

MEDIX RESOURCES INC
Form 10-K/A
May 24, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K
(As Amended)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2001

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ TO _____

Commission File Number 0-24768

MEDIX RESOURCES, INC.
(Name of small business issuer in its charter)

Colorado
(State or Other Jurisdiction of
Incorporation or Organization)

84-1123311
(IRS Employer
Identification No.)

420 Lexington Avenue, Suite 1830
New York, New York 10170
(Address of Principal Executive Offices)

Issuer's Telephone Number: **(212) 697-2509**

Securities Registered Under Section 12(b) of the Exchange Act:
Common Stock - \$.001 Par Value.

Securities Registered Under Section 12(g) of the Exchange Act:
None

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-X contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant as of March 15, 2002 was approximately \$31,707,233 for purposes of the foregoing calculation only, each of the registrant's officers and directors is deemed to be an affiliate).

There were 58,386,516 shares of registrant's Common Stock outstanding as of March

15, 2002.

Documents incorporated by reference:

None

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PART I

ITEM 1. BUSINESS

Our Company

Medix Resources, Inc., a Colorado corporation ("Medix" or the "Company"), is an information technology company with its principal executive office in New York, New York. The Company also maintains offices in Agoura Hills, California, Greenwood Village, Colorado and Marietta, Georgia. We specialize in the development, marketing and management of connectivity solutions for clinical and business transactions within the healthcare industry. Through our wholly owned subsidiary, Cymedix Lynx Corporation, a Colorado

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corporation ("Cymedix"), we have developed the Cymedix(R) suite of service products as a toolkit to help modernize physician and healthcare communication technology and facilitate transaction productivity. We continue to enhance and refine our products to enable the many disparate information systems within the healthcare industry to communicate with one another and to expand the scope of healthcare transaction automation.

The Cymedix(R) suite of products enables the transmission of critical clinical, financial and administrative information between healthcare information systems, and provides healthcare institutions (such as health plans, insurers, hospitals and practicing physicians) with non-invasive connectivity products that can be integrated with their existing software applications to provide Internet-enabled transaction capability between all parties. This approach is significant because it offers substantial utility to physicians who are cautious about making major adjustments to their practice disciplines or reluctant to invest heavily in new, administrative technologies.

The implementation of Cymedix(R) service products targets improved efficacy of daily interactions between health caregivers and their staffs, ancillary providers such as laboratories and pharmacy benefit managers (PBMs), insurance companies, hospitals, Integrated Delivery Networks (IDNs) and Health Maintenance Organizations (HMOs). Recent State and Federal legislative actions, as well as industry mandates to promote quality and the privacy of patient information while controlling costs, have created fertile ground for effective technology solutions that unite systems and enable digital communication. The market for robust and practical healthcare solutions will grow rapidly, and that growth will continue to accelerate as the joined emphases of consumer choice, quality, administrative service and cost-containment ratchet up the demand for more efficient and user-friendly methods of delivering quality healthcare.

Moreover, Medix understands the essentially local nature of healthcare and will deploy Cymedix(R) service products only in regions where we can guarantee that each installed physician can use our technologies to serve most of his or her patients. This disciplined market approach, combined with the Cymedix(R) suite of physician-centric products, provides a foundation for rapid adoption, ongoing utilization and stable, recurring revenue streams. Our regional strategy and focus on authentic physician adoption is what differentiates us from most eHealth companies, including those who have survived the rough justice of today's market, as well as the many who have perished.

Medix was incorporated in the State of Colorado in 1988. For the next decade, the Company operated as a temporary healthcare staffing company, with offices at various times in Colorado, New York, Texas and California. Medix disposed of its remaining healthcare staffing operations in February 2000. In January 1998, the Company acquired Cymedix Corporation, a California corporation, which was merged into our wholly owned healthcare technology subsidiary, Cymedix Lynx Corporation.