		415599	26	650670
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		2163156	27	3039211
	28	Temporarily restricted net assets		220000	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		0	30	0
	31	Paid-in or capital surplus, or land, building, or equipment fund		0	31	0
	32	Retained earnings, endowment, accumulated income, or other funds		0	32	0
	33	Total net assets or fund balances		2383156	33	3039211
	34	Total liabilities and net assets/fund balances		2798755	34	3689881

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both. ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		X

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

Healthcare Information Xchange

Employer identification number

14-1825979

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ .....

4 Number of states where property subject to conservation easement is located ▶ .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ .....

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ .....

(ii) Assets included in Form 990, Part X ▶ $ .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ .....

b Assets included in Form 990, Part X ▶ $ .....

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other .....

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ► .....%
b Permanent endowment ► ..... %
c Term endowment ► ..... %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	0		0
b Buildings	0	0	0	0
c Leasehold improvements	0	0	0	0
d Equipment	45128	0	18273	26855
e Other	2696039	0	295694	2400345
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ►				2427200

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12.)* ▶	0	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13.)* ▶	0	

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	0

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	0

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	2269529
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1613474
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	656055
4	Net unrealized gains (losses) on investments	4	0
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	0
9	Total adjustments (net). Add lines 4 through 8	9	0
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	656055

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	2269529
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	0		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV.)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	2269529
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV.)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total revenue Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	2269529

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	1613474
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	1613474
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV.)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	1613474

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information

Part XIV Supplemental Information *(continued)*

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization	Employer identification number
Healthcare Information Xchange	14-1825979

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.			
	☒ Compensation committee	☒ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		X
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	**5a**		X
b	Any related organization?	**5b**		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	**6a**		X
b	Any related organization?	**6b**		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	**8**		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)–(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Dominick Bizzarro	(i)	218033	0	0	0	4331	222364	0
	(ii)	0	0	0	0	0	0	0
D. Scott Momrow	(i)	154311	0	0	0	4331	158642	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open To Public Inspection

Name of the organization
Healthcare Information Xchange

Employer identification number
14-1825979

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $ 0

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $ 0

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
Total . . . . . ▶ $				0						

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
Gary Fitzgeral Iroquois Healt	Member Company	136667	Leased employe		X

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

► Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Healthcare Information Xchange

Employer identification number
14-1825979

Part I #1

HIXNYs purpose is a) to develop, to coordinate, and to operate effective and effective systems that will meet the health data needs of public and private organizations, agencies and individuals; b) to develop scaleable projects, open to evaluation, which are based upon open standards with a common framework and which are open to any technology-ready entity qualified for membership; c) to act as a central health data collection, dissemination, education, research, and analysis agency; d) to participate in studies, surveys, research projects, and experimental programs

Part VI #6

HIXNY is a not for profit corporation organized under the NY Not-For-Profit Corporation Law and is a qualfied exempt organization under Section 501(c)4 of the Internal Revenue Code of 1986.Eligibility for membership requires an entity to be dedicated to the purposes of HIXNY and adhere to its bylaws, State and Federal law including the provisions of the Health Insurance Portability and Accountability Act of 1996 and agreements entered into by HIXNY. Membership to HIXNY is based upon approval of the Board. HIXNY has 7 classes of membership: Hospital organizations;Physician Organizations; Payor Organizations; Employers; Consumer Groups; Government/Education; Other.

Part VI #7a

At each annual meeting of HIXNY immediately prior to the expiration of each term, each Member class shall nominate a number of individuals to serve as Directors and the nominated individuals shall be elected as Directors by the Membership for one year terms, or until their successors are elected, qualified and assume office.

Part VI #7b

Name of the organization	Employer identification number
Healthcare Information Xchange	14-1825979

The government of HIXNY is vested in the Board of Directors, which shall have full legal authority and responsibility for the conduct of the Corporation. The following must be approved by the membership vote: approval of the operating budget; approval of member assessments; approval of unbudgeted expenses in excess of $100,000.

Part VI #10

HIXNY provides a copy of the completed 990 to the Finance committee for review. Once approved,as it is prepared and/or amended, it is presented to the Board of Directors at next meeting closest to the approval date. Upon review and approval by the Board of Directors, the 990 is signed and mailed or electronically filed with the Internal Revenue Service.

Part VI #12c

The officers, directors and all employees are required to complete and sign an annual conflict of interest statement. All conflicts are brought to the attention of the CEO and as necessary the Board chair for discussion and resolution.

Part VI # 15b

The Board of Directors has designated the Executive Committee to act as the Compensation Committee. The CEO and the Chairman of the Board develop a set of metrics each year that is approved by the Executive Committee. The EC also approves the base salary and, to the extent possible, compensation at like organizations is reviewed annually to assist in determining whether compensation is in line with industry standards. The Chairman coordinates the annual evaluation, reviews and compiles the responses, applies the metrics and makes a recommendation to the EC regarding the bonus. The EC then votes on the recommendation. The Board is apprised if there is not a strong consensus at the EC.

Affiliate Listing

name	address	city	state	zip code	EIN	name control
HIXNY Service	855 Route 146	Clifton Park	NY	12065	26-4803822	

HIXNY

Board of Directors Meeting

May 14th, 2010: 2:00pm to 4:30pm

855 Route 146, Suite 170 Clifton Park, NY 12065

Agenda

I. Welcome and Introduction

II. Adopt Minutes from March 12th Meeting (5 minutes)

III. Chairperson Remarks (L. Snitkoff) (10 minutes)
   a. July Board Meeting: move to Friday, July 16th
   b. Removal of items from the consent agenda
   c. Executive Committee Update

IV. Consent Agenda Items: Committee Reports
   a. Clinical Committee Update
   b. Membership & Communications Committee Update
   c. Planning Committee (D. Bizzarro)
   d. Technology Committee
   e. Operational metrics

V. Management Report- Part I (D. Bizzarro) (40 minutes)
   a. Inpatient Claims Contribution Model: discussion & next steps
   b. Small Physician Practices, HIXNY, & the Regional Extension Center
   c. HIE update

VI. NYS Health IT Planning Activities (D. Whitlinger-NYeC) (30 minutes)

VII. Audit Committee (D. Bizzarro, D. Hamway) (5 minutes)
   a. Audit Committee update

VIII. Finance Committee Report (B. Walsh, D. Hamway, R. Guzior-BST) (30 minutes)
   a. **Action: Review & approve February & March Financial Statements**
   b. **Action: Review & approve 2009 Form 990 (tax return)**
   c. **Action: Review and approve 2009 Audit Report and 2009 Financial Statements**

IX. Management Report- Part II (D. Bizzarro) (30 minutes)
   a. Inpatient Claims Contribution Model: discussion & next steps
   b. Small Physician Practices, HIXNY, & the Regional Extension Center
   c. HIE update

X. Adjournment

Board Package Contents:

a. Agenda
b. Draft HIXNY Board Minutes, March 12th, 2010
c. February and March 2010 Financial Statements
d. 2009 Final Financial Statements
e. Audit documents (Final Internal Control, Management letter, SAS letter)
f. 2009 Form 990
g. All Committee Minutes
    i. Audit
    ii. Clinical
    iii. Executive (April and May)
    iv. Finance (March and April)
    v. Membership and Communications
    vi. Planning (March and April)
    vii. Technology
h. Operations metrics
i. Management Report
j. Consent agendas.pdf
k. HIXNY EMR Vendor Survey example

Consent Agenda

David O. Renz, Ph.D.

What is a Consent Agenda?

A consent agenda is a practice by which the mundane and non-controversial board action items are organized apart from the rest of the agenda and approved as a group. This includes all of the business items that require formal board approval and yet, because they are not controversial, there is no need for board discussion before taking a vote. Items may be on a consent agenda only if all board members agree; if even one member considers a specific item to need discussion, it must be removed and placed on the regular agenda for the board meeting.

Why are Consent Agendas Used?

Consent agendas are used to save board meeting time and to help ensure that board meetings focus on substantive topics that are worth discussion. Through the "bundling" process, the entire set of items of business that are not worth board meeting time can be voted on in one action versus taking the time to vote on each individual item.

When Should Consent Agendas Be Used?

Consent agendas should be used when there are a number of non-controversial business items on which the board needs to vote. Complete information must be provided in advance of the meeting to all board members, so that each knows what is being proposed and has the opportunity to consider whether the item truly is non-controversial. The key here is "non-controversial," and the definition of non-controversial may vary from organization to organization. Consent agenda items often are matters that a bylaw or some other rule or regulation requires to be formally approved by the board, yet there is no value added by engaging the board in discussion about the item (e.g., a routine lease renewal for a facility already included in the approved agency budget). Consent agendas are *not* to be used to hide actions that will be controversial -- to do so breaches the trust of the board and undermines the value of this practice.

Where Should Consent Agendas be Placed within the Overall Meeting Agenda?

The consent agenda typically appears very near the beginning of the regular meeting. This allows any item removed from the consent agenda to be placed onto the overall agenda for discussion and action later in the meeting. As with all formal board action, a quorum must be present to in order for action on the consent agenda items to be legitimate and binding.

Who Should Use Consent Agendas?

Consent agendas are used by both non-profit and for-profit organizations whose boards are trying to use members' time efficiently and that have much routine business to approve. It is especially common to see the boards of governmental entities such as libraries and educational institutions use consent agendas because of the volume of routine business that they are required by law and regulation to approve.

How Can Consent Agendas be Used Effectively?

The key to success is to provide all consent agenda information to board members well in advance of the meeting. It is *essential* that board members have ample time prior to a meeting to become familiar with each item on the consent agenda. That way, if a member or members have a concern about any item(s) that they believe need further discussion, then they will ask for the item(s) to be removed from the consent agenda and addressed separately.

At the time in the regular agenda when there is to be action on the consent agenda, the chair will first inquire whether there are any items that need to be removed from the consent agenda. If *any* member wishes an item to be removed, it must be removed and placed on the regular agenda. Immediately following the opportunity to remove any items for separate discussion, the consent agenda is moved and approved as a set. (For example: "I move the consent agenda." Another member: "I second the motion.")

It may be useful to those who plan the overall meeting agenda and the consent agenda (usually the board chair and/or executive director) to have guidelines, developed in consultation with the board, to clarify which types of items might be appropriate for the consent agenda.

When Should a Consent Agenda Not Be Used?

The consent agenda practice should not be used unless all members of the board understand and agree to its use. This approach places more responsibility upon members to prepare prior to the meeting. Obviously, if members do not read the information on the consent agenda prior to the meeting, they cannot responsibly agree to the inclusion of any particular item on the consent agenda. The worst outcome would be to take action on a matter of significant programmatic or legal importance without truly having the board's **informed** consent.

HEALTHCARE INFORMATION XCHANGE OF NEW YORK, INC. AND SUBSIDIARY, HIXNY SERVICES, LLC

CONSOLIDATED FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT

December 31, 2009 and 2008

HEALTHCARE INFORMATION XCHANGE OF NEW YORK, INC.
AND SUBSIDIARY, HIXNY SERVICES, LLC

CONSOLIDATED FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT

December 31, 2009 and 2008

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BOLLAM, SHEEDY, TORANI & CO. LLP
Certified Public Accountants
Albany, New York

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Healthcare Information Xchange of New York, Inc.
and Subsidiary, HIXNY Services, LLC
Clifton Park, New York

We have audited the accompanying consolidated statements of financial position of Healthcare Information Xchange of New York, Inc (HIXNY) and Subsidiary, HIXNY Services, LLC as of December 31, 2009, and the related consolidated statements of activities, and cash flows for the year then ended These financial statements are the responsibility of HIXNY's management Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Healthcare Information Xchange of New York, Inc as of and for the year ended December 31, 2008, were audited by other auditors whose report, dated July 27, 2009, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe our audit provides a reasonable basis for our opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of HIXNY and Subsidiary, HIXNY Services, LLC as of December 31, 2009, and the change in their net assets and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2010, on our consideration of HIXNY's and Subsidiary, HIXNY Services, LLC's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grants, agreements, and other matters The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole The accompanying supplemental Schedule of Expenditures of Department Awards on page 11, is presented for purposes of additional analysis as required by the New York State Department of Health, and is not a required part of the consolidated financial statements Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Bollam Sheedy Torani & Co LLP

Albany, New York
March 8, 2010

HEALTHCARE INFORMATION XCHANGE OF NEW YORK, INC.
AND SUBSIDIARY, HIXNY SERVICES, LLC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31, 2009	December 31, 2008
ASSETS		
CURRENT ASSETS		
Cash	$ 568,857	$ 933,935
Accounts receivable	7,925	17,500
Grants receivable	605,742	206,190
Prepaid expenses	80,157	40,906
Total current assets	1,262,681	1,198,531
OTHER ASSETS		
Equipment, net	26,855	16,371
Intellectual property, net	2,400,345	1,583,853
	2,427,200	1,600,224
	$ 3,689,881	**$ 2,798,755**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 536,445	$ 211,828
Accrued expenses	84,809	15,620
Deferred revenue	29,416	188,151
Total current liabilities	650,670	415,599
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	3,039,211	2,163,156
Temporarily restricted net assets	-	220,000
	3,039,211	2,383,156
	$ 3,689,881	**$ 2,798,755**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

HEALTHCARE INFORMATION XCHANGE OF NEW YORK, INC.
AND SUBSIDIARY, HIXNY SERVICES, LLC

CONSOLIDATED STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2009		
	Unrestricted	Temporarily Restricted	Total 2009
SUPPORT AND REVENUE			
Assessments	$ 914,290	$ -	$ 914,290
Consulting	108,750	-	108,750
Grants	1,204,902	-	1,204,902
Hosting and grant administrative fees	16,300	-	16,300
Miscellaneous	10,000	-	10,000
Interest earned	15,287	-	15,287
Net assets released from restrictions	220,000	(220,000)	-
Total support and revenue	2,489,529	(220,000)	2,269,529
EXPENSES			
Salaries and wages	570,903	-	570,903
Contracted services	343,161	-	343,161
Consulting services	36,470	-	36,470
Depreciation and amortization	302,788	-	302,788
Meetings	8,550	-	8,550
Office expense	23,432	-	23,432
Professional fees	47,125	-	47,125
Rent	17,605	-	17,605
Service costs	231,480	-	231,480
Staff travel	11,733	-	11,733
Telecommunications	20,227	-	20,227
Total expenses	1,613,474	-	1,613,474
CHANGE IN NET ASSETS	**876,055**	**(220,000)**	**656,055**
NET ASSETS, beginning of year	2,163,156	220,000	2,383,156
NET ASSETS, end of year	**$ 3,039,211**	**$ -**	**$ 3,039,211**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements

	Year Ended December 31, 2008		
	Unrestricted	Temporarily Restricted	Total 2008
SUPPORT AND REVENUE			
Assessments	$ 697,000	$ -	$ 697,000
Consulting	157,500	-	157,500
Grants	741,688	-	741,688
Hosting and administrative fees	-	-	-
Miscellaneous	-	-	-
Interest earned	28,171	-	28,171
Net assets released from restrictions	220,000	(220,000)	-
Total support and revenue	1,844,359	(220,000)	1,624,359
EXPENSES			
Salaries and wages	225,950	-	225,950
Contracted services	329,486	-	329,486
Consulting services	43,975	-	43,975
Depreciation and amortization	5,913	-	5,913
Meetings	7,633	-	7,633
Office expense	14,204	-	14,204
Professional fees	69,424	-	69,424
Rent	5,200	-	5,200
Service costs	83,906	-	83,906
Staff travel	12,978	-	12,978
Telecommunications	16,873	-	16,873
Total expenses	815,542	-	815,542
CHANGE IN NET ASSETS	**1,028,817**	**(220,000)**	**808,817**
NET ASSETS, beginning of year	1,134,339	440,000	1,574,339
NET ASSETS, end of year	**$ 2,163,156**	**220,000**	**$ 2,383,156**

HEALTHCARE INFORMATION XCHANGE OF NEW YORK, INC.
AND SUBSIDIARY, HIXNY SERVICES, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS
December 31, 2009 and 2008

	Years Ended December 31,	
	2009	**2008**
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	$ 656,055	$ 808,817
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	302,788	5,913
(Increase) decrease in		
Accounts receivable	9,575	66,856
Grants receivable	(399,552)	155,381
Prepaid expenses	(39,251)	(28,781)
Increase (decrease) in		
Accounts payable	324,617	(376,327)
Accrued expenses	69,189	10,306
Deferred revenue	(158,735)	(147,236)
	764,686	**494,929**
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Purchase of equipment	(17,578)	(19,361)
Purchase of intellectual property	(1,112,186)	(1,036,225)
Maturities of investments	-	433,378
	(1,129,764)	**(622,208)**
Net decrease in cash	**(365,078)**	**(127,279)**
CASH, beginning of year	933,935	1,061,214
CASH, end of year	**$ 568,857**	**$ 933,935**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

a. Organization

Healthcare Information Xchange of New York, Inc. (HIXNY), incorporated as a not-for-profit organization in the State of New York on July 19, 2000, enables the secure sharing of essential medical information electronically, such as medication history, patient allergies, radiology results, and lab results, across health care organizations for the benefit of the patients in northern New York. The primary objectives of HIXNY are to promote quality clinical care and reduce health care costs HIXNY is a regional health information organization (RHIO) comprised of a diverse group of health care members including hospitals, physician practices, health plans, health care associations, consumer groups, institutes of higher learning, and governments Through HIXNY, these member organizations partner for the health of the community and work together to share medical information more efficiently, at the point of care, for the benefit of patients. The majority of HIXNY's support and revenue is derived from assessments, contributions, and grants

HIXNY has been working collaboratively with its members to build, operate, and now expand a health information exchange that protects patient privacy and securely aggregates and accurately delivers clinical information in a standardized, protected paperless format. Through this health information exchange, and once a patient agrees to participate in it, providers would have access to the patient's medical information across multiple care settings The many benefits of a health information exchange include available information in an emergency, fewer repeated tests, and increased accuracy HIXNY also offers an ePrescribing application which lessens the chance of adverse drug events and encourages clinically, cost-appropriate therapies HIXNY's offerings become especially important in emergency situations where the patient may not be able to provide necessary health information to the treating physicians All of this allows for more certain, more efficient, more timely, and better decisions

The consolidated financial statements include the accounts of its wholly-owned subsidiary, HIXNY Services, LLC (Services), which was formed under the Limited Liability Company Laws of the State of New York in May 2009, to provide management and technology oversight as well as project management, financial management, and other administrative services on behalf of HIXNY

All significant intercompany balances and transactions have been eliminated in these consolidated financial statements.

A summary of the significant accounting policies, consistently applied in the preparation of the accompanying consolidated financial statements, follows

b Accounting Method

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

c Codification

On December 31, 2009, HIXNY and Services adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) The ASC is an aggregation of previously issued authoritative accounting principles generally accepted in the United States of America (GAAP) in one comprehensive set of guidance organized by subject area. In accordance with the ASC, references to previously issued accounting standards have been replaced by ASC references Subsequent revisions to GAAP will be incorporated into the ASC through Accounting Standards Updates

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - Continued

d. Fair Value Measurement

Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an "exit" price) in the principal or most advantageous market for the asset or liability between market participants on the measurement date

e. Net Asset Classes

The accompanying consolidated financial statements present information regarding financial position and activities according to three classes of net assets unrestricted, temporarily restricted, and permanently restricted These classifications are based upon the existence or absence of donor imposed restrictions. The three classes are defined as follows.

Unrestricted net assets include revenues and expenses associated with the principal mission of HIXNY and Services, as well as contributions with no donor imposed restriction as to use or purpose.

Temporarily restricted net assets include contributions with donor imposed time and/or purpose restrictions.

Permanently restricted net assets include contributions which the donor has imposed the restriction that HIXNY may use only the revenue generated by the contribution while preserving the principal of the contribution The revenue generated by such funds may or may not be subject to additional restrictions as to permitted uses depending on whether or not there are additional donor imposed time and/or purpose restrictions. There were no permanently restricted net assets for both years ended December 31, 2009 and 2008

f Accounts Receivable

Accounts receivable are carried at original invoice amount Management determines an allowance for doubtful accounts, if any, by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible Recoveries of accounts previously written off are recorded when received An account receivable is considered to be past due if any portion of the receivable is outstanding for more than 30 days. Interest is not charged on accounts receivable that are outstanding for more than 30 days Management considers accounts receivable at December 31, 2009 and 2008, to be fully collectible. Accordingly, no allowance for doubtful accounts is required, and there were no amounts written off at December 31, 2009 and 2008

g. Equipment, Net

Equipment is recorded at cost. The carrying amount of these assets, and related accumulated depreciation are removed from the accounts when such assets are disposed of and the resulting gain or loss is reported in the statement of activities

Depreciation is computed using the straight-line method over their estimated useful lives (3-7 years) of the various assets Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset. Certain long-lived assets to be disposed of by sale are reported at the lower of the carrying amount of fair value less cost to sell. At December 31, 2009, there are no long-lived assets to be disposed

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - Continued

h. Intellectual Property, Net

Intellectual property is amortized over its expected useful lives of three to seven years on a straight-line basis (Note 3).

i Revenue Recognition and Deferred Revenue

Revenue from members is recognized as earned Assessment revenue received in advance of the period in which it applies is recorded as deferred revenue

Revenues from grants are recognized when the expenses are incurred under the terms of the grant. Any grant advances received and unearned are recorded as deferred revenue Costs are subject to audit by grantor, and changes, if any, are recognized in the year known.

j. Functional Expenses

Directly identifiable expenses are charged to program services Expenses related to more than one function are charged to program services using the specific allocation method

k. Income Taxes

HIXNY is a nonprofit organization as described in Section 501(c)(4) of the Internal Revenue Code and is exempt from federal income taxes

Services is a single member limited liability company that is not considered a taxable entity under the Internal Revenue Code.

On January 1, 2009, HIXNY and Services adopted ASC 740-10-25, *Accounting for Uncertainty in Income Taxes.* HIXNY and Services file a Form 990 (Return of Organization Exempt from Income Tax) annually When the return is filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the tax position taken or the amount of the position that would ultimately be sustained. This standard prescribes a comprehensive model for recognizing, measuring, presenting, and disclosing in the consolidated financial statements tax positions taken or expected to be taken on a tax return, including positions that the organizations are exempt from income taxes or not subject to income taxes on unrelated business income

Tax positions are not offset or aggregated with other positions Tax positions that meet the *more likely than not* recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized on settlement with the applicable taxing authority The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for uncertain tax benefits in the accompanying consolidated statement of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination Form 990 filed by HIXNY and Services is subject to examination by the Internal Revenue Service up to three years from the extended due date of each return Forms 990 filed by HIXNY and Services are no longer subject to examination for the fiscal years ended December 31, 2005, and prior. The adoption of this standard resulted in no uncertain tax benefits or provisions identified and recorded as a liability or asset.

During January 2010, HIXNY applied for tax exempt status under the Section 501(c)(3) Internal Revenue Code

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES - Continued

l. Subsequent Events

HIXNY and Services adopted ASC 855, *Subsequent Events* on December 31, 2009, which establishes general standards of accounting for, and disclosure of, events that occur after the date of the consolidated financial statements but before the consolidated financial statements are issued or are available to be issued In preparing the consolidated financial statements and notes thereto, HIXNY and Services have considered subsequent events through March 8, 2010, the date the consolidated financial statements were issued.

m. Reclassifications

Certain reclassifications have been made to prior year's financial statements to conform to the current year presentation.

NOTE 2 - EQUIPMENT, NET

A summary of equipment, net, is as follows

	December 31, 2009	December 31, 2008
Machinery and equipment	$ 35,697	$ 22,119
Furniture and fixtures	9,431	5,432
	45,128	27,551
Less accumulated depreciation	18,273	11,180
Equipment, net	$ 26,855	$ 16,371

Depreciation expense was $7,094 and $5,913 for the year ended December 31, 2009 and 2008, respectively.

NOTE 3 - INTELLECTUAL PROPERTY, NET

HIXNY's intellectual property consists of computers, software licenses, and network design costs associated with the Healthcare Information Exchange and e-Prescribing system A summary of intellectual property, net, is as follows.

	December 31, 2009	December 31, 2008
Intellectual property in service (a)	$ 2,394,492	$ -
Less accumulated amortization	295,694	-
Intellectual property in service, net	2,098,798	-
Intellectual property in development	301,547	1,583,853
Intellectual property, net	$ 2,400,345	$ 1,583,853

(a) Includes computer hardware and other related hardware of $335,877

NOTE 3 - INTELLECTUAL PROPERTY, NET - Continued

Amortization expense was $295,694 and $-0- for the years ended December 31, 2009 and 2008, respectively A summary of the future amortization expense on intellectual property is as follows

Year ending December 31,	2010	$ 406,047
	2011	406,047
	2012	330,599
	2013	294,088
	2014	294,088

A summary of the funding of intellectual property is as follows·

	December 31,	
	2009	2008
NYS HEAL Grants	$ 2,043,237	$ 1,167,640
Contributions	550,000	416,213
Other	102,802	-
	$ 2,696,039	$ 1,583,853

The HEAL grants state that any property purchased pursuant to the agreements is deemed to be the property of the State of New York except as may otherwise be governed by Federal or State laws, rules, and regulations. As part of the grant, New York State is entitled to certain rights and licenses relating to the property, such as royalty free use, trade secrets, and sublicense HIXNY also agrees to notify the State if they assign or transfer the property. In the event that HIXNY distributes, licenses, assigns, or transfers any technology or intellectual property rights developed or created as a result of the grants in exchange for money or other remuneration, HIXNY will pay the State an amount equal to 5% of the gross revenue This required payment will terminate when the payments equal the amount of funding received under the grant or five years from the date of execution of the grant (August 1, 2006), whichever comes earlier.

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2009 and 2008, HIXNY's temporarily restricted net assets consisted of $-0- and $220,000, respectively, all of which was restricted for capital purchases The funds were requested by the donors to be used for the e-Prescribing system.

NOTE 5 - CLASSIFICATION OF EXPENSES

The statement of activities discloses expenses by natural classification. The classification of expenses by function is as follows:

	December 31,	
	2009	2008
Program	$ 1,195,944	$ 348,942
Management and general	417,530	466,600
Total	$ 1,613,474	$ 815,542

NOTE 6 - COMMITMENTS AND CONTINGENCIES

a. Operating Lease

HIXNY entered into a three-year lease agreement for office space in Clifton Park, New York commencing August 1, 2009. The lease requires monthly payments of $3,111 and expires on July 31, 2012 Rent expense under this lease was $17,605 for 2009.

A summary of HIXNY's future minimum lease payments is as follows.

For the year ending December 31,	2010	$ 37,328
	2011	37,328
	2012	21,775
		$ 96,431

NOTE 7 - CONCENTRATION OF CREDIT RISK

HIXNY and Services maintain cash accounts at one financial institution located in New York State. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or by collateral At times, HIXNY and Services have bank deposits in excess of the amounts insured by the FDIC

HEALTHCARE INFORMATION XCHANGE OF NEW YORK, INC.
AND SUBSIDIARY, HIXNY SERVICES, LLC

SCHEDULE OF EXPENDITURES OF DEPARTMENT AWARDS

New York State Department of Health	Contract Number	Contract Period	Revenues	Expenditures	Unexpended Funding	Amounts Provided To Subrecipients
			Year Ended December 31, 2009			
HEAL NY Phase I: Health Information Technology (HIT)	C021857	8/1/06-3/31/09	$ 541,493	$ 541,493	$ -	$ -
HEAL NY Phase V	C023533	10/1/08-7/31/10	805,510	805,510	3,357,057	142,102

	Grant Reconciliation	
	HEAL I	HEAL V
Total amount of grant	$ 1,693,272	$ 4,194,000
Earned and expended to date	(1,693,272)	(836,943)
Balance	$ -	$ 3,357,057

See Independent Auditor's Report.