



Bateman Horne Center

RESEARCH | CLINICAL CARE | EDUCATION

2018

ANNUAL REPORT

Bateman Horne Center is a 501c(3) nonprofit driving the discovery of diagnostic and treatment biomarkers for ME/CFS. Our combination of research and clinical care is unequalled in the field of ME/CFS & FM.



A Letter From Our Executive Team

The Bateman Horne Center (BHC) has completed a successful, but financially challenging 2018. We were successful in increasing our development with key gifts from a few generous donors and grants that allowed us to expand research and educational programming. The online series of ME/CFS and FM (Myalgic Encephalomyelitis/Chronic Fatigue Syndrome and Fibromyalgia) patient-specific education is now accessible to anyone in the world. These offerings continue to increase BHC's unique value proposition.



The future requires that we continue to create virtual connections for our patients and their care partners. Further, we must escalate our reach to the health provider community to encourage more providers to care for more people with this illness.

BHC added a talented physician to our team increasing our capacity to serve. We are poised in 2019 to expand educational and research collaboration efforts and refresh our communications assets. BHC is installing a new financial model that will include an annual participation fee designed to support and sustain our growth and viability and to recognize the benefits and services BHC provides in addition to the traditional insurance-covered services. We will increase our support for remote and immobile patients and their primary care providers through the latest tele-visit technology. BHC has established a fair process to ensure access for those with limited financial means.

What continues to separate BHC from traditional practices is our commitment as ME/CFS and FM specialists. Our efforts will help discover new diagnostic and treatment options. Our patients will continue to receive the validation and care they deserve.

Thank you for your ongoing concern and support in this vital mission.

BHC Executive Team

Lucinda Bateman, MD
Medical Director

Suzanne Vernon, PhD
Research Director

Rob Ence, MBA
Executive Director

Where Research and Clinical Care Converge

Bateman Horne Center is refining and expanding our three strategic and complementary programs: Clinical Care, Clinical Research, and Clinical Education to improve today's quality of life for ME/CFS and FM patients everywhere.

Clinical Care

Clinical Care cannot be provided in the current healthcare system's model of 10-minute visits; to achieve excellence through the systematic application of evidence-based diagnostic and management criteria requires time and attention. Our model ensures that patients receive an accurate, early diagnosis and a customized management plan.

- Recruited new physicians, BHC now has 2 MDs, 3 Advanced Practice Clinicians, and a Licensed Psychologist PhD.
- Developed a screening approach to identify and evaluate new-onset ME/CFS patients.
- Developed management plans to provide to primary care providers of new-onset patients.
- Incorporated orthostatic and cognitive testing to guide treatment and management.

Clinical Research

Clinical Research is informed by every patient encounter. This leads to innovative research opportunities through our data collection and patient participation, resulting in clinical trials, development of monitoring and treatment devices, and publication of findings.

- Awarded NIH grant as the clinical core to map immune, metabolic, and microbiome profiles in ME/CFS.
- NIH grant-enrollment to develop a simple outpatient test for autonomic function in ME/CFS.
- Conducted FDA approved clinical trial to investigate CT38 in the treatment of ME/CFS.
- Distributed blood samples to collaborators at Stanford University, RIKEN, and SerImmune, Inc.
- Completed Stage-5 CDC study on ME/CFS.

Clinical Education

Clinical Education is the marriage of our clinical care and research programs, targeting these two audiences:

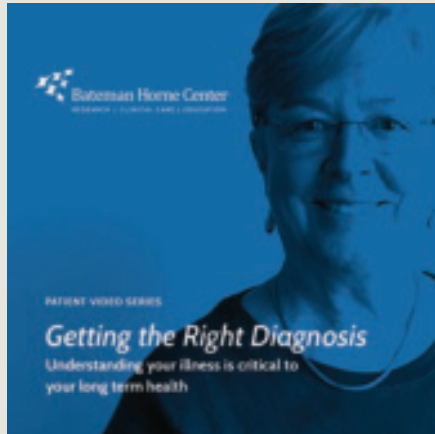
Patients are informed about their illness for better self-management, they are prepared to engage their primary care provider effectively, and they have access to BHC sponsored resources to support their unique situation.

Medical care providers are equipped with the tools they need to diagnose and treat ME/CFS through continuing medical education programs and increased use of technology, which expands reach in rural areas and across the country.

- Developed and taught multiple Continuing Medical Education classes for healthcare providers.
- Produced a 6-part online class series on ME/CFS available for free to patients around the world.
- Lectured and consulted at multiple conferences, specialty groups, and federal advisory committees including: HHS CFSAC, NIH NANDS Council Working Group for ME/CFS, and the ME/CFS Clinician Summit.
- Increased access to patient resources through BHC monthly education meetings, additional YouTube content, support groups, and Lunch & Learn programs.
- Educated referring providers by delivering detailed history, review of objective data, results of standardized questionnaires, and an Assessment and Plan that outlines how patients meet ME/CFS criteria and next steps in supportive care.

2018 Program Highlights

Bateman Horne Center expanded our efforts in all three of our core areas of focus in 2018: clinical care, research, and the deployment of educational resources for both medical providers and the patient community. Here are some highlights of the work we did together this year.



Online Patient Class Series

With the help of generous donors, BHC developed a six part educational video series designed to empower patients and their advocates with the tools to communicate with their healthcare providers. This painstaking process began with us testing individual classes with in-person audiences to refine and produce useful content to be deployed online. In late 2018, we deployed all classes on our website and to date have nearly 7,000 views in less than 6 months time. These classes include: Getting the Right Diagnosis, Activity Intolerance & Post-Exertional Malaise, Restorative Sleep, Chronic Widespread Pain, Cognitive Impairment, and Orthostatic Intolerance (OI) Syndromes.

“Our individual goals are varied, but we learn from each other, and hope to weave the common threads together into strong advice for clinicians, and forward progress toward much needed treatment trials.” ~ Dr. Bateman on the ME/CFS Clinicians Summit

BHC Spearheads ME/CFS Clinician Coalition

In March 2018, working with patient advocate Mary Dimmock, Bateman Horne Center hosted the leading ME/CFS expert clinicians from across the United States who came together in Salt Lake City for the first annual ME/CFS Clinician Summit. This collaborative group gathered to find solutions to the complex issues that thwart progress for ME/CFS patients around the world. The goal of this summit was to grow the collaborative network of disease experts, identify ways to expand their ranks and improve the clinical care of patients with ME/CFS. In 2019, BHC will host the second event to accelerate the ME/CFS research agenda, with a particular focus on drug trials, subtyping strategies, and seeking consensus on clinical treatment strategies.



Patient Resources: Breaking the Isolation of Illness

We are mission-driven to educate the medical community and advance research as well as impact today's quality of life for patients everywhere. Here are some of the ways we did this in 2018.

Monthly Education Meetings

Bateman Horne Center hosts monthly educational lectures and panels on a range of topics related to ME/CFS and FM on the first Wednesday of every month. Nearly 7,000 individuals accessed this information via Facebook livestream, and now close to 9,000 viewers watched when these videos archived on our YouTube channel.

Lunch & Learn

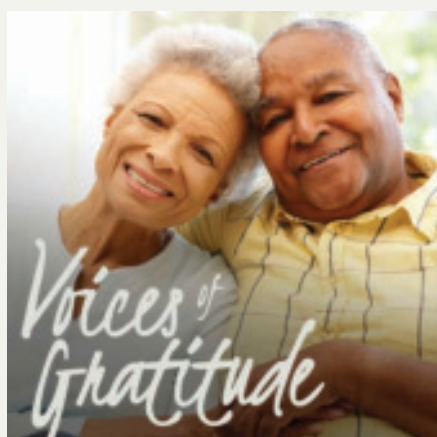
An estimated 160 attendees broke the isolation of illness by attending this monthly offering designed to help build a support network for those suffering from chronic illness. This program also helps advocates and family members to better understand life with a complex condition in a judgement-free setting.

Free Support Groups

2018 marked the first in-person support groups offered by Bateman Horne Center as a resource for those in the greater Salt Lake City area to find ways of coping with chronic illness. We are excited to announce that in May 2019 this program will evolve into a digital opportunity available worldwide to anyone suffering from ME/CFS and FM.



“BHC’s resources have helped change my life and my family’s. I feel more in control and hopeful once again.” ~Sandra, CT



Building a Sustainable Education Program

BHC's 2018 Year End Campaign, Voices of Gratitude, marked our first cohesive development outreach program leveraging our Online Class Series to patients on our YouTube channel. With over 13,000 page views we raised a total of \$213,792 as a result of this campaign that combined useful patient assets along with the positive feedback we have received from the patient community throughout the year.

Campaigns like this afford us the opportunity to further develop and deploy online educational resources with a one-to-many impact.

Momentum Continues into 2019

2018 was a big year for Bateman Horne Center as we invested in strategic planning that lays out our vision for what's ahead. We have unveiled a new financial model as well as clinical model of care as we evolve into a clinical research center and teaching institution.

Expansion of Clinical Capacity

For the first time in Bateman Horne Center history we have increased capacity to see new patients with the addition of full-time clinicians to train and learn from the clinical expertise at our center. We have also introduced a new financial model that includes an annual participation fee designed to support and sustain our growth and viability. Traditional fee-for-service insurance covers less than 40% of our in-clinic patient care efforts. Already in Q1 2019, we have increased the rate of new patients seen over last year.

Comprehensive Care Plans

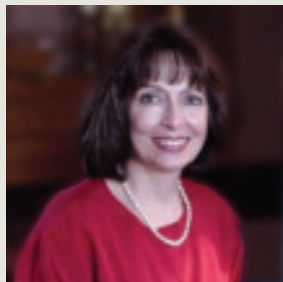
What separates us from traditional practices is our commitment as ME/CFS and FM specialists. Our patients receive validation and attention delivered through well trained and committed providers, detailed assessments, and carefully framed management plans. New services and diagnostic tools will be added throughout the year.

Fundraising Objectives 2019

Clinical Care operations will evolve into a new revenue model that will allow us to recruit and train new providers expanding our capacity to see all patients regardless of their ability to pay.

Clinical Research will expand projects and partnerships with leading academic institutions, biotechnology innovators, pharmaceutical companies, and federal agencies; this will drive recognition of diagnostic and treatment biomarkers.

Clinical Education offerings will continue to expand in breadth online for patients and advocates. BHC seeks support to build the first ME/CFS curriculum and educate providers remotely around the country. We will also be raising funds to develop a medical provider portal for our website.



Support the *Friends of Shauna B. Horne Fund*

In addition to Bateman Horne Center's sliding scale for patient enrollment, we have begun raising funds from specific donors and organizations who wish to assist patients facing financial challenges that may prohibit them from accessing care at our center of excellence.

If you'd like to become a supporter of the *Friends of Shauna B. Horne Fund*, please donate today.

Together we can change today's quality of life for patients everywhere.

In 2018, BHC once again demonstrated the ability to manage the challenges that growth and change bring. Consistent with our mission, we increased medical staff, increased the number of patients seen, increased the size of the clinic and research areas, increased opportunities to empower patients with knowledge by offering online educational classes taught by Dr. Bateman, increased provider knowledge of ME/CFS and FM by providing CME classes, and much more.

I am proud that BHC hosted the ME/CFS Clinicians Summit and I am honored to chair the Bateman Horne Center Board of Directors. The Board is comprised of highly dedicated, compassionate volunteers who are committed in moving BHC forward to help those with ME/CFS and FM.

More than ever, we need help from donors to help us carry out and further our ambitious mission and goals for 2019 and beyond. Please support us!



Mary Sue Rominger, Board Chair

Board of Directors

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Jessica Turner
Paul Shephard

Rob Ence, Executive Director, MBA
Lucinda Bateman, MD, Medical Director

Your support can improve early diagnosis and drive research discovery to offer renewed hope and quality of life. Now more than ever, your support matters.

Visit: batemanhornecenter.org/donate

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Bateman Horne Center

RESEARCH | CLINICAL CARE | EDUCATION

The Bateman Horne Center of Excellence

Financial Statements
As of December 31, 2018 and 2017 and for the Years Then Ended

Together with Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors The Bateman Horne Center of Excellence

We have audited the accompanying financial statements of The Bateman Horne Center of Excellence (the Organization) (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditors' 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 auditors' 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 auditors consider internal control relevant to the entity'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 entity'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 The Bateman Horne Center of Excellence as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard

As further described in Note 2 to the financial statements, during the year ended December 31, 2018, the Organization adopted Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Tanner LLC

August 22, 2019



The Bateman Horne Center of Excellence
Statements of Financial Position

As of December 31,

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash	\$ 186,261	\$ 363,815
Investments	162,270	180,619
Accounts receivable, net of allowance for contractual adjustments and bad debt of \$26,913 and \$7,711, respectively	114,314	102,276
Promise to give receivable	-	25,000
Prepaid expenses and other	13,695	15,747
Property and equipment, net	<u>98,590</u>	<u>137,642</u>
Total assets	<u>\$ 575,130</u>	<u>\$ 825,099</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable	\$ 20,544	\$ 14,583
Accrued liabilities	100,504	107,154
Deferred rent	61,666	74,864
Related party notes payable	<u>106,513</u>	<u>14,065</u>
Total liabilities	<u>289,227</u>	<u>210,666</u>
Commitments and contingencies		
Net assets:		
Without donor restrictions	235,903	534,322
With donor restrictions	<u>50,000</u>	<u>80,111</u>
Total net assets	<u>285,903</u>	<u>614,433</u>
Total liabilities and net assets	<u>\$ 575,130</u>	<u>\$ 825,099</u>



The Bateman Horne Center of Excellence
Statements of Activities

For the Years Ended December 31,

	<u>2018</u>	<u>2017</u>
Change in net assets without donor restrictions:		
Revenues, gains, and support:		
Research income	\$ 607,203	\$ 568,057
Clinic income, net of contractual adjustments	274,136	283,825
Contributions	452,104	343,577
Other income and expenses, net	49,729	23,265
Total revenues, gains, and support	<u>1,383,172</u>	<u>1,218,724</u>
Net assets released from restrictions	<u>80,111</u>	<u>10,752</u>
Total revenues, gains, support, and reclassifications	<u>1,463,283</u>	<u>1,229,476</u>
Expenses:		
Clinic expenses	774,229	691,675
Research expenses	546,844	415,365
Education	211,002	247,600
Supporting expenses:		
Fundraising	172,788	86,124
Management and general	56,839	181,186
Total expenses	<u>1,761,702</u>	<u>1,621,950</u>
Decrease in net assets without donor restrictions	<u>(298,419)</u>	<u>(392,474)</u>
Change in net assets with donor restrictions:		
Contributions	50,000	-
Net assets released from restrictions	<u>(80,111)</u>	<u>(10,752)</u>
Decrease in net assets with donor restrictions	<u>(30,111)</u>	<u>(10,752)</u>
Decrease in net assets	(328,530)	(403,226)
Net assets, beginning of the year	<u>614,433</u>	<u>1,017,659</u>
Net assets, end of the year	<u>\$ 285,903</u>	<u>\$ 614,433</u>



The Bateman Horne Center of Excellence
Statements of Cash Flows

For the Years Ended December 31,

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (328,530)	\$ (403,226)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	48,035	41,707
Unrealized appreciation in value of investments	(45,585)	(20,798)
Contributions of common stock	(164,346)	(100,281)
Decrease (increase) in:		
Accounts receivable	(12,038)	(5,254)
Promise to give receivable	25,000	(25,000)
Prepaid expenses and other	2,052	17,795
Increase (decrease) in:		
Accounts payable	5,961	608
Accrued liabilities	(6,650)	36,366
Deferred rent	(13,198)	-
Net cash used in operating activities	<u>(489,299)</u>	<u>(458,083)</u>
Cash flows from investing activities:		
Change in investments	228,280	(10,085)
Purchases of property and equipment	<u>(8,983)</u>	<u>(31,825)</u>
Net cash provided by (used in) investing activities	<u>219,297</u>	<u>(41,910)</u>
Cash flows from financing activities:		
Proceeds from related party notes payable	112,000	-
Payments on related party notes payable	<u>(19,552)</u>	<u>(88,712)</u>
Net cash provided by (used in) financing activities	<u>92,448</u>	<u>(88,712)</u>
Net decrease in cash	(177,554)	(588,705)
Cash at beginning of the year	<u>363,815</u>	<u>952,520</u>
Cash at end of the year	<u>\$ 186,261</u>	<u>\$ 363,815</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 448</u>	<u>\$ 1,148</u>