



  
CyncHealth  
Iowa 2021 Annual Report

# Table of Contents

Board of Directors..... 3

2021: The Year in Review & Looking Ahead  
*A Message from the CEO* ..... 4

Strategic Highlights..... 6

Operating Highlights ..... 7

    Participation Agreements ..... 7

    Syndromic Surveillance..... 7

    Electronic Laboratory Report (ELR)..... 7

    Unite Iowa, the Social Determinants  
    of Health (SDOH) Platform..... 8

    Event Notification Services..... 8

Financial Highlights ..... 9

Financial Summary/Independent Auditor’s Report ..... 11

## BOARD OF DIRECTORS

### **SCOTT ALDERMAN**

MercyOne

### **DR. JAIME BLAND**

CyncHealth

### **LEE CARMEN**

University of Iowa Healthcare

### **MARY COWNIE**

MercyOne System Services

### **MARCEL DEVETTEN**

Unity Point Health

### **ROB FRIEDEN**

Genesis Health System

### **RON KLOEWER**

Montgomery County Memorial Hospital

### **SARAH REISETTER**

Iowa Department of Public Health

### **ROBERT SCHLUETER**

Iowa Department of Human Services

### **WILLIAM SCHOENENBERGER**

Retired, Consumer Member

### **LAURA SMITH**

Unity Point Health

### **RICHARD STONE**

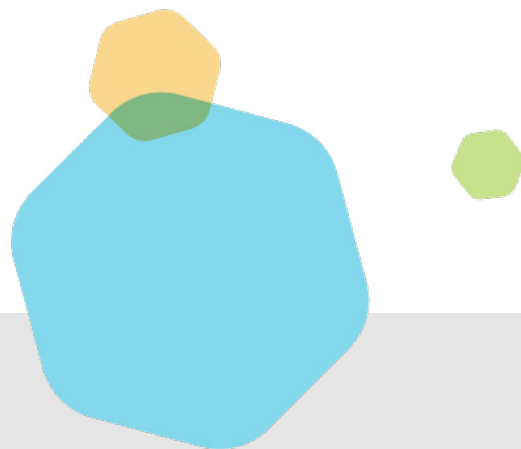
Iowa State University

### **DR. CHRISTINA TAYLOR**

The Iowa Clinic

### **AARON TODD**

Iowa Primary Care Association



## 2021: THE YEAR IN REVIEW & LOOKING AHEAD

### *A Message from the CEO*



#### **DEAR STAKEHOLDER,**

What an exciting year it has been!

On January 1, 2021, the Iowa Health Information Network (IHIN) began operating as CyncHealth Iowa. This was the first step in building a longitudinal health record for every Iowan and establishing a comprehensive health information network that offers complete and standardized health information for use by providers across the state of Iowa.

As a health data utility, we are committed to making it easier than ever for hospitals to improve patient access as well as engagement, and outcomes, all while supporting care teams in their practice of medicine. By innovating the way health information is collected, shared, and utilized, we are enabling healthcare organizations to connect the dots across all points of patient care, ensure patient safety, reduce repetitive services, and increase efficiency for providers. We believe our work goes far beyond simply sharing data between providers – CyncHealth Iowa empowers patients and their care teams to work together to create healthier, thriving communities.

As we look to the future and the possibilities that await us, we see opportunity at every turn in the way we serve your communities. This includes expanding our vision beyond the traditional health information exchange (HIE) to incorporate “whole-person care” through a health data utility model. Looking at the patient’s life holistically, including through the lens of any social stressors they may be experiencing, rather than from purely a medical perspective, allows us to meet them “where they are.” An impactful opportunity for Iowa providers in this area includes the ability to address social needs, such as food, transportation, and supportive housing, through Unite Iowa, a closed-loop referral platform for patient referrals to social care organizations.

Other exciting opportunities in technology and services are just around the corner as well. As interoperability experts, we plan to leverage the standards set forth by the USCDI to build out the robustness of the exchange by providing comprehensive encounter data through onboarding of continuity of care documents and data elements like

medications and treatments furthering our goal to not just move health data forward, but make better health possible for all people.

We also look forward to the value exchange network data will provide to citizens, clinicians, researchers and educators of population health through access to comprehensive health information data sets shared according to data governance best practices. This health data also allows us to continue to support public health initiatives, such as electronic case reporting. Finally, we are proud to highlight the ongoing partnership with IDPH and have moved 46 new participants to sharing data for syndromic surveillance and ADTs. The continued positive partnership with the State of Iowa and the HIE yields benefit for Iowans and providers alike.

While 2021 has been a great start for CyncHealth Iowa, I am already looking forward to the years ahead full of successful collaboration, improved patient experiences, and most important, providers with access to the most complete longitudinal health record for their patients at point of care.

Warmest regards,

**JAIME BLAND, DNP**

President/CEO, CyncHealth Iowa

## STRATEGIC HIGHLIGHTS

Beginning in January, CyncHealth leadership reviewed the historical investments in IHIN infrastructure and explored opportunities for growth of the health data utility model in Iowa. The vision was to reduce data silos and enhance patient care through a single, longitudinal health record, regardless of EHR vendor or care location.

During the transition, CyncHealth examined historical concerns with stakeholders. The organization worked with stakeholders to understand the concerns, create a future value proposition, and reengineer/reassign resources when possible. Not surprisingly, two of the most difficult tasks were understanding the operational needs of a new organization and instituting a sustainable pricing model for a successful health information network in Iowa.

Nevertheless, the tireless efforts led to several early key successes in Iowa, including:

- The development of the CyncHealth Iowa Data Acquisition Cloud, which provides a cost effective, seamless, secure path for data migration and integration, when needed. With this architecture in place, the CyncHealth Iowa platform will better support many necessary resources for Iowa participants, such as event notification services and community care coordination.
- 46 new Participation Agreements. The new agreements support a sustainable path forward and drive a model that encourages the robust and timely exchange of data for providers.
- A close partnership with the Iowa Department of Public Health. The State has fully engaged with CyncHealth Iowa not only through contracts, but also by providing incentives for participation of up to \$18,500 per hospital (approximately \$2 million dollars in total to date). The partnership allows us to diversify the funding needed to support the robust health data utility envisioned for Iowa.

CyncHealth Iowa continues building and preparing for future innovations.

## OPERATING HIGHLIGHTS

### PARTICIPATION AGREEMENTS AND SYNDROMIC SURVEILLANCE

CyncHealth Iowa updated the language in its Participation Agreement in Spring 2021 to better reflect the System and Services available to Participants. The updated agreement now includes participant access to Unite Iowa, a statewide coordinated care network designed to address social determinants of health.

Since CyncHealth has taken over operation of IHIN, 46 Participants have signed updated Participation Agreements. Additionally, 31 of those Participants have signed up to participate in the Syndromic Surveillance program CyncHealth Iowa has built in partnership with Iowa Department of Public Health.

### ELECTRONIC LAB REPORTING (ELR)

Healthcare providers and public, private, and hospital clinical laboratories are required by Iowa law (Iowa Code § 139A.3; 641 IAC chapter 1) to report all cases of reportable diseases to the Iowa Department of Public Health (IDPH). Historically, labs could only mail or fax this data to public health agencies. Now advanced technology supports electronic data submission, which reduces reporting time and data errors. ELR for public health is the transmission of digital laboratory reports to state and local public health departments. Rapid reporting of higher quality, actionable data allows for improved detection of public health threats and faster public health intervention. Since 2014, Iowa has made significant progress in implementing statewide ELR, with the majority (>95%) of national reference laboratories and hospitals. Sending results via ELR. IHIN was instrumental in the early support of ELR in Iowa. ELR reduced the time from known laboratory result to public health intervention from 10+ days to an average of just one day, improving readiness and timeliness for public health interventions.

In January 2021, no service interruption occurred and ELR remained operational, supporting all active laboratories during the transition from IHIN to CyncHealth Iowa. In May 2021, CyncHealth Iowa partnered with IDPH to deliver ongoing ELR services to Iowa. This engagement leverages previously successful infrastructure and knowledgeable staff, with little burden to active laboratories. Specifically, CyncHealth Iowa uses a Virtual Private Network (VPN) to onboard data into the smartLab product that translates hospital-specific codes to an IDPH-defined and pre-loaded set of standard LOINC,

SNOMED, HL7, and IDPH-specific codes for IDPH systems. ELR is built on HL7 messaging standards. If various HL7 messages are submitted by a sender, these formats are translated into a standard HL7 2.5.1 EDI format for IDPH systems to readily consume.

Since May 2021, CyncHealth Iowa has continued to add additional labs to the smart Lab platform, and now hosts more than sixty (60) labs to support the Iowa ELR ecosystem. CyncHealth Iowa looks forward to the future partnership of supporting Iowa ELR and providing excellent service to the Iowa market in the years to come.

## **UNITE IOWA, THE SOCIAL DETERMINANTS OF HEALTH (SDOH) PLATFORM**

In 2021 CyncHealth launched the Unite Iowa platform – offering Iowa providers and community-based organizations (CBOs) the ability to make and accept referrals in a closed-loop network system, which ensures all referrals are resolved and no patient gets lost in the shuffle. The Unite Iowa network makes it possible for healthcare providers to assist their patients with overcoming these barriers to care by making referrals in the platform. The most common services offered by Iowa organizations are Individual & Family Support, Housing & Shelter, Education, Food Assistance, and Social Enrichment. The most needed services have been Housing & Shelter, Food Assistance, Clothing & Household Goods, Utilities, and Individual & Family Support.

As of October 2021, 165 organizations have joined the Unite Iowa platform as in-network providers, in addition to 188 out-of-network organizations. By mid-October, 410 users had received access to the platform and 99 clients had been referred within the platform.

## **EVENT NOTIFICATION SERVICES**

Through CyncHealth Iowa and our partner, Collective Medical Technologies, event notification services (ENS) provide near real time alerts when a patient is either discharged from or admitted into a hospital. Iowa facilities who have signed an updated participation agreement with CyncHealth Iowa are able to utilize ENS, a no cost value-added service through 2021.



February 26, 2021

Board of Directors  
Iowa Health Information Network  
West Des Moines, Iowa

We have audited the financial statements of Iowa Health Information Network for the year ended December 31, 2020, and have issued our report thereon dated February 26, 2021. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter for the year ended December 31, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our discussions about planning matters.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2020. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such misstatements were noted.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 26, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Iowa Health Information Network, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Denman & Company, LLP*

**DENMAN & COMPANY, LLP**

**FINANCIAL SUMMARY/INDEPENDENT AUDITOR'S REPORT**

**Iowa Health Information Network  
West Des Moines, Iowa**

**FINANCIAL REPORT**

**December 31, 2020 and 2019**

## CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS</b>	3
<b>FINANCIAL STATEMENTS</b>	
Statements of financial position	4
Statements of activities	5
Statements of functional expenses	6
Statements of cash flows	7
Notes to financial statements	8-10

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Iowa Health Information Network  
West Des Moines, Iowa

We have audited the accompanying financial statements of Iowa Health Information Network, a nonprofit corporation, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iowa Health Information Network as of December 31, 2020 and 2019, and the results in its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Denman & Company, LLP*  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
February 26, 2021

**Iowa Health Information Network  
STATEMENTS OF FINANCIAL POSITION**

		<b>December 31</b>	
		<b>2020</b>	<b>2019</b>
<b>ASSETS</b>			
Cash		\$ 46,602	\$ 191,830
Accounts receivable		86,921	218,916
Prepaid expenses		47,054	57,401
Office furniture, net		<u>33,282</u>	<u>74,145</u>
Totals		<u>\$ 213,859</u>	<u>\$ 542,292</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable			
Trade		\$ 254,569	\$ 46,251
Other		2,056,749	1,064,917
Accrued expenses		4,274	114,899
Deferred revenue		<u>523,685</u>	<u>461,263</u>
Total liabilities		<u>2,839,277</u>	<u>1,687,330</u>
<b>NET ASSETS</b> , without donor restrictions		<u>(2,625,418)</u>	<u>(1,145,038)</u>
Totals		<u>\$ 213,859</u>	<u>\$ 542,292</u>

See Notes to Financial Statements.

**Iowa Health Information Network  
STATEMENTS OF ACTIVITIES**

	<b>Year ended December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>REVENUE</b>		
Iowa Department of Human Services		
Electronic Lab Reporting	\$ 248,100	\$ —
Health Information Technology	—	831,171
Statewide Alert Notification System	—	<u>254,550</u>
	<u>248,100</u>	<u>1,085,721</u>
Participant service fees	963,106	1,449,847
Paycheck protection program loan	<u>125,000</u>	<u>—</u>
Total revenue	<u><u>1,336,206</u></u>	<u><u>2,535,568</u></u>
<b>EXPENSES</b>		
Program services—health information network	2,502,763	3,144,671
Supporting services—management and general	<u>313,823</u>	<u>551,558</u>
Total expenses	<u><u>2,816,586</u></u>	<u><u>3,696,229</u></u>
<b>CHANGE IN NET ASSETS</b>	(1,480,380)	(1,160,661)
<b>NET ASSETS</b>		
Beginning	(1,145,038)	<u>15,623</u>
Ending	<u><u>\$(2,625,418)</u></u>	<u><u>\$(1,145,038)</u></u>

See Notes to Financial Statements.

**Iowa Health Information Network  
STATEMENTS OF FUNCTIONAL EXPENSES**

	<u>Year ended December 31, 2020</u>			<u>Year ended December 31, 2019</u>		
	<u>Program services</u> Health information network	<u>Supporting services</u> Management and general	<u>Total</u>	<u>Program services</u> Health information network	<u>Supporting services</u> Management and general	<u>Total</u>
Salaries	\$ 469,435	\$ 203,063	\$ 672,498	\$ 627,842	\$ 390,710	\$1,018,552
Payroll taxes	32,830	22,182	55,012	45,632	33,826	79,458
Employee benefits	65,214	44,503	109,717	94,812	74,133	168,945
Total salaries and payroll taxes	<u>567,479</u>	<u>269,748</u>	<u>837,227</u>	<u>768,286</u>	<u>498,669</u>	<u>1,266,955</u>
HIE platform services	1,548,070	-	1,548,070	1,874,901	-	1,874,901
Consulting fees	86,390	1,224	87,614	231,427	3,061	234,488
Advertising and promotion	-	-	-	4,800	-	4,800
Travel	4,995	672	5,667	30,085	5,519	35,604
Rent	77,161	12,106	89,267	71,905	14,516	86,421
Equipment rental	1,142	209	1,351	3,397	687	4,084
Utilities	8,518	274	8,792	6,163	1,085	7,248
Office supplies	2,439	531	2,970	5,083	1,317	6,400
Conference expenses	4,896	719	5,615	18,618	3,565	22,183
Telephone	102	29	131	43	3	46
Patient ping	28,946	2,421	31,367	2,844	673	3,517
Professional fees	80,108	14,832	94,940	45,637	10,327	55,964
Insurance	3,567	441	4,008	4,024	791	4,815
Dues and subscriptions	31,631	3,741	35,372	29,948	4,705	34,653
Meals and entertainment	965	161	1,126	7,091	1,377	8,468
Depreciation	30,762	2,063	32,825	12,397	2,578	14,975
Interest	16,193	2,767	18,960	17,677	525	18,202
Miscellaneous	9,399	1,885	11,284	10,345	2,160	12,505
Totals	<u>\$2,502,763</u>	<u>\$ 313,823</u>	<u>\$2,816,586</u>	<u>\$3,144,671</u>	<u>\$ 551,558</u>	<u>\$3,696,229</u>

See Notes to Financial Statements.



**Iowa Health Information Network  
STATEMENTS OF CASH FLOWS**

	<b>Year ended December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$(1,480,380)	\$(1,160,661)
Adjustments to reconcile change in net assets to net cash (used in) operating activities		
Depreciation	32,825	14,975
Loss on disposal of office furniture	8,038	-
Paycheck protection program loan	(125,000)	-
Changes in assets and liabilities		
Decrease in accounts receivable	131,995	884,673
Decrease in prepaid expenses	10,347	54,824
Increase (decrease) in accounts payable, trade	208,318	(820,882)
Increase in accounts payable, other	991,832	1,064,917
(Decrease) in accrued expenses	(110,625)	(20,330)
Increase (decrease) in deferred revenue	62,422	(140,325)
Net cash (used in) operating activities	(270,228)	(122,809)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of office furniture	-	(3,155)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from paycheck protection program loan	125,000	-
<b>NET (DECREASE) IN CASH</b>	(145,228)	(125,964)
<b>CASH</b>		
Beginning	191,830	317,794
Ending	\$ 46,602	\$ 191,830

See Notes to Financial Statements.

**Iowa Health Information Network  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Iowa Health Information Network is an Iowa nonprofit corporation organized to administer and govern the statewide Iowa health information network. The Organization is governed by a seven member Board of Directors.

**Basis of Presentation**

As required by the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification, the Organization reports information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions are those assets that have no donor imposed stipulations. The Organization's governing board may earmark portions of its net assets without donor restrictions as board designated for various purposes.

Net assets with donor restrictions represent contributions or other inflows of assets whose use by the Organization is limited by donor imposed stipulations. As donor imposed stipulations expire, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

The Organization had only net assets without donor restrictions as of December 31, 2020 and 2019.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Office Furniture**

Office furniture is stated at cost. Provision for depreciation is computed by the straight-line method over the estimated useful lives of the assets.

**Deferred Revenue**

Deferred revenue primarily consists of participant service fees. The fees are recorded as deferred revenue and are taken into revenues in the period for which they were designated.

**Revenue**

Revenue from government grant agreements is generally considered to be subject to conditions that must be met before the Organization is entitled to funding. The Organization recognizes revenue from grants when all material barriers have been overcome in order for the Organization to be entitled to the funding. Typically these barriers are overcome when qualifying expenditures have been incurred. Expenditures incurred in advance of funding are recorded as receivables in the statements of financial position.

Participant service fees are based upon annualized rates and are billed at the beginning of each period of service. Revenue is recognized in equal monthly amounts over the period of service. The period of service does not coincide with the Organization's fiscal year. Performance obligations are satisfied equally over the period of service. Amounts collected in advance of the period of service are recorded as deferred revenue until the period of performance.

**Iowa Health Information Network  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Allocation of Functional Expenses**

Expenses have been allocated to program or supporting services based on determinations made by management.

**Income Taxes**

The Organization is exempt from federal income taxes under applicable provisions of the Internal Revenue Code. The Organization follows the accounting for uncertainty in income tax requirements as required by the Income Tax Topic of the *FASB Accounting Standards Codification*. Management has evaluated their material tax positions and determined no income tax effects with respect to the financial statements. The Organization has not been notified of any impending examinations by tax authorities, and no examinations are in process.

**NOTE 2 OFFICE FURNITURE**

A summary of office furniture and related accumulated depreciation is as follows:

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Office furniture	\$ 87,271	\$ 105,086
Less accumulated depreciation	<u>53,989</u>	<u>30,941</u>
Totals	<u>\$ 33,282</u>	<u>\$ 74,145</u>

**NOTE 3 ACCOUNTS PAYABLE, OTHER**

The Organization has a significant amount due to a vendor. The amount due this vendor is \$1,709,400 at December 31, 2020. During January, 2021, the Organization entered in to an initial term sheet with the vendor. This term sheet included certain financial terms providing for settlement of the amount due as of December 31, 2020. In the final agreement of April 2021, the Organization is to pay the vendor a fee of \$500,000, payable in two equal installments of \$250,000, due the effective date of the new agreement and March, 2021. In addition, the Organization agreed to continue utilizing the services of the vendor from January, 2021 through June, 2023 with fees as outlined. Considering these fees and continuing services as per the agreement, the vendor agreed to forgive the \$1,709,400 of the new agreement.

The Organization has a second significant amount due to another vendor. The amount due this vendor is \$347,349 at December 31, 2020. During April, 2021, the Organization entered in to an agreement with the vendor. This agreement included a settlement to pay the vendor \$300,000, including an initial payment of \$200,000 due twenty days after effective date, and subsequent quarterly payments of \$25,000 beginning June, 2021 through March, 2022. Considering these payments as per the agreement, the vendor agreed to forgive the remaining amount due by the Organization of \$47,349.

**NOTE 4 PAYCHECK PROTECTION PROGRAM LOAN**

During the year ended December 31, 2020, the Organization was granted a loan, in the amount of \$125,000, under the Paycheck Protection Program, PPP, administered by a Small Business Administration, SBA, approved partner. The loan was uncollateralized and was fully guaranteed by the federal government. The Organization was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. At December 31, 2020, the Organization recorded revenue of \$125,000 within the statements of activities as the Organization was legally released from the loan obligation by the SBA.

**Iowa Health Information Network  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 MANAGEMENT AGREEMENT**

During January, 2021, the Organization entered into a management services agreement with NEHII Shared Services, Inc., effective January, 2021, under which Shared Services provides all technical and business activities essential to support the Organization, including technical support, account management, participant communications, legal, accounting, and managerial support. The agreement has a term of one year ending December, 2021, and thereafter, the agreement will automatically renew for additional, successive one year terms, unless terminated per specific conditions provided for by the agreement. The Organization will pay Shared Services for these consulting services monthly in amounts based on the actual time incurred at a range of hourly rates specified within the agreement for each level of service provided by Shared Services.

Effective January, 2021, the Organization also approved and filed amended and restated Articles of Incorporation and related Bylaws, each stipulating Nebraska Health Information Initiative, a Nebraska nonprofit corporation, as the sole member of the Organization. NEHII Shared Services, Inc. is a subsidiary of Nebraska Health Information Initiative.

**NOTE 6 PENSION PLAN**

The Organization has a defined contribution plan under Internal Revenue Code Section 401(k). The plan covers all eligible employees over the age of twenty-one. Employees can contribute amounts to the Plan subject to IRS prescribed limits. The Organization contributes a matching contribution equal to 100% of each employee's contribution, up to a maximum of 6.5% per employee. The Organization's matching contributions to the Plan were \$48,917 and \$65,284 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 7 LIQUIDITY**

The Organization monitors its liquidity so that it is able to meet its operating needs while maximizing the investments of the excess cash. The Organization's financial assets available within one year of the statements of financial position due for general expenses are as follows:

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Cash	\$ 46,602	\$ 191,830
Accounts receivable	<u>86,921</u>	<u>218,916</u>
Totals	<u>\$ 133,523</u>	<u>\$ 410,746</u>

**NOTE 8 SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through February 26, 2021, the date which the financial statements were available to be issued. Other than the events discussed in the previous accounts payable, other and management agreement disclosures to the financial statements, there were no subsequent events required to be accrued or disclosed.