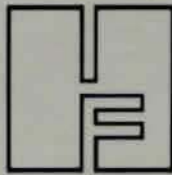


The
John A. Hartford
Foundation

1984
Annual Report



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John A. Hartford
Foundation



1984
Annual Report



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Dolores Fanelli, *Receptionist*
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Catherine Lanigan, *Word Processor*
Catherine T. Martin, *Administrative Assistant—Finance*
Mae O'Brien—*Communications Officer*
Mary Paulsen, *Senior Program Assistant*
Laura Robbins, *Program Officer—Evaluation*
Debra Rogers, *Program Assistant*
R. Chester Strobel, *Program Officer—Evaluation*

*Staff listing is current through December 31, 1984.

Report of the Chairman

In 1984, the Foundation continued to move forward in implementing its program initiatives in Health Care Financing, Aging and Health, and the Hartford Fellows Program. During the past year, grants of \$6.8 million were approved for these programs.

Our Health Care Financing Program is now in its sixth year of operation. During the past five years, the program has succeeded in stimulating many experiments and local demonstrations to reform the overall health care financing system. The year 1985 will see continuing interest in the Health Care Financing area and strong support in the field of Aging.

Our Aging and Health program is in its second year of sponsoring programs to improve the ability of the health system to accommodate a growing population of elderly. In addition to 17 active grants, the Geriatric Faculty Development Awards program, to retrain physicians in the field of geriatrics, continues to operate at Harvard, Johns Hopkins, UCLA and Mount Sinai. In 1985, the Foundation will inaugurate an initiative in the area of medications and the elderly. This new program is intended to improve the prescribing, administering and monitoring of medications for the elderly population.

The work of our Committee for Evaluation, chaired by Dr. Charles M. Moeller, Jr., has been a great help in 1984 by enabling the Trustees to form the right judgments on the extension of existing grants. Our performance for the year 1984 could not have been achieved without the excellent work of our entire staff.

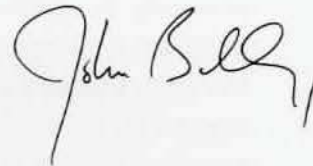
A handwritten signature in black ink, reading "Leonard Dalsemer". The signature is written in a cursive style with a large, stylized initial "L".

Leonard Dalsemer

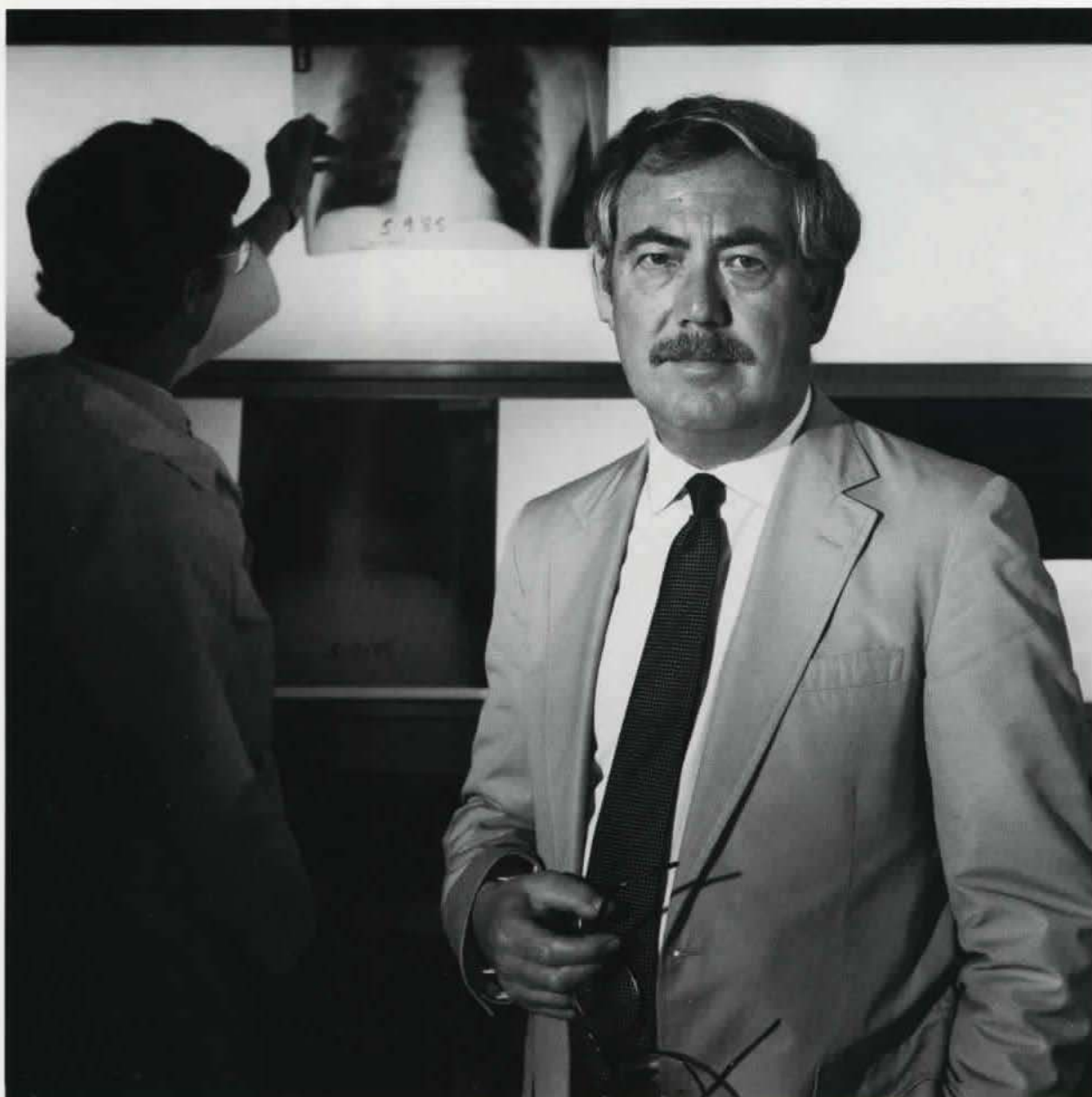
Report of the Executive Director

Philanthropy is an investment in people and their ideas. At the Hartford Foundation we have been privileged to support the important work of many of the leaders in the fields related to improving the cost-effectiveness of medical care and improving health care services for older patients. In this Annual Report, we have attempted to recognize a few of these individuals and their accomplishments which reflect the breadth of our grant portfolio.

I will be leaving the Hartford Foundation in the spring of 1985. My three years as Executive Director have been a rewarding experience, and I look forward to observing the progress and impact of Hartford Foundation grantees as the health care system continues to evolve.

A handwritten signature in dark ink, appearing to read "John Billings". The signature is fluid and cursive, with a large initial "J" and a stylized "B".

John Billings



One of the many reimbursement experiments supported by the Hartford Foundation is an effort by Santa Barbara County to provide care for the indigent through a prepaid health plan.

The plan creates incentives for primary care physicians to help control costs and to act as gatekeepers for

specialists and hospitalization. Preliminary results from the project support that substantial savings have been achieved.

Pictured above, Lawrence Hart M.D., Director and Health Officer, County of Santa Barbara Department of Health Services.



Paul M. Ellwood, Jr., M.D. President of InterStudy, a non-profit research and education organization that has received Hartford support since 1979.

Dr. Ellwood's work in designing new ways of delivering and paying for care have had a significant

influence on the reform of the health care system and the development of new health care organizations.

Health Care Financing

■ In 1979 the Hartford Foundation initiated its program to improve the organization and financing of health care. At that time, health costs were beginning to emerge as an important national issue, and there was a growing awareness that the lack of economic incentives in the system was an important factor in rising costs.

The Foundation's program has consisted primarily of three main elements: i) reimbursement experiments to try new methods of paying hospitals and physicians that reward efficiency and quality; ii) efforts to stimulate major purchasers of health care (employers, government, etc.) to play an active role in containing costs and developing appropriate incentives for providers and consumers; and iii) research projects to improve understanding of the variations of physician practice style and provide new information that can help improve cost-effectiveness of medical practices.

Under the guidance of John Craig and of Pat Drury, who were Assistant Directors of the Foundation and program officers for the program, the Foundation has funded over seventy projects totalling over \$29 million. Many of the projects have begun to show some promising results.

Reimbursement Experiments

In the area of reimbursement experiments, the Foundation grant to Santa Barbara County in California has captured a significant amount of national attention. The project involved the establishment of a prepaid reimbursement plan for Medicaid recipients in which each eligible person enrolls with a primary care physician who provides all basic care and acts as a gatekeeper for all other needed care (approving referred specialists, admissions to hospitals, etc.). The physician receives a fixed amount for his services and is partially at risk for other care that is authorized. The incentives created by the plan for physicians to be more cost conscious appear to be having some effect in that the Santa Barbara initiative has reported substantial savings in the first year of operation. The Foundation is also sponsoring a trial in Suffolk County, New York, comparing a similar prepaid primary care physician gatekeeper model with traditional fee-for-service care for Medicaid recipients in the area. These projects have already helped create a significant level of interest in changing reimbursement methods by Medicaid agencies around the country, and their longer term results will undoubtedly have a major impact on Medicaid policy.

The Foundation has also sponsored prepayment experiments to cope with the high cost of care for older patients. With Foundation help, the Metropolitan Jewish

Geriatric Center has established a social health maintenance organization which makes a new array of social and long-term health care services available to older patients (in addition to traditional medical services) for a flat monthly payment.

The Foundation also helped support a prepaid financing experiment for long-term care of the frail elderly being conducted by On Lok Senior Health Services in San Francisco. The chronic health care problems of older patients would appear to be particularly receptive to reimbursement reforms which encourage development and use of lower-cost, non-institutional services, and the results of these projects are anxiously awaited by policy makers interested in financing care for the elderly.

As part of its broad reimbursement reform initiative, the Foundation provided support to the Rochester Area Hospitals' Corporation in New York for an experiment to create a community-wide cap for hospital expenditures. Under the experiment, all payments to hospitals were made in flat, monthly installments in accordance with pre-established annual budgets. The project has reported substantial savings for the community and has provided a model for other jurisdictions interested in regulatory approaches for containing hospital costs.

Efforts to Stimulate Purchasers

One of the areas where the Foundation has had a major catalytic influence is in its efforts to stimulate major purchasers (employers, Medicaid agencies, etc.) to become more active in efforts to contain costs. Among the first grants awarded by the Foundation were a series of grants to support community health cost containment coalitions in Iowa, Salt Lake City, North Carolina and southern Florida. These coalitions of major employers (often also including representatives of providers and insurers) have generally attacked the health cost problem in their community with a combination of three approaches. First, significant efforts have been made to gather and publish information on the performance of the local health system. The information usually included cost trends in the system (comparing the community with the rest of the nation), but also, in Iowa and Utah, involved the publication of comparative hospital charges for individual hospitals in the area. Such information can have an important impact on raising public consciousness about the health cost issue and, in places like Iowa, has been an important factor in galvanizing the community to take some of the difficult steps to control health costs and reduce hospital patient days.

A second component of most coalition efforts has been to provide local purchasers with technical advice on improving benefit design and administration. Many approaches such as second opinion programs, prior authorization programs, and cost sharing elements appear to have some potential for reducing utilization levels, encouraging use of more cost-effective resources and creating greater price sensitivity among consumers. The coalitions have provided an important role as a clearinghouse of information on these approaches to help employers and employees make more informed decisions on health coverage.

The third area of coalition initiative has been to encourage development of new competitive health plans such as health maintenance organizations (HMOs) or preferred provider plans. The coalition in Iowa helped establish the first HMO in Des Moines. The group in North Carolina was instrumental in attracting Kaiser Permanente to locate a new plan in the area, and the coalition in Utah helped stimulate the growth of such plans from one to twelve in the area. The effect of these efforts has been to stimulate greater competition in the marketplace, with payment mechanisms that encourage providers to be more efficient.

These efforts were also supported by grants to InterStudy and the Center for Policy Studies in Minneapolis. The work of Paul Ellwood and Walter McClure in stimulating changes in the health system and in the attitudes of major purchasers has been critical to the success of many of our grants and has helped shift the attention of national policy makers to consideration of market-oriented approaches to the health cost problem.

Several additional projects were funded to help bring more information to purchasers across the nation. The Foundation provided a loan to the Washington Business Group on Health to help start up *Business and Health* magazine which is intended to provide employers with useful and timely information about efforts by other purchasers to control health costs. Grants to the University of Arizona and the National Governors' Association have helped bring information to Medicaid agencies about the new approaches being implemented in Arizona and California for purchase of health care services for the indigent. A grant to the National Health Policy Forum is also attempting to bring information on Medicaid reform to state officials who are making decisions on Medicaid policy through a series of major conferences.

All these grants have a similar goal: to help major purchasers make more informed choices in the design and administration of health coverage. No particular approach has been advocated by the Foundation, but there is a belief that purchasers can play an important role in determining the structure and performance of the nation's health system.

Research Projects

To complement these cost containment efforts, the Foundation has also supported a range of research projects to improve understanding of the variations of physicians' practice style and to provide new information that can help improve the cost-effectiveness of medical practices.

Typical of these efforts is the support to Jack Wennberg at Dartmouth. Researchers have found substantial variations in the way physicians treat similar conditions. For example, one physician may recommend in-hospital surgery, a lengthy hospital stay and extensive x-ray and lab tests for a condition, while a second physician may employ outpatient surgery and minimal testing for the same condition. Such variations in physician practice patterns often involve significant

differences in health costs, as well as dissimilar risks to the patient. With Hartford support, Dr. Wennberg is using Medicare claims data to investigate several expensive and risky medical procedures, with wide variability in use, to identify the costs and risks for patients to shed more light on questions of appropriate usage.

Research by Lee Goldman at Harvard and Don Brand at Yale is attempting to develop a protocol to help physicians improve diagnoses of patients with myocardial infarctions. Currently, almost 70% of those admitted to cardiac care units turn out not to have had an infarction. Preliminary evidence from the research suggests that combining the judgment of the emergency room physician with that of the protocol has the potential for more cost-effective admission practices with no loss of quality. Success of the project could help generate enormous savings on a national basis.

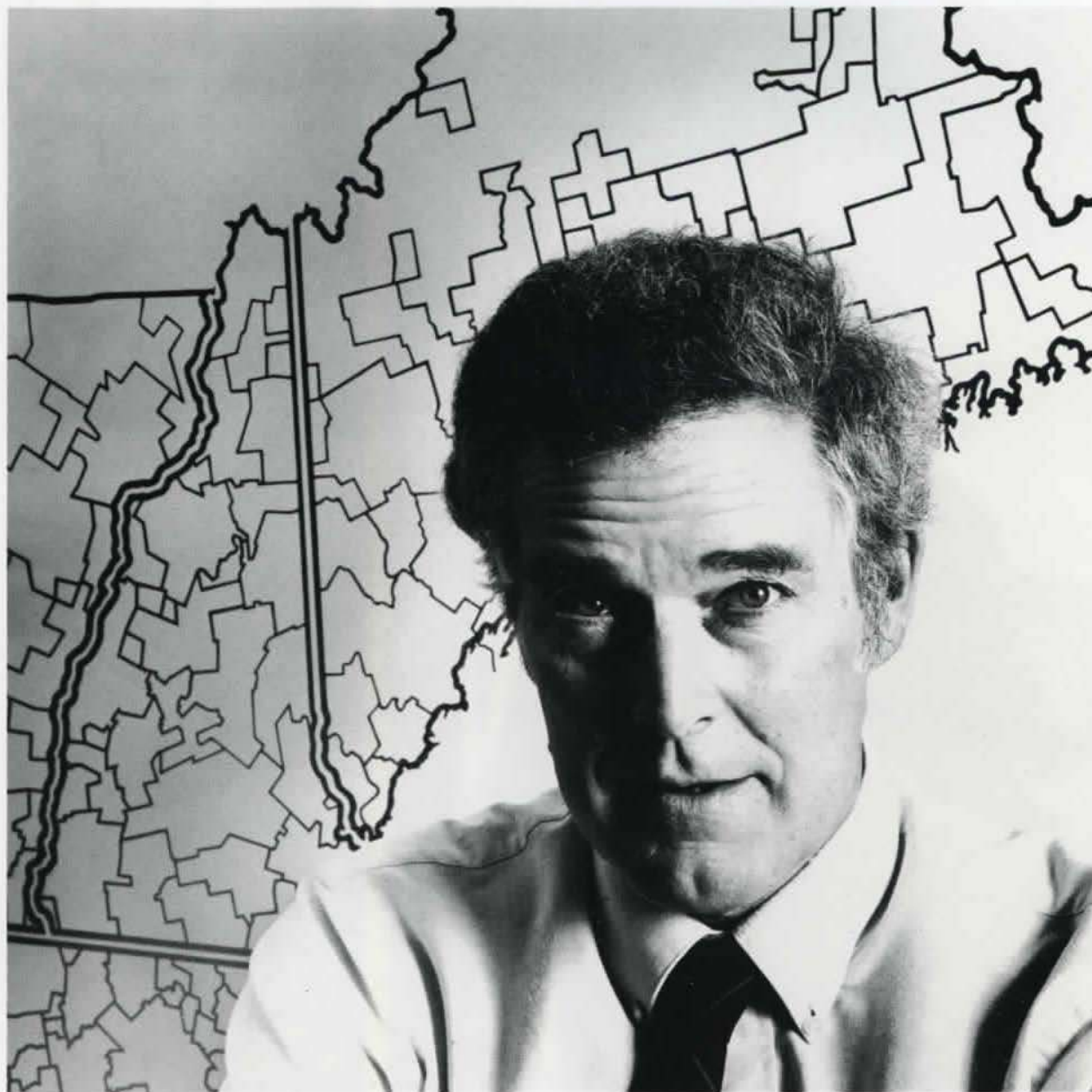
At Duke University, David Eddy is attempting to improve methods for utilizing scientific data in efforts to judge the effectiveness of medical procedures and technologies. He is also working directly within a major third party payor in North Carolina to help in its decisions on what should and should not be reimbursed. At Harvard, Barbara McNeil is continuing her groundbreaking work analyzing the cost-effectiveness of various radiological procedures and technologies. The Foundation has also supported the work of Steven Schroeder at the University of California, San Francisco, to evaluate methods of changing physician behavior to promote effective use of medical resources.

The Foundation has provided core support to the Center for Hospital Finance and Management at The Johns Hopkins University since its inception in 1979. The Center has conducted a broad range of research related to the economic structure of the health care system and hospital management. Its work in attempting to account for differences within individual DRGs (diagnostically related groups), caused by variations in the relative severity of illness of patients, has become of central importance as the medicare system has shifted to DRG-based reimbursement.

The purpose of this rather broad range of research funded by the Foundation is to provide the tools to hospitals, physicians and purchasers as the reimbursement system begins to create stronger incentives for efficiency and management. As the right questions begin to be asked within the system, it is important that some of the answers be available.

The Coming Year

We are pleased to note the increased volume of reimbursement experiment initiatives and the strength of response to the health cost problem by the private sector that has emerged since the inception of our program. Making serious changes in the health care system is a long and difficult task, but we are encouraged to observe that the system appears to be at least beginning to move towards the goals we espoused at the outset of our program. In the coming year, we will continue to reexamine our program to help assure that our efforts in this area remain vital.

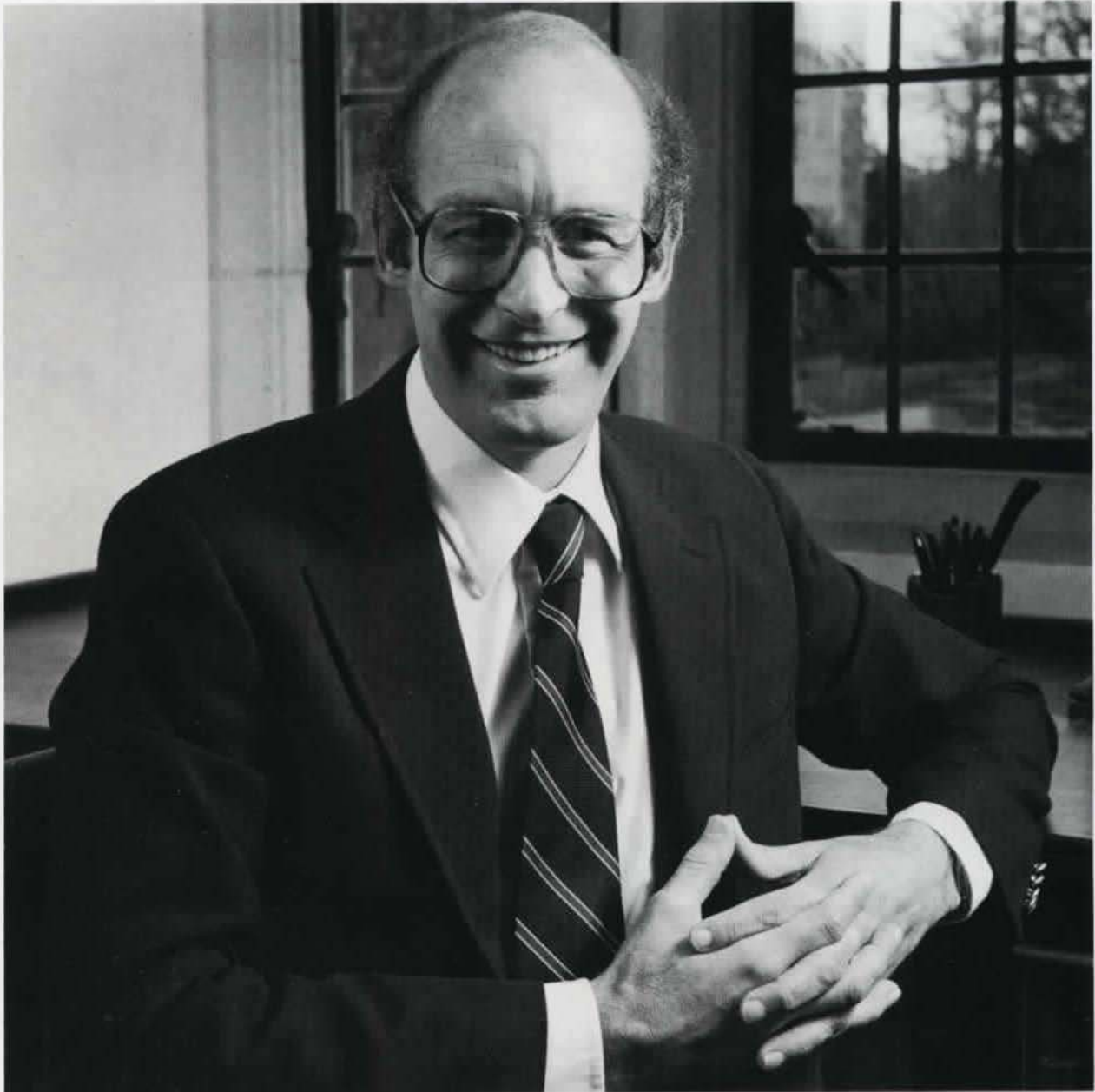


John E. Wennberg, M.D.

*Professor of Epidemiology
at Dartmouth Medical
School.*

*Dr. Wennberg's research,
identifying the enormous
variations in the way
physicians deliver care,
has spawned a whole new
field of research and is
central to efforts to
encourage more efficient
medical practices.*

*With Hartford Foundation
support, he is developing
new information on risks
and outcomes for procedures
with wide variability.*



*David M. Eddy, M.D.,
Ph.D.*

*Director of the Center for
Health Policy Research and
Education at Duke
University.*

*Dr. Eddy is conducting
pioneering work in
developing new tools to
assess the effectiveness
of medical procedures and
technologies.*

*His work will enable payors,
practitioners and patients
to better understand
the costs, risks and
benefits of medical care.*

Brigham and Women's Hospital

Center for Cost-Effective Care

75 Francis Street

Boston, MA 02115

Barbara J. McNeil, M.D., Ph.D.

(617) 732-6289

Product-Based Hospital Management System

The introduction of new payment systems for hospitals is exerting a profound change on the way medicine is practiced and on the responsibilities and relative power of managers and physicians within hospitals. Hospitals now recognize their need for the kind of strategic management tools that have long been employed in the industrial sector. Since 1981, the Center for Cost-Effective Care at Brigham and Women's Hospital (BWH), has been working with the top management of the hospital to design and test a new product cost accounting and management system. Initial efforts have succeeded in integrating physicians into the process of defining "products" (such as bed-days of nursing care, lab tests, x-rays, etc.) and standards against which budgeting and variance reporting can be accomplished. BWH and its Center for Cost-Effective Care now propose to extend their earlier work by defining patient groups, developing clinical protocols, and setting standards for intermediate products. They will also design an incentive system to reinforce desired changes in clinical practice and will develop written materials to communicate their insights to other hospitals. \$364,484; two years.

Center for Policy Studies

2221 University Ave., S.E.

Suite 134

Minneapolis, MN 55414

Walter McClure, Ph.D.

(612) 623-4652

Encouraging Competition in the Health System

The Center for Policy Studies is a policy research organization established to develop and evaluate strategies to improve health care delivery and financing and to encourage the development of private sector initiatives for health cost containment. Since its inception two years ago, the Center has acted as an important catalyst for reform through the public speaking and articles by its director, Dr. Walter McClure, research on cost-effective medical practice, and technical assistance to local communities. For the next two years, the Center plans to concentrate its efforts in three primary areas: i) educating CEOs of major corporations to help build the momentum for health system reform; ii) assistance to major purchasers in implementing state-of-the-art cost containment programs that could serve as a model for other purchasers; and iii) design of an incentive-based payment system for care of patients without private insurance or Medicare/Medicaid coverage. Continuation of a previous two-year \$190,000 award; \$150,000; two years.

HealthChoice, Inc.

621 S.W. Alder
Suite 820
Portland, OR 97205
Susan Kaufman
(503) 228-2567

Improving Health Coverage for Small Employers and Self-Employed

With support from the Hartford Foundation, HealthChoice is developing a method of providing self-employed individuals and small businesses access to more comprehensive health coverage at a reasonable cost. The approach involves screening prospective insureds to assure actual employment status and to identify serious health risks, and then allows qualifying individuals to choose among a range of prepaid health plans at group rates. HealthChoice will become, in essence, a not-for-profit insurance broker, receiving a flat fee from the participating health plans for each person enrolled. By providing a choice of plans to enrollees, the project also has the potential to help stimulate more competition in the health system as groups of providers compete for business on the basis of price as reflected in their premiums. The Foundation provided grant support for the planning and development phase of the project, and is now providing additional loan support during the first year start-up period. \$92,000 loan.

Institute of Medicine/

National Academy of Sciences

2101 Constitution Ave., N.W.
Washington, DC 20418
Bradford H. Gray, Ph.D.
(202) 334-2310

Committee on the Implications of For-Profit Enterprise in Health Care

In the health care industry there exists an unusual mix of for-profit and not-for-profit organizations providing services. As the growth of the for-profit sector continues and, at the same time, government and third party payor efforts to control costs become more serious, many issues have begun to emerge that were previously hidden in the old "cost-accounting" systems. How should society pay for medical research and teaching? How should the costs of uncompensated care for the poor (which fall unevenly within the health care system) be handled? The Institute of Medicine has formed a study group to explore these and other related issues. The group will synthesize what is already known and will also supervise some original research using previously unavailable data. The effort will be completed in 1985, and is expected to have a significant impact on many of the major policy decisions confronting the health system in the coming decade. \$150,000; one year.



*Carl J. Schramm, Ph.D.,
J.D.*

*Director of the Center for
Hospital Finance and
Management at The
Johns Hopkins University.*

*The Center has received core
support from the
Foundation since its incep-
tion in 1979,*

*and its broad agenda
of research and technical
assistance is helping in
the development of the
science of hospital
management.*



*Barbara J. McNeil, M.D.,
Ph.D.*

*Professor of Radiology
and Clinical Epidemiology
at Harvard Medical School.*

*Dr. McNeil has received
Foundation support since
1979 for her prolific work
analyzing the cost-
effectiveness of various
radiological procedures
and, most recently, to help
create a product cost*

*accounting and management
system at Brigham and
Women's Hospital in
Boston that can become
a model for the industry.*

New England Medical Center, Inc.

171 Harrison Ave.

Boston, MA 02111

Peter Van Etten

(617) 956-7564

Improving the Efficiency of Medical, Surgical and Pediatric Inpatient Care

For the past three years, New England Medical Center (NEMC) has been developing and implementing a hospital-wide product cost accounting system. It has also reorganized and decentralized the hospital's management to improve productivity and accountability. As one of the next steps in gaining control over its costs, NEMC will systematically examine traditional hospital routines and operations affecting the departments of medicine, surgery and pediatrics to identify cost and efficiency problems. Physicians and researchers will identify those patient care days that are necessary for diagnosis or treatment and those spent waiting for procedures, test scheduling, test results, or consultations. The hospital's management will then pilot-test and evaluate the structural changes that promise the greatest potential for efficiency improvement. \$300,000; 3 years.

The New York Hospital

525 East 68th Street

New York, NY 10021

(212) 472-6946

Rosemary Clemens, Ph.D.

Hospital Operating Room Productivity Project

Over a three-year period, The New York Hospital plans to embark upon a major initiative to improve productivity in its operating rooms. A new, computerized information system will be developed to improve scheduling, billing, cost accounting and performance monitoring in the hospital's operating rooms. With the data from the new information system, the hospital expects to improve its performance on room utilization rates, clean-up times, delays, man hours per case and labor costs per case. The hospital will develop explicit, measurable goals for each of these areas, using industry standards where they exist. The estimated savings during the grant period are \$1.5 million. If the project is successful, the management techniques used will be implemented in other high-cost centers of the hospital. \$769,000; three years.

The People-to-People Health Foundation

Project HOPE

Health Sciences Education Center

Millwood, VA 22646

Allen Meyerhoff

(703) 837-2100

Evaluation of Selected Employer Initiatives to Control Health Costs

Employers are becoming increasingly concerned and active as health costs have a growing impact on corporate profit margins. Over 30 percent of U.S. companies have now developed formal cost control strategies. Project HOPE will document the cost savings achieved by different employer initiatives to help identify which programs work and which do not, and to provide a better understanding of what determines success or failure. The project will be conducted in 2 parts. First, a series of case studies will be done. Each will focus on a major corporation and each will reflect different types of cost containment strategies. Second, a detailed statistical evaluation of the impact of employer claims review programs will be conducted. The analysis will involve several companies and will examine a range of claims and utilization review strategies. This project has also received grant support from several corporate foundations. \$50,000; 2 years.

St. Luke's Hospital of Middleborough

52 Oak Street

Middleboro, MA 02346

Peter Brown

(617) 947-6000

Creation of a Consolidated Hospital System

One approach to containing escalating hospital costs is the reallocation and redistribution of facilities that are underused in a community. Doing this, however, requires cooperation and coordination among independent hospitals, each with their own objectives. In response to a statewide reimbursement change that restricts hospital revenues, three hospitals in Massachusetts have undertaken a major collaborative effort. With first year support from the Foundation and from Blue Cross/Massachusetts Hospital Association Fund for Cooperative Innovation, the three hospitals have successfully completed preliminary financial, architectural, and legal plans for merging and redesigning their three facilities to meet the acute care and long-term rehabilitative care needs of their region. Second-year support has been requested to complete final architectural and financial plans for the renovation and the redesign of their sites, and to undertake the legal work necessary for two of the hospitals to merge and acquire the third, a state-owned facility. When completed, the coordinated system will meet the projected needs of the community at renovation costs several million dollars less than separate expansion costs would otherwise be. Continuation of a previous one-year \$86,075 award. \$45,000; 1 year.

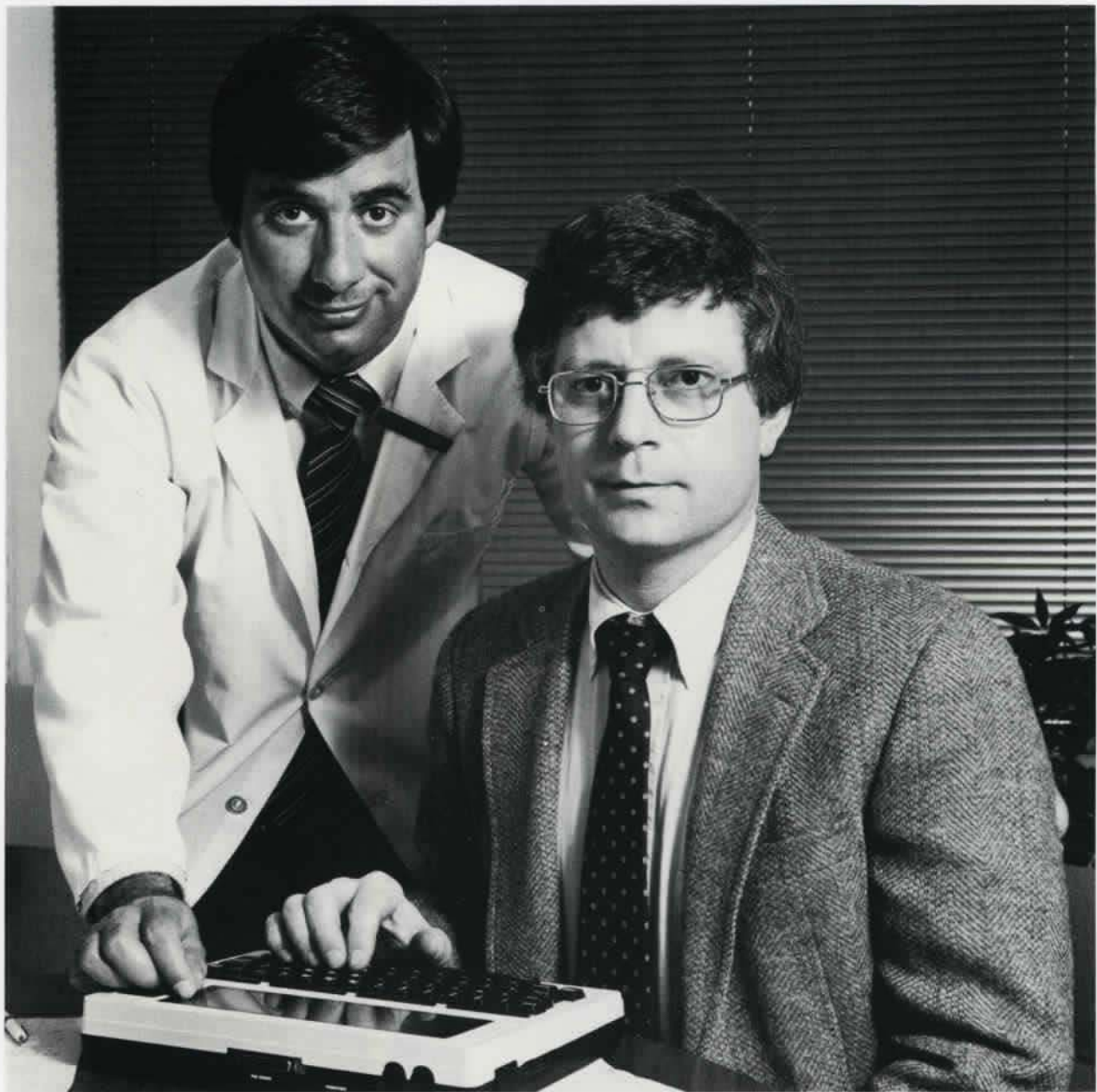


Walter McClure, Ph.D.

*President of the Center for
Policy Studies in
Minneapolis.*

*His efforts as a researcher,
policy analyst and spokes-
man have had a catalytic
effect in encouraging*

*stronger market forces in
the health system for the
past decade.*



Lee Goldman, M.D.

*Assistant-Chief-of-Medicine
at Brigham and Women's
Hospital.*

Donald A. Brand, Ph.D.

*Director of the Trauma
Research Program at Yale
University.*

*They are conducting a
trial of a protocol to help
physicians in diagnosing
patients with suspected
myocardial infarction.*

*If successful, their work has
the potential to stimulate
substantial improvements in
quality of care and cost-
effectiveness of hospital
admission practices.*

The University of Pennsylvania

Hospital of The University of Pennsylvania

Silverstein 3

3400 Spruce Street

Philadelphia, PA 19104

J. Sanford Schwartz, M.D.

(215) 662-3796

Evaluation of Physician Practice in Hospitals

The wide variations in the way physicians practice have been effectively documented by researchers such as Jack Wennberg at Dartmouth. These findings illustrate not only the lack of precise scientific basis for much of medical practice, but also suggest that substantial cost savings from improvements in physician practice efficiency are possible. The greatest potential for cost containment is found in the technology-intensive hospital environment where over 40% of the total health care dollar is consumed. A team from The University of Pennsylvania will identify 8 to 10 tests or procedures involving medical practices for which efficacy is not well established by clinical research, for which utilization data already exists or could be gathered at minimal cost, and for which the potential savings are substantial. After the data is evaluated, new protocols for more cost-effective practice will be developed, implemented, monitored and, finally, evaluated. The initial phase of the project will involve The University of Pennsylvania Hospital. In the second year, the project will include several major hospitals in the Philadelphia area. \$524,997; three years.

University of Vermont

Botany Department

Marsh Life Sciences Building

Burlington, VT 05456

Hamilton Davis

(802) 656-2930

Raising the Public's Understanding of Variations in Physician Practice Patterns

The evidence is now clear that there is a great deal of variation in the way physicians practice. Differences in length of stay, admission rates and use of ancillaries have important cost and quality implications. The issue of physician practice variations has begun to be covered more extensively in clinical journals, but there still remains a need to reach a broader public. This project is designed to fill that need. Through articles in the popular press, a subsequent book, and a series of shorter articles for other publications, available data on practice patterns and physicians' responses to the evidence and implications of practice variations will be presented to the public. Hamilton Davis, a journalist who produced a five-week television news series in Vermont on practice pattern variations, will conduct the project. \$58,408; one year.

Yale University School of Medicine

Department of Surgery/Trauma Program

333 Cedar Street

New Haven, CT 06510

Donald A. Brand, Ph.D.

(203) 785-4210

Harvard Medical School

Department of Medicine

Brigham & Women's Hospital

75 Francis Street

Boston, MA 02115

Lee Goldman, M.D.

(617) 732-5648

Controlling Hospital Admissions from the Emergency Room

With Hartford Foundation support, researchers at Yale and Harvard have been working for the past year to develop and validate a protocol to help physicians improve diagnoses of patients with myocardial infarctions in emergency rooms. At Brigham and Women's Hospital, Yale-New Haven Hospital, three community hospitals in the New Haven area, and at the University of Cincinnati Medical Center, researchers have been analyzing the performance of physicians and of the protocol in identifying patients who are having heart attacks. Currently, almost 70% of those admitted to intensive care units following an episode of chest pain turn out not to have had a myocardial infarction. Even a slight improvement in ruling out non-infarction cases would have substantial potential for cost savings. Preliminary evidence from the research suggests that combining the judgment of the physician with information provided by the protocol can result in more cost-effective admission practices without degradation in quality of care. Support is now being provided for the first year of a controlled trial to determine whether providing information from the protocol to physicians at the time admission decisions are made in the emergency room will have the predicted effect. Continuation of a previous 15-month \$320,027 award. \$340,000; one year.

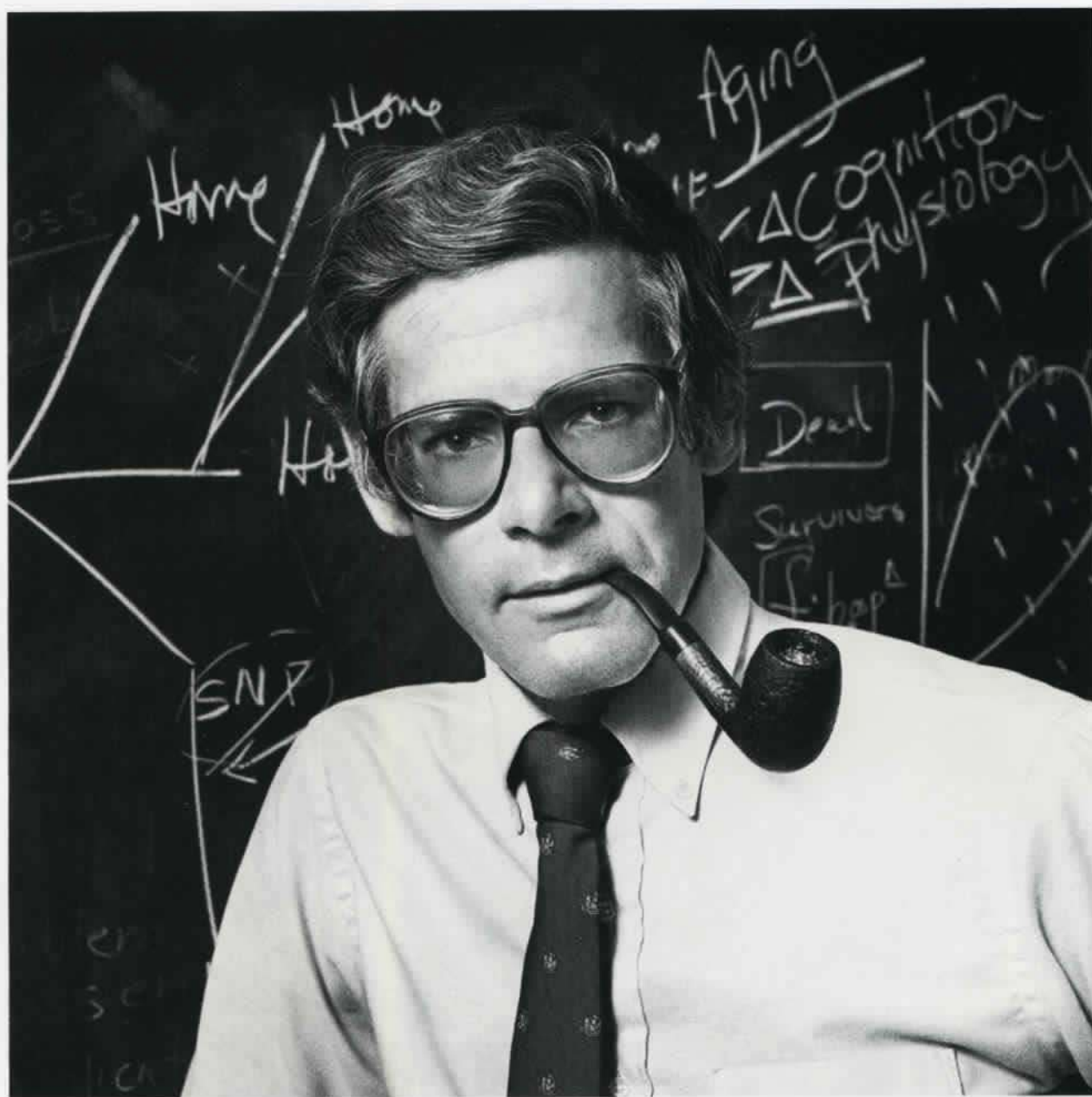


An important aspect of health care for the elderly is the recognition of their special medical and social needs.

Health care professionals must be aware of multiple problems that are often present, how these problems

interrelate, and how the older patient's ability to respond to traditional approaches may be affected by age.

Here a patient is seen by Dr. William R. Hazzard, geriatrician and head of the Section of Gerontology and Geriatric Medicine at The Johns Hopkins University School of Medicine.



Robert L. Kane, M.D.

Professor in residence at The University of California, Los Angeles's schools of Medicine and Public Health and a senior researcher at the Rand Corporation.

Dr. Kane is one of the national leaders in efforts to improve care for older patients.

With Foundation support he is currently working on improving methods for early detection of functional decline in aging.

Aging and Health

■ As the Aging and Health program enters its third year, national attention continues to focus increasingly on the older segment of the population. While the total number of persons over the age of 65 is expected to increase 40 percent by the year 2000, the segment of the population 85 and older is projected to grow even faster, with a startling 91 percent increase expected by 2000.

As a group, the elderly are characterized by an increased incidence of chronic health problems and functional disability. The percentage of functionally disabled rises significantly in the most advanced age group of persons 85 and older. Not surprisingly, those in the most advanced age group are also among the highest utilizers of health care in the country. The associated costs of health care utilization among the over 65 population and, particularly among the over 85 segment, are quite high. Therefore, identifying services and programs for the elderly, which will serve those most at risk for hospital or nursing home stays, can have a substantial impact on overall health care costs.

Some of the obstacles which have impeded the appropriate targeting of services include the lack of effective assessment tools to aid in the identification of those individuals who would face institutionalization in the absence of community care, the fragmentation of health and social services, the highly accelerated growth in costs, and the lack of medical personnel and other providers with special interest and training in geriatric care.

Program Highlights

Several projects were initiated in the past year that are aimed at improving the ways in which health and social services are targeted to the elderly population. These projects fall into several general groups:

Assessment of the Elderly Patient—In order to treat elderly patients for their complex and interrelated problems, physicians and other health providers need to improve their ability to assess the physical, mental, and social well-being of these patients. Unfortunately, to date there is no agreement on three elements which are crucial to an assessment process: i) the identification of important factors to be measured; ii) the technology for making the measures; and iii) the organizational arrangements of when, how and by whom the assessments will be made.

In a project at The University of California, Los Angeles, Dr. Robert Kane is leading a group of biomedical engineers and geriatric specialists in the development of techniques to detect early signs of functional decline. In another project, the Brigham and Women's Hospital is evaluating the effectiveness and cost of the

multidisciplinary form of assessment characteristic of geriatric assessment units. We expect the results of these projects to yield more sensitive and comprehensive assessment methods, enabling physicians and other providers to decipher individual medical problems from among multiple problems in the elderly patient.

Primary Elements of Community-Based Care—Adult day care, homemaker/chore service, health information, and case management are considered key services in the development of coordinated community-based care for the elderly. However, there are many variations within these service categories. As communities of all sizes across the country become involved in developing services and programs for their older residents, there is a need for reliable information about model programs available for replication and methods to improve and expand existing services.

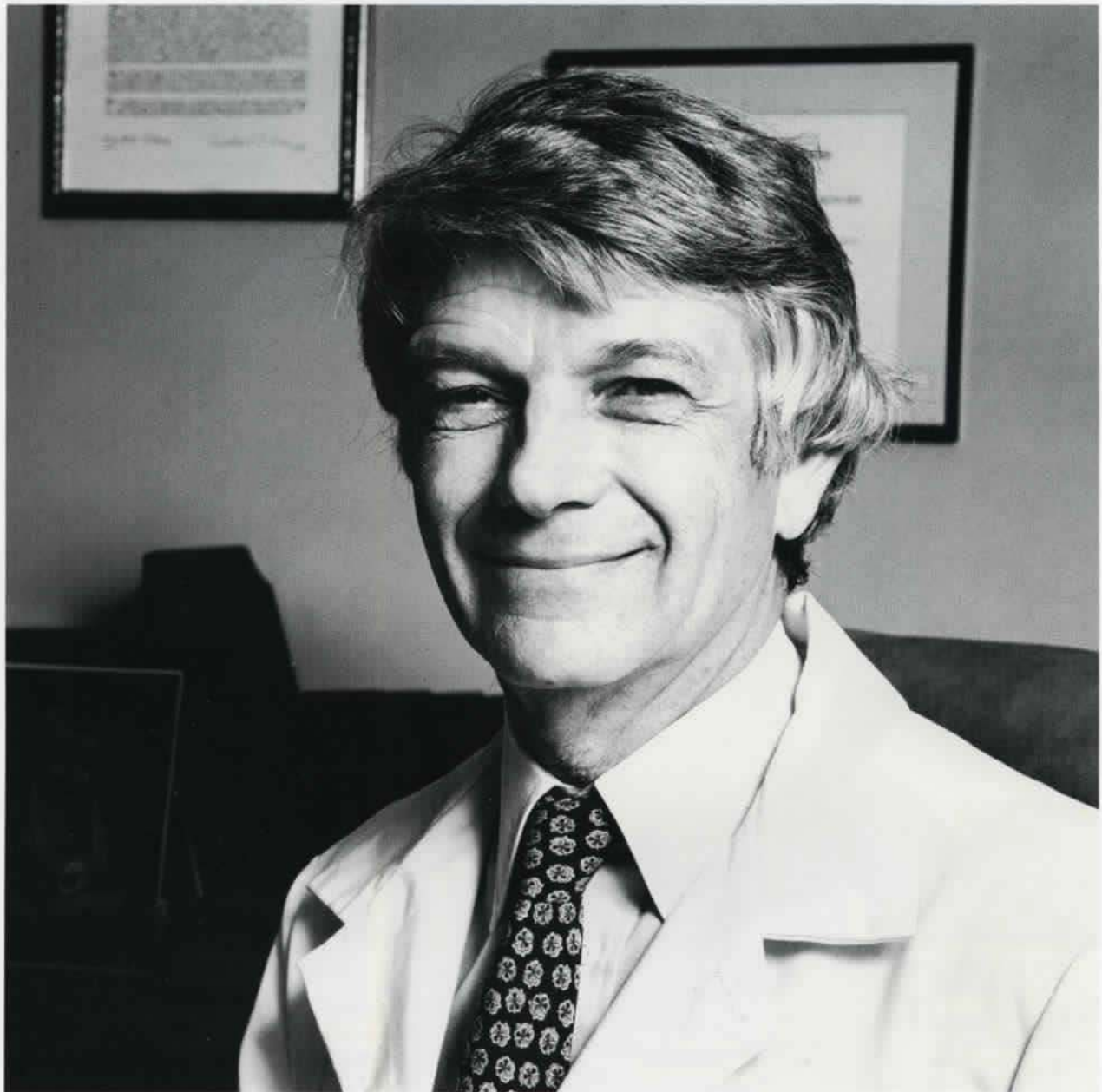
With Foundation support, the University of North Carolina is developing a planning tool to assist communities in the design of cost-effective adult day care programs. This planning method will aid in estimating the target group(s) of elderly for whom the programs will be most useful as well as in determining the most cost-effective designs for the program operations.

In Washington, DC, a newly established, non-profit consumer health organization called The Older Americans Consumer Cooperative is developing a health information program to enable elderly consumers to make more informed choices about their health care and about the providers who serve them. In other efforts to assist older patients in improving the management of their own health, projects at the University of California, San Francisco and the University of Michigan, Ann Arbor are developing training and education programs to improve patients' abilities to cope with the limitations imposed by chronic illness.

The Foundation is continuing to explore new and innovative services and programs which have the potential for significantly contributing to community-based care. During the past year, the Brookdale Center on Aging at Hunter College has begun to develop and refine an intergenerational life-history program in which youth ages 17 to 20 conduct life-history interviews with homebound and other frail elderly. In a previous pilot effort, the Center found that the intergenerational exchange enabled the young and the old to acquire more positive attitudes about each other, while restoring to the elderly a greater sense of meaning and purpose in their lives.

As part of an overall examination of current policies in the field of aging, The Gerontological Society of America (GSA) is exploring the intergenerational implications of policy affecting community-based, long-term care. GSA will review the demographic trends related to the demand for such care and the capacity of the family to respond. Currently, the tasks of providing community-based, long-term care is largely handled by family members, often involving great personal and financial sacrifices.

Long-Term Care Financing—Although projects under the Aging and Health program have concentrated largely on the development and delivery of non-

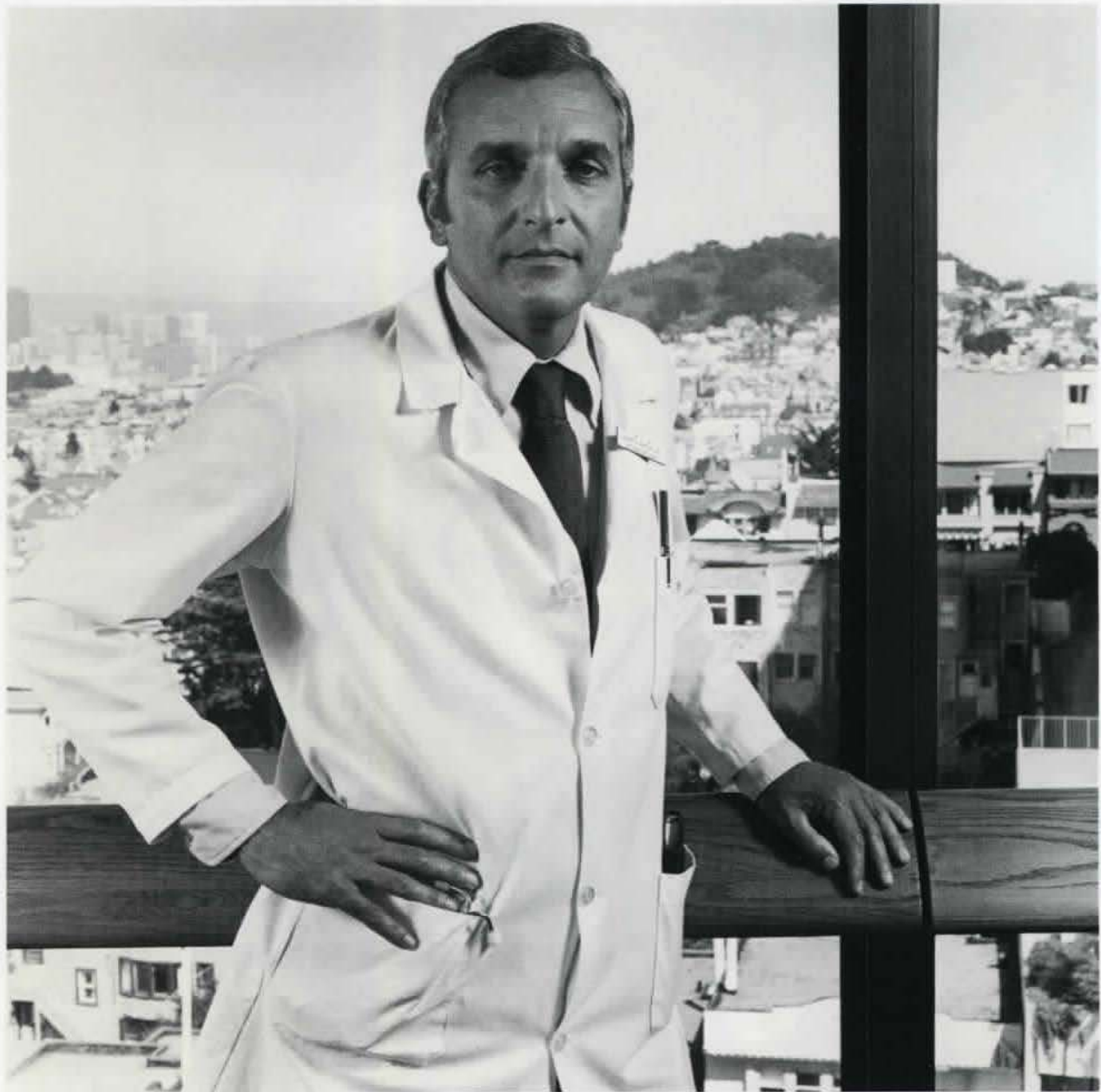


Robert N. Butler, M.D.

Chairman of the Department of Geriatrics and Adult Development at Mount Sinai School of Medicine.

Since his departure as head of the National Institute on Aging, Dr. Butler has been working at Sinai to create a center of excellence for clinical care and research in the special problems of older patients.

With Hartford support, Mount Sinai is developing a clinic to prevent and treat problems of gait, falls and immobility.



Albert R. Martin, M.D.

Associate Professor of Medicine at the University of California, San Francisco (UCSF) and director of the General Internal Medicine Group Practice there.

Dr. Martin is developing and evaluating a self-management training program for elderly patients with obstructive airway disease and osteoarthritis at UCSF.

A similar project at the University of Michigan, Ann Arbor, is focusing on elderly patients with coronary heart disease.

institutional, long-term care services for elderly, the issue of how to finance these services is so crucial to the success of these services in the long run that omission of this topic would be a mistake.

With support from the Hartford Foundation and a consortium of other foundations, The Brookings Institution is conducting a major analysis of the feasibility and costs of the various approaches being suggested to resolve the problems of organizing and financing long-term care. Results of the analysis will be presented in report form, easily readable by key public and private sector leadership groups around the United States. As such, this analysis is expected to help frame public discussion of the topic.

Training/Education in Geriatric Care—A major obstacle to targeting appropriate health care to the elderly is a lack of awareness among providers of the special problems of older patients. This is particularly true for many general practitioners in small community hospitals that are not affiliated with major university medical centers.

In addition to the Hartford Geriatric Faculty Development Awards program, which recognizes the need for a cadre of academically-based physicians knowledgeable in geriatrics (see page 43), the Foundation is also providing support to the Faculty for Continuing Medical Education, which is developing and conducting a program to bring the most recent diagnostic and therapeutic techniques in geriatrics to physicians at community medical centers.

Aging and Health Program in 1985

During 1985, the Foundation will continue operation of the Hartford Geriatric Faculty Development Awards program. In addition, a new initiative in the area of medications and the elderly will be launched. It is the intent of this new program to focus on improving the prescribing, administering, and monitoring of medications and medication use in the elderly population. Proposals for this initiative will be solicited through a national competition, with the expectation that awards will be made early in 1986. The Foundation will continue to explore new and innovative services which address such critical areas as assessment techniques for use with elderly patients; support and training of professional and family caregivers; and refinement of non-institutional services for the elderly.

Brigham and Women's Hospital

75 Francis Street

Boston, MA 02115

Arnold M. Epstein, M.D.

(617) 732-1060

Evaluation of Alternative Designs for Outpatient Geriatric Assessment Units

Most health care professionals are not well prepared to evaluate the complex and interrelated problems of older patients. One recent approach has been the development of specialized multidisciplinary units, sometimes called geriatric assessment units (GAUs). Most GAUs are staffed by a physician, a nurse practitioner, a social worker and an occupational therapist, and attempt to provide an assessment of the full scope of medical and social problems of elderly individuals. The units exist in inpatient and ambulatory settings and vary in their goals, structure and patient populations. Proliferation of GAUs continues despite the lack of information regarding the efficacy of the units. The Brigham and Women's Hospital will undertake a demonstration and evaluation project to determine the effectiveness and cost of this multidisciplinary form of assessment. The geriatric unit at the hospital will establish a GAU at the Rhode Island Group Health Association and, in a randomized controlled study, will assess whether GAUs can improve upon traditional consultative service and care. \$580,000; three years.

Brookdale Center on Aging at Hunter College/**Research Foundation of CUNY**

425 East 25th Street

New York, NY 10010

Rose Dobrof, D.S.W.

(212) 481-4426

The Intergenerational Life-History Program

One approach to assisting elderly overcome feelings of loneliness, depression and lack of self-worth is to engage them in a review of their lives through the process of reminiscence. The Brookdale Center on Aging at Hunter College explored the feasibility and effects of involving youths to enhance this activity. With a six-month grant from the Foundation, Brookdale piloted a program in which youths conducted life-history interviews with homebound and other frail elderly. The results of this pilot suggested that not only is this approach feasible, but the intergenerational exchange enables the young and the old to acquire more positive attitudes about each other, while restoring to the elderly a greater sense of meaning and purpose in their lives. In this subsequent effort, Brookdale will engage approximately 125 youths from the New York City youth-volunteer corps and from Hunter High School to conduct life-histories with nearly 500 homebound and other frail elderly in nursing homes and senior centers. A video training tape and an accompanying written text will be produced for professionals who wish to incorporate the reminiscence program into their support or recreational efforts. Anthologies of the life-histories will also be assembled by the youths and distributed to the elderly participants and their families. It is estimated that this type of program could be replicated for \$10,000-15,000. \$50,000 award, six months; and \$244,791; two years.

The Brookings Institution

1775 Massachusetts Ave., N.W.

Washington, DC 20036

Alice M. Rivlin, Ph.D.

(202) 797-6000

Long-Term Care Financing and Organization

Almost every family has a member who now requires or eventually will need long-term care for illness and/or disability. Current approaches to organizing and financing long-term care in the United States will be substantially strained as our population continues to age. The federal/state Medicaid program is the primary public support for long-term care; however, it services only the poor or those who have depleted their financial resources on health expenses. Only limited coverage for long-term care is available under Medicare and private health insurance. With support from several other foundations, The Brookings Institution will assess and examine the feasibility and costs of the various approaches being suggested to resolve the problems of organizing and financing long-term care. The analysis of a broad range of models is expected to help provide an improved understanding of the issues involved to help frame public discussion of the topic. \$70,000; 2 years.

Faculty for Continuing Medical Education/**Senior Medical Consultants, Inc.**

3 East 103rd Street

New York, NY 10029

Melvin Horwith, M.D.

(212) 860-1900

Hartford Foundation Continuing Education Program in Geriatrics

A major obstacle to improving health care for the elderly is a lack of awareness by many general practitioners of the special problems of older patients. There has been a considerable increase in basic and clinical research dealing with the illnesses of aging, but the time lag for information transfer from large university medical centers to primary care physicians in smaller community hospitals can be quite long. It is also becoming financially difficult for community hospitals not affiliated with major university medical centers to offer their staffs a full range of continuing education programs. The Faculty for Continuing Medical Education (FCME) will become a link for geriatrics between the university centers and the primary care physicians in several New York area community hospitals. The format of the program, to be conducted at seven hospitals, includes lecture/discussions, half-day symposia and problem-oriented sessions utilizing case presentations from the hospital. Special emphasis will be placed on the individual doctor's participation in a team approach to geriatric health care. \$150,000; two years.

The Gerontological Society of America

1411 K Street, NW

Suite 300

Washington, DC 20005

Eric R. Kingson, Ph.D.

(202) 393-1411

"Aging in America"—A Research Agenda

The rapid growth of the nation's elderly population has created a demand by policy makers for data to evaluate the effectiveness of current policies, identify emerging problems, develop responses to these problems, and prepare research agendas. To help meet this need, the Gerontological Society of America will prepare and publish a four-part biennial report of "Aging in America." The report will consist of statistical data, trends and emerging issues, a review of current research funded by federal agencies, foundations and corporations, and an agenda for future research. \$50,000 grant and \$50,000 loan; 18 months.

Older Americans Consumer Cooperative

1334 G Street, NW

Suite 500

Washington, DC

James P. Firman, Ed.D.

(202) 393-6222

Consumer Health Information Program for Medicare Beneficiaries

The Older Americans Consumer Cooperative (OACC), a newly established, nonprofit consumer health organization, will develop a comprehensive consumer health information program. OACC's program would be implemented in Washington, DC, Virginia, and Maryland, enabling elderly consumers to make more informed choices about their health needs and about the health care providers who serve them. The program will contain four components: i) information concerning fee structures and services of providers (e.g., Medicare HMO's, home health care, nursing homes, etc.); ii) peer counseling and a hotline; iii) information on health promotion and disease prevention; iv) discounts for second opinions on diagnoses for surgery and recommendations for nursing home placement. To develop the program, OACC will conduct market research on consumer needs and preferences, design the method of delivering the four services, and devise a comprehensive business plan. In addition to the health information program, OACC will also offer a group purchasing service to take advantage of discounts from a wide variety of health providers and a consumer credit program, including a home equity conversion service, to enable consumers to borrow money for needed care. OACC members will be able to purchase all of these services for a yearly fee of \$30.00. After an initial start-up phase, OACC expects to be self-supporting and funded primarily through membership fees. \$100,000; one year.

University of California, Los Angeles

Department of Medicine
Multicampus Division of Geriatric Medicine
10833 LeConte Avenue (CHS)
Los Angeles, CA 90024
Robert L. Kane, M.D.
(213) 825-8255

Assessment of Early Dysfunction in Aging

A key component of efforts to improve the diagnosis and care of older patients is refining the methods of measuring functional ability in these patients. More sensitive measures are needed to identify medical problems that are often disguised in older patients and to decipher individual medical problems from among multiple problems. Dr. Robert Kane will lead a group of biomedical engineers and geriatric specialists at UCLA in a project to develop more precise techniques for the assessment of older patients. The ultimate goal of the project is the development of easily used techniques to detect early signs of functional decline. The basic approach focuses on the interaction among different organ systems while the older patient undergoes a battery of traditional physiological and psychological tests. This is a pilot project to help gauge the potential of the approach to determine whether more extensive investigation is warranted. \$185,000; one year.

University of North Carolina, Chapel Hill

Department of Health Policy and Administration
School of Public Health
263 Rosenau Building 201H
Chapel Hill, NC 27514-6201
William Weissert, Ph.D.
(919) 966-3141

Development of a Planning Model for Adult Day Care Programs

Adult day care programs have been operating in this country for about ten years and have increased from fewer than two dozen programs in the mid 1970s to more than 600 by 1980. Sophistication in program management and design has lagged, however. William Weissert will lead the development of a state-of-the-art planning method to enable communities to more accurately outline the need for and design of adult day care programs. Using an earlier survey which detailed types of existing programs and how they operated, Weissert will now evaluate operating programs to determine what works and what doesn't. The planning method to be developed from these data will enable an adult day care program operator to: estimate the population target group(s) for which the program will be most useful, market the program effectively, and determine the optimum size, case mix, staffing, facility requirements and other cost factors for the start-up phase. Weissert and his colleagues will disseminate the results of the project in a manual, including documentation and instructions for the use of a computer-assisted planning model. \$295,192; two and one half years.

University of California, San Francisco

School of Medicine

Division of General Internal Medicine

400 Parnassus Ave.

San Francisco, CA 94143

Albert R. Martin, M.D.

(415) 666-4362

Self-Management Training Program for Obstructive Airway Disease and Osteoarthritis

University of Michigan, Ann Arbor

School of Public Health

Department of Health Behavior and Health Education

1420 Washington Heights

Ann Arbor, MI 48109

Noreen M. Clark, Ph.D.

(313) 764-9494

Self-Management of Coronary Heart Disease in the Elderly

In the last half century, illness and death due to infectious diseases have been drastically reduced. As a result, the proportion of elderly in the population has increased and the management of chronic and degenerative illnesses for which no "cures" exist has become increasingly important. A major factor affecting the health and functioning of an elderly patient is the patient's capacity to manage his/her own health care needs. Projects at the University of California, San Francisco (UCSF) and the University of Michigan, Ann Arbor are developing training and education programs to improve patients' abilities to cope with the limitations imposed by chronic illness. The project at UCSF will focus on patients with obstructive airway diseases, such as asthma, and osteoarthritis; the project at Ann Arbor will focus on coronary heart disease. The self-management training will encourage older patients to be more active in the care of their own illnesses and will provide them with medical information, skills and strategies for coping with chronic illness. \$79,526; one year; University of California, San Francisco. \$111,874; one year; University of Michigan, Ann Arbor.

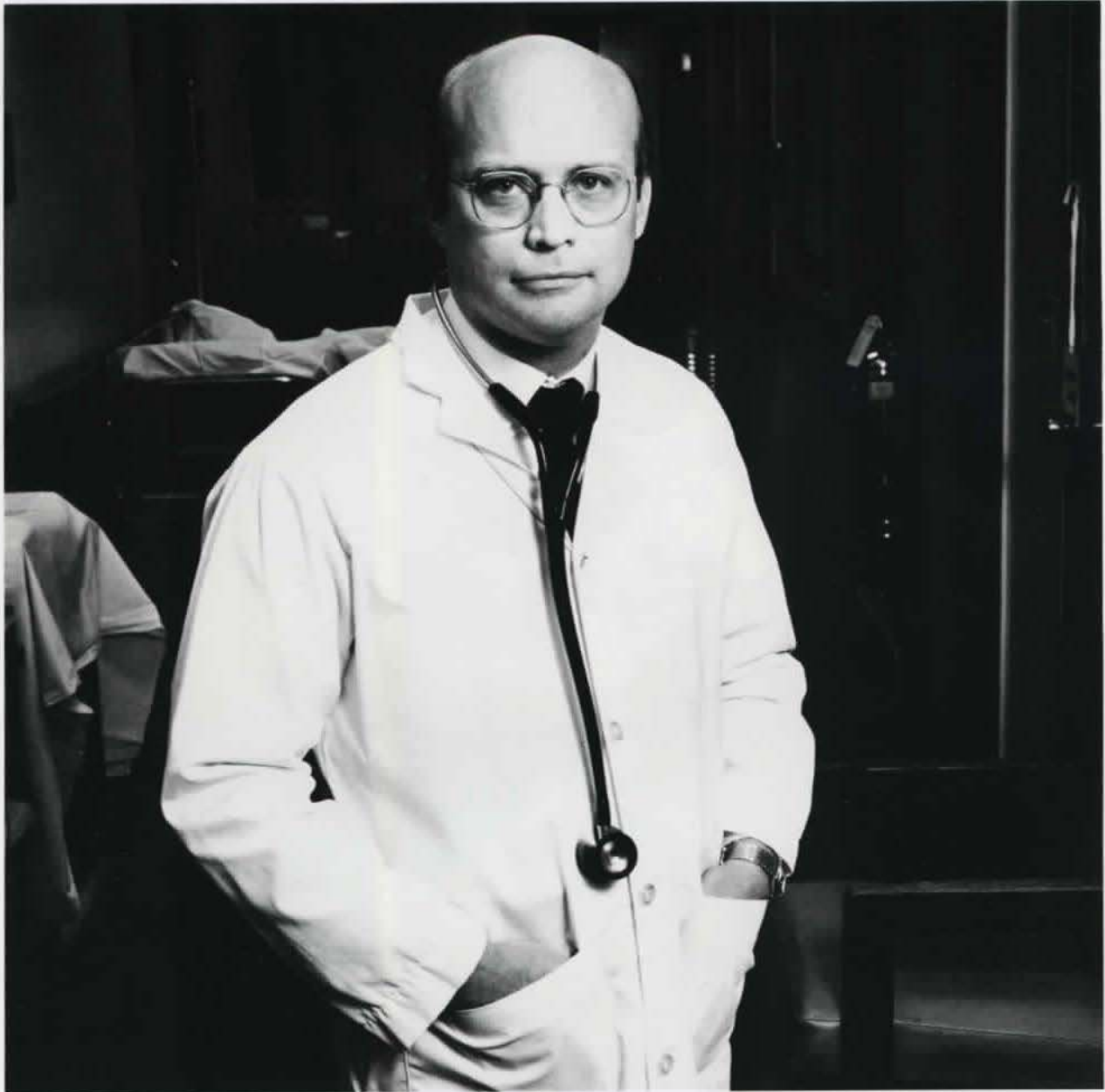


Rose Dobrof, D.S.W.

Executive Director of the Brookdale Center on Aging at Hunter College, Brookdale Professor of Gerontology, and professor in the Hunter College School of Social Work.

Dr. Dobrof has built a framework for aging-related activities at the Center in such critical areas as professional education and training, family caregiving, legal rights of elderly, and older adult education.

With Hartford support, the Center is conducting the New York City-based intergenerational life-history program.



John W. Rowe, M.D.

Chief of Gerontology at Beth Israel and Brigham and Women's hospitals and director of Harvard Medical School's Division on Aging.

Dr. Rowe has assembled at Harvard an impressive group of clinicians and researchers with expertise in a broad range of areas relating to the special problems of older patients.

Harvard is participating in the Foundation's Geriatric Faculty Development Awards program as one of four sites for the retraining of physicians in geriatrics.

Hartford Geriatric Faculty Development Awards Program

■ It is estimated that 2000 academic geriatricians must be trained by the year 1990; this number is at least ten times the number who are currently members of medical faculties in the United States.

This shortage of physicians trained in geriatrics affects all aspects of the health care system and its ability to meet the needs of the elderly. Without more geriatricians, only limited progress can be expected in efforts: i) to improve training for medical students and practicing physicians in the diagnosis and treatment of older patients; ii) to expand medical research on aging-related problems; and iii) to improve health services for the elderly.

Many of the nation's medical schools are attempting to respond to this shortage by creating departments or divisions of geriatrics. Others have developed fellowship training programs for post-residency medical students. These efforts have, in large part, been frustrated by a lack of fully trained geriatricians to staff the programs and the severe economic crisis affecting most teaching hospitals.

The Hartford Geriatric Faculty Development Awards are helping to address these problems by providing a one-year retraining program for academic physicians at four sites: Harvard Medical School, The Johns Hopkins University School of Medicine, The Mount Sinai School of Medicine and The University of California, Los Angeles, School of Medicine. Candidates are selected through a national competition and receive one year partial salary support to attend the training site of their choice. After the training, each physician is expected to return to his/her sponsoring institution to expand or develop the academic geriatrics program.

Each Award is made to the sponsoring institution to which each Hartford Scholar returns following his/her year of training. The Scholar receives the Award through his/her sponsoring institution in the amount of 75 percent of his/her current salary, not to exceed \$50,000, and a relocation allowance of \$5,000.

The following Scholars participated in the 1984-85 training programs:

Harvard Medical School

- Loren G. Lipson, M.D.
University of Southern California
- Edward J. Olsen, M.D.
George Washington University
Medical School

**The Johns Hopkins University
School of Medicine**

- William M. Simpson, Jr., M.D.
Medical University of South Carolina
- Donald D. Tresch, M.D.
Medical College of Wisconsin

The Mount Sinai School of Medicine

- Harold W. Schnaper, M.D.
University of Alabama
School of Medicine at Birmingham
- Myron F. Weiner, M.D.
University of Texas Health Science
Center at Dallas

**University of California, Los Angeles
School of Medicine**

- Michael F. Lubin, M.D.
Emory University School of Medicine
- Myron Miller, M.D.
State University of New York Upstate
Medical Center at Syracuse

The following physicians were awarded grants to participate in the upcoming 1985-86 training programs:

Harvard Medical School

- James K. Cooper, M.D.
University of Kentucky
Medical Center
- John Timothy Santinga, M.D.
University of Michigan
Medical Center

**The Johns Hopkins University
School of Medicine**

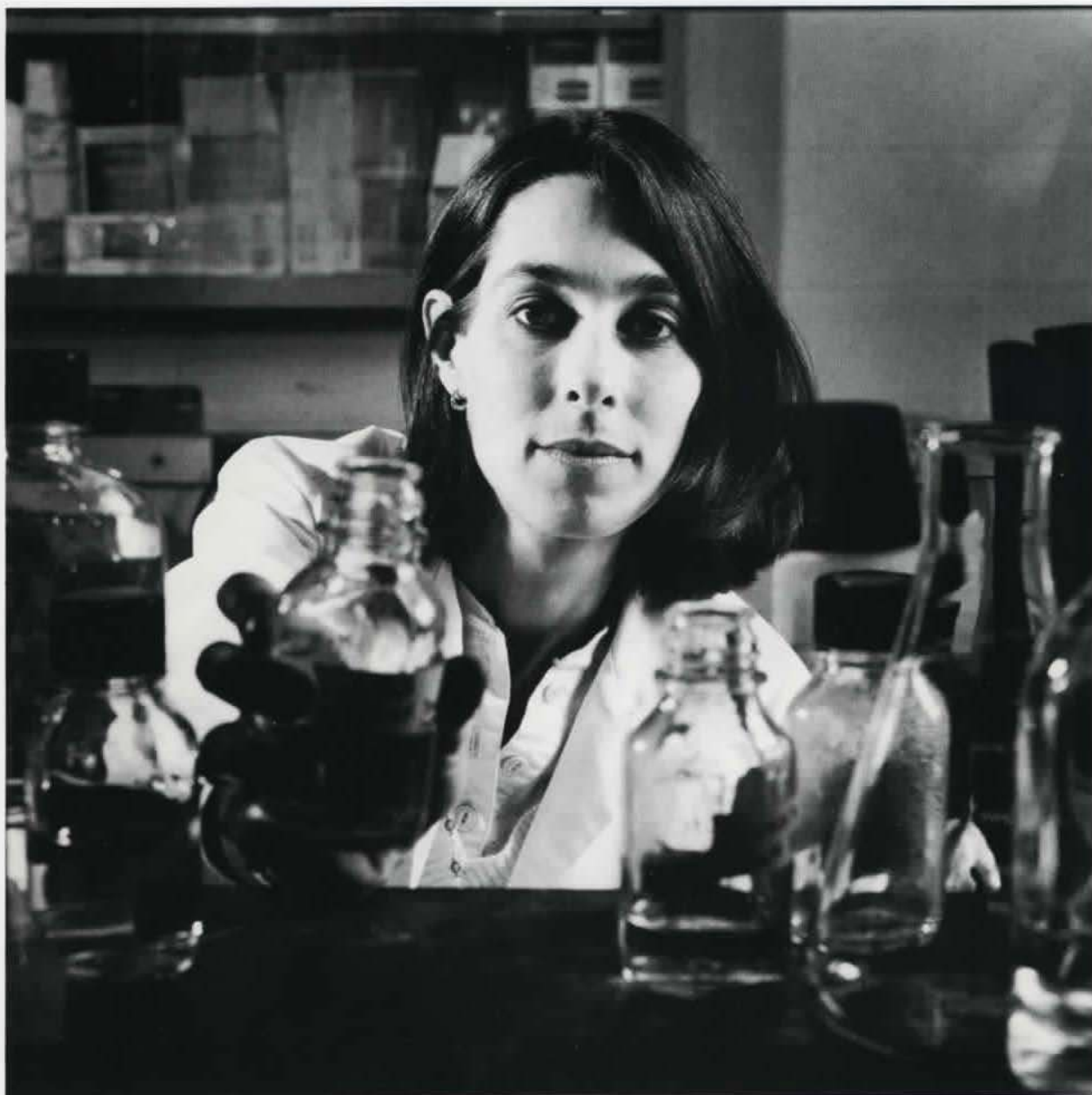
- Laurence Jay Robbins, M.D.
University of Colorado
Health Sciences Center
- Elizabeth London Rogers, M.D.
University of Maryland
Medical School

The Mount Sinai School of Medicine

- Reynard J. McDonald, M.D.
University of Medicine and
Dentistry of New Jersey
- Robert J. Nathan, M.D.
Hahnemann University

**University of California, Los Angeles
School of Medicine**

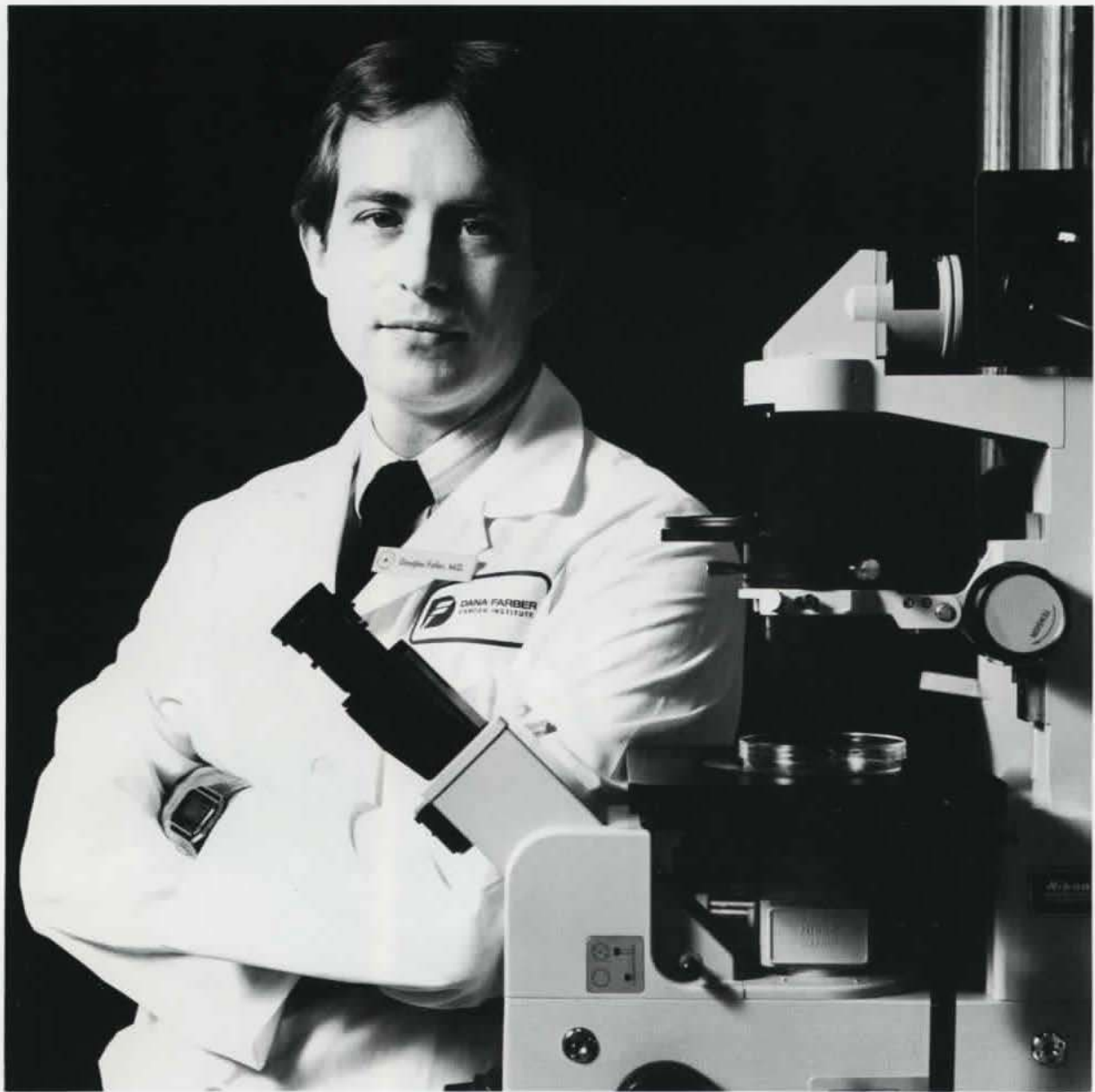
- Keith Champney, M.D.
Michigan State University



Laurie H. Glimcher, M.D. A 1984 John A. and George L. Hartford Fellow.

At Harvard, she is examining the way t-lymphocytes become activated by molecules on the surface

of other specialized cells in the immune system.



*Douglas V. Faller, M.D.,
Ph.D.*

A 1984 Hartford Fellow.

*He is conducting research
at the Dana Farber Cancer
Institute to enhance the
natural cellular immune*

*system for cancer preven-
tion and treatment.*

The John A. and George L. Hartford Fellowship Program

■ Established in 1979, The John A. and George L. Hartford Fellowship Program is designed to promote the training and development of young physicians who wish to pursue careers in medical research. The award provides assistance during the transition period that follows completion of post-doctoral clinical and research training, prior to the time when the Fellow has achieved sufficient productivity to compete for independent research support to sustain a program of investigation. Each year the Foundation awards twelve three-year grants of \$35,000 per year to twelve young physician researchers. The selections are based on nominations from a sponsoring medical school and the recommendations of an advisory committee of prominent researchers.

In 1984, Leon E. Rosenberg, dean of Yale University School of Medicine, assumed chairmanship of the advisory committee. Barbara J. McNeil, M.D., Ph.D., professor of Clinical Epidemiology and Radiology, Harvard Medical School and Thomas Merigan, M.D., Becker Professor and head, Division of Infectious Diseases, Stanford University School of Medicine, completed their terms on the advisory committee this year. Both have served on the Committee since the program's inception. The Foundation expresses its gratitude to both Dr. McNeil and Dr. Merigan for their commitment to and guidance of the program.

This year James Schwartz, M.D. joined the advisory committee. Dr. Schwartz is a professor of Psychology and Neurology at Columbia University College of Physicians and Surgeons. Daniel Foster, M.D., professor of Internal Medicine at the University of Texas Health Science Center at Dallas, John A. Oates, M.D., director of Clinical Pharmacology at Vanderbilt University School of Medicine, and E. Richard Stiehm, M.D., professor and head, Division of Pediatric Immunology/Allergy, University of California, Los Angeles, School of Medicine, all continue to serve on the committee.

The 1985 Hartford Fellows will begin work under the program during the summer of 1985. They are listed below along with the Fellows supported by the Foundation in 1985.

1985 Hartford Fellows

Francis S. Collins, M.D., Ph.D.

University of Michigan Medical School
"Directional Cloning of DNA Fragments
at a Large Distance From an Initial Probe
—'Chromosome Hopping' and Its
Applications."

Morris O. Dailey, M.D., Ph.D.

University of Iowa College of Medicine
"Migration and Localization Properties of
Activated T Lymphocytes and T Cell
Clones."

Rowan C. DeBold, M.D., Ph.D.

Vanderbilt University School of Medicine
"Regulation of Pro-opiomelanocortin
(POMC) Gene Expression in Human
Ectopic ACTH-Producing Tumors."

Ronald J. Falk, M.D.

University of North Carolina at Chapel Hill
School of Medicine
"Role of the Membrane Attack Complex in
Renal Disease."

Arthur L. Horwich, M.D.

Yale University School of Medicine
"Expression of cDNA for Human
Ornithine Transcarbamylase."

Anthony J. Infante, M.D., Ph.D.

University of Texas Health Science Center
at San Antonio
"Autologous-Reactive Human
T Lymphocyte Clones."

Ivan Lieberburg, M.D., Ph.D.

Albert Einstein College of Medicine
"Estrogen Dependent Gene Expression
in the Central Nervous System During
Development and Adulthood."

Christopher Y. Lu, M.D.

Harvard Medical School
"Macrophage Ontogeny: Its Regulation and
Implications for Self-Tolerance."

Jeffrey P. Moak, M.D.

Baylor College of Medicine
"Developmental Electrophysiology of Type
III Antiarrhythmic Drugs—Amiodarone
and D-Sotalol."

Robert C. Modlin, M.D.

University of Southern California
School of Medicine
"Immunopathology of Leprosy."

Stephen Peroutka, M.D., Ph.D.

Stanford University School of Medicine
"Characterization of Serotonin Receptor
Subtypes in the Central Nervous System."

Michael B. Prystowsky, M.D.

University of Pennsylvania
School of Medicine
"The Role of T Lymphocyte Factors in
Hemopoiesis."

1984 Hartford Fellows

Gregory K. Bergey, M.D.

University of Maryland
School of Medicine
"Cellular Mechanisms of Convulsant and
Anticonvulsant Action in Dissociated
Neurons on Tissue Culture."

Dennis W. Choi, M.D., Ph.D.

Stanford University School of Medicine
"Glutamate Chemosensitivity of
Mammalian Cortical Neurons."

Douglas V. Faller, M.D., Ph.D.

Harvard Medical School
"Analysis and Characterization of
T Lymphocyte Receptor Specificity Using
the Expression of Cloned Viral Gene
Products and H-2 Gene Products."

Andrew P. Feinberg, M.D.

The Johns Hopkins University
School of Medicine
"Alterations in DNA Methylation in
Human Cancer."

Roger A. Fleischman, M.D., Ph.D.
University of Texas Health Science Center
at Dallas
"Totipotent Hematopoietic Stem Cells:
Characterization by Monoclonal
Antibodies to Hematopoietic Surface
Antigens."

Laurie H. Glimcher, M.D.
Harvard Medical School
"Ia Mutations in Functional Antigen
Presenting Cell Lines."

Margaret K. Hostetter, M.D.
University of Minnesota Medical School
"Biochemistry of Pneumococcal Infection:
Central Role of the Thiolester Binding
Site of the Third Component of Human
Complement."

Jon D. Levine, M.D.
University of California, San Francisco,
School of Medicine
"Role of Synovial Nociceptors in
Experimental Arthritis."

Jane R. Parnes, M.D.
Stanford University School of Medicine
"Molecular Cloning and Expression of the
Transferrin Receptor Gene."

Lawrence R. Stanberry, M.D., Ph.D.
University of Cincinnati College
of Medicine
"Experimental Herpes Simplex Virus
Infection: Studies of the Natural History
of Latent Infection in Extraganglionic
Tissues."

Charles M. Strom, M.D., Ph.D.
University of Chicago School of Medicine
"The Human Type II Collagen Gene and
the Chondrodysplasias."

Jonathan D. Victor, M.D., Ph.D.
The Rockefeller University
"Visual Information Processing: Basic
Studies in the Cat Retina and Novel
Applications of Evoked Potentials
in Man."

1983 Hartford Fellows

David A. Auerbach, M.D.
Duke University School of Medicine
"Perinatal Changes in Beta-Receptor-
Adenylate Cyclase Regulation: Impact of
Drugs on Development."

Eugene B. Chang, M.D.
The University of Chicago
School of Medicine
"Role of Free Cytosolic Calcium in the
Regulation of Intestinal Electrolyte
Transport: Physiologic and
Pathophysiologic Aspects."

Donald E. Ganem, M.D.
University of California, San Francisco,
School of Medicine
"Hepatitis B-type Viruses: Molecular
Analysis of Replication and
Pathogenesis."

Robert E. Hall, M.D., Ph.D.
Medical College of Virginia
"Activation of Human Monocytes by
Factor B of the Alternative Complement
Pathway and Phorbol Myristate Acetate."

Brian B. Hoffman, M.D.
Stanford University School of Medicine
"Alpha² Adrenergic Receptor Mediated
Inhibition of Adenylate Cyclase."

Robert S. Kauffman, M.D., Ph.D.
Harvard Medical School
"Genetics of Reovirus Interaction with
Macrophages."

Theodore G. Krontiris, M.D., Ph.D.
Tufts University School of Medicine
"Analysis of a Human Transforming Gene
Family."

Oscar L. Laskin, M.D.
Cornell University Medical College
"Antiviral Agents as Diagnostic Tools and
Probes for Following Viral Infections."

Stephen A. Liebhaber, M.D.
University of Pennsylvania
School of Medicine
"Translational Control of Human
U-Globin Gene Expression."

Richard R. Neubig, M.D., Ph.D.
University of Michigan Medical School
"Mechanism of Alpha² Adrenergic
Receptor Function."

Jonathan I. Ravdin, M.D.
University of Virginia School of Medicine
"Entamoeba Histolytica: Mechanisms
and Prevention of Amebic Adherence
and Cytolysis."

Bradford S. Schwartz, M.D.
University of Wisconsin Medical School
"Induction and Biology of
Procoagulant Molecules in Human
Monocytes."

1982 Hartford Fellows*

Alice Bendix Gottlieb, M.D., Ph.D.
The Rockefeller University
"Ia-Bearing T Lymphocytes in Man:
Their Role in Normal Immune
Function and in the Generation of
Autoimmune Disease."

Richard A. Galbraith, M.D., Ph.D.
Medical University of South Carolina
"Insulin Receptor Regulation."

Roger D. Gingrich, M.D., Ph.D.
University of Iowa College of Medicine
"Membrane Antigens Linked with
Suppression of Malignancy."

Janette Goddard-Finegold, M.D.
Baylor College of Medicine
"Physiologic Reactions and Structural
Characteristics of the Cerebrovasculature
in an Experimental Model of Perinatal
Intracerebral Intra-ventricular
Hemorrhage."

Mary Ellen Kleinhenz, M.D.
Case Western Reserve University
School of Medicine
"Immunoregulatory Processes
Modulating T Lymphocyte Antigen
Responses in Human Tuberculosis."

Vishwanath R. Lingappa, M.D., Ph.D.
University of California, San Francisco,
School of Medicine
"Molecular Dissection of Topogenic
Sequences and their Genes: A Study of
Structure-Function Relations Through
Expression of Cloned Variants in Cell
Free Systems."

Gary K. Schoolnik, M.D.
Stanford University School of Medicine
"The Receptor Binding Domain of
Gonococcal Pili: Structure and
Immunochemistry."

Alan L. Schwartz, M.D., Ph.D.
Harvard Medical School
"Galactose—Terminal Glycoprotein
Receptor Function."

Peter J. Sims, M.D., Ph.D.
University of Virginia
School of Medicine
"Interaction of the C5b-9 Complement
Proteins with the Solute Barrier
Function of Membrane Lipid."

Jeffrey L. Sklar, M.D., Ph.D.
Stanford University School of Medicine
"Analysis of the Breakpoint in the
Philadelphia Chromosome."

Ajit P. Varki, M.D.
University of California, San Diego,
School of Medicine
"Biosynthesis and Regulation of
O-Acetylated Sialic Acids."

*The 1982 Fellows complete work under
the program in the summer of 1985.

Financial Reports
and
Summary of Active Grants

Financial Summary

■ The annual financial statements, which have been audited by Arthur Andersen & Co., appear on pages 57 to 72.

On December 31, 1984, the Foundation's assets were \$155.2 million, down \$1 million for the year. The Foundation's portfolio mix changed during the year, with stock holdings decreasing from 56 to 45 percent and fixed income growing from 43 to 54 percent. The remaining one percent of the portfolio at the end of 1983 and 1984 was comprised of venture capital limited partnerships. Commitments to such partnerships total \$6 million, with additional capital contributions in 1984 of \$1 million for a total of \$1.9 million invested to date.

In 1984, revenues on a cash basis totalled \$11.4 million, and cash payments for grants, program-related investments, expenses and federal excise tax were \$8 million. The yield on the market value of investments was approximately 8 percent for the year. Total return, income plus realized and unrealized capital gains, was 5.1 percent.

The Foundation's investment objective continues to be securing maximum long-term total return on its investment portfolio so that we can maintain a strong grants program while assuring continued growth of our assets at a level greater than the rate of inflation.

As of December 31, 1984, the Foundation's investments are managed by Capital Guardian Trust Company, T. Rowe Price Associates, Scudder, Stevens & Clark and Towneley Capital Management, Inc. In addition, the Foundation is an investor in the Oak Investment Partners III, Brentwood Associates IV, and Mayfield V venture capital limited partnerships. The Finance Committee, which also serves as the Foundation's Audit Committee, and the Board of Trustees meet regularly with each of the investment managers to review their performance and discuss current investment policy. The Chase Manhattan Bank, N.A. is custodian for all the Foundation's securities. A complete listing of investments is available for review at the Foundation offices.

Auditors' Report

To The John A. Hartford Foundation, Inc.:

We have examined the balance sheets of The John A. Hartford Foundation, Inc. (a New York not-for-profit corporation) as of December 31, 1984 and 1983, and the related statements of revenues, grants and expenses, and changes in fund balance for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of The John A. Hartford Foundation, Inc. as of December 31, 1984 and 1983, and the results of its operations and changes in its fund balance for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The data contained on pages 63 to 72, inclusive, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our examination of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

New York, New York
February 22, 1985

Arthur Andersen & Co.

Balance Sheets—December 31, 1984 and 1983

1984

1983

Assets

Cash in Operating Account	\$ 620	\$ 312
Interest and Dividends Receivable	2,426,486	2,223,457
Receivable for Pending Investment Sales	350,375	976,103
Other Current Assets	9,493	8,823
Investments (Notes 1 and 2)		
Cash in investment accounts	104,085	4,870
Short-term paper	12,118,855	15,586,444
Stocks	67,802,175	84,776,086
Long-term bonds	69,073,900	49,973,309
Venture capital partnerships	1,846,094	888,552
Total investments	<u>150,945,109</u>	<u>151,229,261</u>
Program Loans Receivable (Note 6)	1,438,149	1,750,000
Total assets	\$155,170,232	\$156,187,956

Liabilities and Fund Balance

Accounts Payable	\$ 177,740	\$ 176,466
Payable for Pending Investment Purchases	366,235	725,535
Federal Excise Tax Payable (Note 1):		
Current	294,323	434,872
Deferred	142,658	301,466
Grants Payable (Notes 1 and 5)	9,713,770	8,354,471
Total liabilities	<u>10,694,726</u>	<u>9,992,810</u>
Fund Balance	144,475,506	146,195,146
Total liabilities and fund balance	\$155,170,232	\$156,187,956

The accompanying notes to financial statements are an integral part of these balance sheets.

**Statements of Revenues, Grants and Expenses, and Changes in Fund Balance
for the Years Ended December 31, 1984 and 1983**

	1984	1983
Revenues:		
Dividends	\$ 3,169,965	\$ 3,499,958
Interest-		
Short-term paper	1,659,206	967,209
Long-term bonds	6,750,585	6,517,982
	<u>11,579,756</u>	<u>10,985,149</u>
Grants and Expenses:		
Grants awarded (less cancellations and refunds of \$102,755 in 1984 and \$732,422 in 1983)	6,896,931	6,502,662
Grant-related expenses	148,603	187,153
Provision for uncollectible program related loans	149,561	—
Federal excise tax on net investment income (Note 1)	221,910	209,590
Investment fees	484,232	487,560
Personnel salaries and benefits (Note 4)	673,789	669,138
Professional services	91,198	98,564
Office and other expense	397,551	350,569
Foundation history project	35,931	10,767
	<u>9,099,706</u>	<u>8,516,003</u>
Excess of revenues over grants and expenses	2,480,050	2,469,146
Net Realized and Change in Unrealized Gain (Loss) on Security Transactions (Note 2)	(4,233,329)	11,056,462
Assets Received Upon Termination of Trust (Note 7)	<u>33,639</u>	<u>—</u>
Increase (decrease) in fund balance for the year	(1,719,640)	13,525,608
Fund Balance, beginning of year	<u>146,195,146</u>	<u>132,669,538</u>
Fund Balance, end of year	<u>\$144,475,506</u>	<u>\$146,195,146</u>

The accompanying notes to financial statements are an integral part of these statements.

(1) Summary of significant accounting policies:

Investments in marketable securities are stated at quoted market prices, except that short-term paper is stated at cost, which approximates market. Investments in venture capital partnerships are carried at cost plus the Foundation's share of the undistributed earnings of the partnerships.

The Federal excise tax (currently 2%) on net investment income and on net gains on securities transactions is accrued as incurred. Deferred tax of \$142,658 and \$301,466 applicable to the unrealized appreciation of investments at December 31, 1984 and 1983, respectively, is included in Federal excise tax payable.

The liability for grants payable is recognized when specific grants are authorized by the Trustees and the recipients have been notified.

Furniture, office equipment and supplies are expensed in the year acquired. The cost of these items is not significant.

(2) Investments:

The net loss on investments in 1984 is summarized as follows:

	Cost	Quoted Market Price	Appreciation
Balance, December 31, 1983	\$136,155,970	\$151,229,261	\$15,073,291
Balance, December 31, 1984	\$143,812,220	\$150,945,109	\$ 7,132,889
Unrealized depreciation during the year, net of decrease in deferred Federal excise tax of \$158,808			(\$ 7,781,594)
Realized gain, net of provision for Federal excise tax of \$72,413			3,548,265
Total net loss			(\$4,233,329)

The net gain on investments in 1983 is summarized as follows:

	Cost	Quoted Market Price	Appreciation
Balance, December 31, 1982	\$122,765,467	\$137,820,743	\$15,055,276
Balance, December 31, 1983	\$136,155,970	\$151,229,261	\$15,073,291
Unrealized appreciation during the year, net of increase in deferred Federal excise tax of \$360			\$ 17,655
Realized gain, net of provision for Federal excise tax of \$225,282			11,038,807
Total net gain			\$11,056,462

During 1983, the Foundation entered into three limited partnership venture capital agreements. As of December 31, 1984, \$1,900,000 had been invested in these partnerships. Future commitments under the agreements aggregate \$4,100,000.

(3) Commitment under lease:

The Foundation occupies office facilities under a lease expiring in 1994 which provides for escalation resulting from increases in real estate taxes and certain other building expenses. Rent expense in 1984 and 1983 was \$116,985 and \$98,850, respectively.

The following summarizes future minimum rental payments required under the lease, net of receipts from a sublease:

	Minimum Rental
1985	\$ 88,000
1986	117,300
1987	117,300
1988	117,300
1989	117,900
Thereafter to 1994	608,300
Total minimum commitment	\$1,166,100

(4) Pension plan:

The Foundation has a defined contribution retirement plan covering all eligible employees. Pension expense under the plan for 1984 and 1983 amounted to \$46,577 and \$40,428, respectively. The Foundation's policy is to fund pension costs currently. There are no prior service costs. The Foundation also incurred additional pension costs of approximately \$42,000 in 1984 and \$24,000 in 1983 for payments to certain retirees who are not entitled to Foundation funded benefits from the retirement plan.

(5) Grants payable:

The Foundation estimates that the grants payable balance as of December 31, 1984, will be paid as follows:

	Amount
1985	\$5,574,384
1986	3,048,408
1987	1,090,978
	\$9,713,770

(6) Program loans receivable:

Program loans which have been made to certain not-for-profit organizations for use in approved projects are repayable in two to six years and, in certain cases, provided interest at rates up to 8%. Unexpended commitments for future loans aggregated \$242,000 at December 31, 1984.

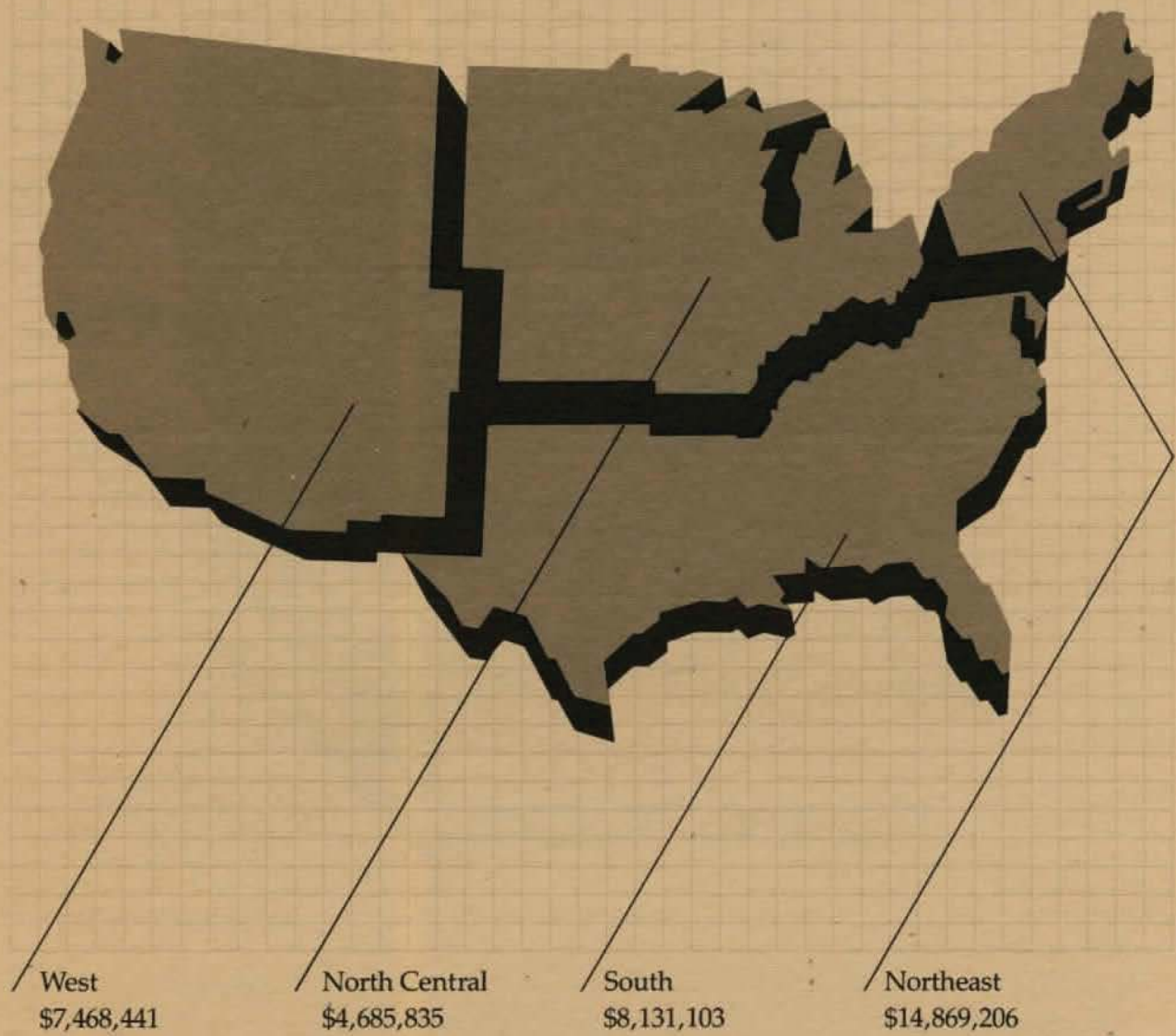
(7) Assets received upon termination of trust:

In 1959, a trust was established to fund the maintenance of John A. Hartford's grave. In 1984, in accordance with the trust indenture agreement, the trust was liquidated, with remaining principal and interest being paid to the Foundation.

(8) Foreign currency purchase commitments:

In connection with investments in foreign securities, the Foundation was obligated at December 31, 1984 and 1983, under short-term foreign currency forward purchase commitments aggregating \$85,298 and \$352,486, respectively.

Total Active Grants in 1984*



*Total active grants approved include program-related investments but not matching grants.

Total Grants Approved in 1984*
(in Millions of Dollars)

Total \$7.1

A.

B.

C.

D.

A. Health Care
Financing \$2.8

B. Aging and Health
\$2.6

C. Hartford Fellows
Program \$1.4

D. Other \$.3

**Total Grants approved include program related investments*

Summary of Active Grants 1984

	Balance Due January 1, 1984	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1984
Health Care Financing				
American Academy of Pediatrics Elk Grove Village, IL An experiment to test the relative merits of a health care reimbursement plan for Medicaid children in which doctors are prepaid. Janet Perloff, Ph.D.	\$479,262		\$155,434	\$323,828
Blue Shield of California Education and Research Foundation San Francisco, CA A renewal grant to continue evaluation of an insurance plan that offers consumers financial rewards for reducing unnecessary use of medical services. Charles L. Parcell	54,774		54,774	
Brigham and Women's Hospital Boston, MA Creation of a product cost accounting system for hospital management. Barbara J. McNeil, M.D., Ph.D.		364,484	81,492	282,992
Center for Policy Studies Minneapolis, MN Technical assistance to selected cities for implementation of competition initiatives and policy analysis to evaluate market approaches to health cost-containment. Walter McClure, Ph.D.	50,000	150,000	50,000	150,000
Clackamas Health Care Consortium Milwaukie, OR A renewal grant to continue a Foundation-supported consortium of two hospitals and an insurance plan as it develops and markets a new HMO and implements new shared services. Judith Janneck	50,000		50,000	
Community Service Society New York, NY A renewal grant to continue a Foundation-supported consortium of community primary care health centers in the South Bronx as they develop shared services, joint programs and alternative financing mechanisms. Christel Brellochs	75,000		75,000	

	Balance Due January 1, 1984	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1984
Dartmouth Medical School Hanover, NH Analysis of small area variations in the use of costly and risky surgical and medical treat- ments; and assistance to employers and physician groups in using the results. John E. Wennberg, M.D.	\$225,000		\$ 75,000	\$150,000
Duke University Center for Health Policy Research and Education Durham, NC Design and evaluation of a system for health insurance plans to make better decisions on what medical costs they will reimburse, and dissemination of results. David M. Eddy, M.D., Ph.D.	201,222		66,026	135,196
Georgetown University Washington, DC Analysis of employee choices among health benefits including health maintenance organizations. Judith Feder	137,022		137,022	
George Washington University Washington, DC State workshops on market and non-market strategies for controlling health care costs. Judith Miller Jones	102,000		43,000	59,000
Harvard Community Health Plan Boston, MA Demonstration and cost evaluation of a new treatment method for adult depression in an HMO. Simon Budman, Ph.D.	120,997		67,367	53,630
HealthChoice, Inc. Portland, OR Demonstration project to help improve the availability of health coverage for the self- employed in Portland, Oregon. Susan Kaufman	278,346		135,283	143,063
Institute of Medicine/ National Academy of Sciences Washington, DC Review of effect of for-profit organization on health care. Bradford H. Gray, Ph.D.		150,000		150,000

	Balance Due January 1, 1984	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1984
InterStudy Excelsior, MN A renewal grant to continue educational and promotional activities directed toward health system reform and the creation of market forces in health care. Paul M. Ellwood, Jr., M.D.	\$469,500		\$ 86,500	\$383,000
Maternity Center Association New York, NY A renewal grant to establish the National Association of Childbearing Centers. Ruth Watson Lubic	77,000		77,000	
Mayo Foundation Rochester, MN Development of benchmarks for more cost-effective medical care. Fred T. Nobrega, M.D.	127,557		92,442	35,115
Midpeninsula Health Service Palo Alto, CA Development of a new form of preferred provider health care financing plan. Jeanne Ewy	124,678		114,483	10,195
National Executive Service Corps New York, NY A renewal grant to continue the work of retired executives to improve marketing and management of HMOs in the Philadelphia area. David W. Clark	49,700		49,700	
National Governors' Association Washington, D.C. Documentation of recent non-regulatory health care financing reforms in the state of California and dissemination of findings to governors and health officials in other states. Richard Curtis	156,547		156,547	
New England Medical Center Boston, MA Improving efficiency in the medical, surgical and pediatric units of hospital. Peter Van Etten		300,000	50,000	250,000
New York Hospital Cornell Medical Center New York, NY Evaluation of and technical assistance for surgical second-opinion and surgeons' fee negotiation programs for union workers. Eugene McCarthy, M.D.	70,568		70,568	

	Balance Due January 1, 1984	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1984
New York Hospital New York, NY Improving productivity in hospital operating rooms. Rosemary Clemens, Ph.D.		\$769,000	\$25,000	\$744,000
North Carolina Foundation for Alternative Health Programs, Inc. Raleigh, NC Development of prepaid group practice plans to promote competition in health care. James Bernstein	120,000			120,000
On Lok Senior Health Services San Francisco, CA Demonstrations of prepaid financing for long- term care of the frail elderly. Richard Zawadski, Ph.D.	158,325		30,744	127,581
Overlook Hospital Summit, NJ Development of new management systems for a reimbursement plan in which rates are estab- lished in advance and vary according to the diagnosis of patients treated. Nancy Meyerowitz	121,683		15,638	106,045
Palo Alto Medical Foundation Palo Alto, CA Analysis of the costs of medical care in the last year of life and dissemination of results. Anne A. Scitovsky	148,440		101,515	46,925
People-to-People Health Foundation Millwood, VA Evaluation of selected employer initiatives to control health costs. Allen Meyerhoff		50,000	25,000	25,000
St. Luke's Hospital of Middleborough Middleboro, MA A renewal request for three hospitals to com- plete plans for a lower cost, coordinated service system. Peter Brown		45,000	45,000	
University of California, Los Angeles Los Angeles, CA A renewal grant to conclude a three-year com- prehensive national study of variations in clinical practices. Robert H. Brook, M.D.	250,000			250,000

	Balance Due January 1, 1984	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1984
University of Pennsylvania Philadelphia, PA Improving cost-effectiveness of physician practice patterns in hospitals. J. Sanford Schwartz, M.D.		\$524,997		\$524,997
University of Vermont Burlington, VT Presentation of variations in physician practice patterns to a general audience. Hamilton Davis		58,408	58,408	
Yale University/Harvard University Demonstration of controlling costly hospital admissions from the emergency room for patients with suspected heart attacks or serious head injuries. Donald A. Brand, Ph.D. Lee Goldman, M.D.	207,514	340,000	207,514	340,000
Subtotal	\$3,855,135	\$2,751,889	\$2,196,457	\$4,410,567
Aging and Health				
Brigham and Women's Hospital Boston, MA A demonstration and evaluation of an out-patient geriatric assessment unit. Arnold M. Epstein, M.D.		580,000	104,390	475,610
Brookings Institution Washington, DC Major national study examining ways to improve the financing and organization of long- term care for frail elderly. Alice M. Rivlin, Ph.D.		70,000	33,385	36,615
Choate-Symmes Health Services, Inc. Woburn, MA A demonstration and research project to develop a specialized unit and program to improve care for the hospitalized elderly. Thomas W. Huebner	199,280		128,514	70,766
The Gerontological Society of America Washington, DC Publication of a biennial report which docu- ments trends in income, health and demo- graphics among the elderly, and identifies research and program options. Eric R. Kingson, Ph.D.		50,000	50,000	

	Balance Due January 1, 1984	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1984
Lenox Hill Neighborhood Association New York, NY A demonstration project to coordinate assessment of and referral to needed services for elderly and their families. David J. Stern	\$35,000			\$35,000
Lutheran Medical Center Brooklyn, NY Establishment of a hospital-based community care organization to ensure the identification, delivery, and financing of long-term care services to elderly in the community. George Adams	67,500			67,500
Mount Sinai School of Medicine New York, NY Development and implementation of an ambulatory care clinic for the prevention and treatment of mobility problems. Arthur Kay, M.D.	250,000			250,000
Older Americans Consumer Cooperative Washington, DC Planning and development of a comprehensive consumer health information program for older patients. James P. Firman, Ed.D.		100,000	50,000	50,000
Philadelphia Geriatric Center Philadelphia, PA A demonstration project to provide respite care for family caregivers of Alzheimer's patients. Elaine M. Brody	206,625		130,550	76,075
Research Foundation of CUNY New York, NY A demonstration to develop a model for an intergenerational life-history program. Rose Dobrof, D.S.W.		294,791	50,000	244,791
Senior Medical Consultants New York, NY Development and implementation of a continuing medical education program in geriatrics for primary care physicians in local hospitals. Melvin Horwith, M.D.		150,000	37,500	112,500

	Balance Due January 1, 1984	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1984
SUNY/Buffalo, Center for the Study of Aging Buffalo, NY A demonstration project to expand and upgrade a model for assistance to family care- givers of the elderly, using training sessions in community, hospital, and nursing home settings. Carol A. Nowak, Ph.D.	\$44,500		\$44,500	
University of California, Los Angeles Los Angeles, CA Pilot development and evaluation of methods to assess early signs of functional decline in the older patient. Robert L. Kane, M.D.		185,000	92,500	92,500
University of California, San Francisco San Francisco, CA One of two demonstration sites developing a model for self-management of chronic illness by older patients. Albert R. Martin, M.D.		79,526	39,763	39,763
University of Connecticut Farmington, CT Evaluation and assessment of the impact of coordinated service delivery on therapeutic drug utilization among elderly residing in the community. Richard A. Lusky, Ph.D.	57,000		57,000	
University of Michigan Ann Arbor, MI One of two demonstration sites developing a model for self-management of chronic illness by older patients. Noreen M. Clark, Ph.D.		111,874	55,937	55,937
University of North Carolina Chapel Hill, NC A national review of adult day care programs to develop a state-of-the-art planning model for effective program designs. William Weissert, Ph.D.		295,192	60,346	234,846

	Balance Due January 1, 1984	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1984
Hartford Geriatric Faculty Development Awards				
Implementation and operation of a training program for mid-career physicians who are retraining for academic careers in geriatrics.				
Harvard Medical School Boston, MA Richard W. Besdine, M.D.	\$190,000	\$80,000	\$190,000	\$80,000
The Johns Hopkins University School of Medicine Baltimore, MD William R. Hazzard, M.D.	190,000	80,000	190,000	80,000
The Mount Sinai School of Medicine New York, NY Robert N. Butler, M.D.	190,000	80,000	190,000	80,000
University of California, Los Angeles School of Medicine Los Angeles, CA David H. Solomon, M.D.	190,000	40,000	190,000	40,000
Partial salary support for the selected mid-career physicians who are retraining for academic careers in geriatrics.				
Robert J. Nathan, M.D.				
Michigan State University East Lansing, MI Keith Champney, M.D.		55,000		55,000
University of Colorado Denver, CO Laurence Jay Robbins, M.D.		55,000		55,000
University of Kentucky Medical Center Lexington, KY James K. Cooper, M.D.		55,000		55,000
University of Maryland Medical School Baltimore, MD Elizabeth London Rogers, M.D.		55,000		55,000
University of Medicine and Dentistry of New Jersey Newark, NJ Reynard J. McDonald, M.D.		55,000		55,000
University of Michigan Ann Arbor, MI John Timothy Santinga, M.D.		55,000		55,000
Subtotal	\$1,619,905	\$2,581,383	\$1,694,385	\$2,506,903

	Balance Due January 1, 1984	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1984
Energy				
Association of Physical Plant Administrators of Universities and Colleges	110,000		110,000	
Washington, DC				
A renewal grant to complete college and uni- versity energy management and financing demonstrations, and to disseminate the results.				
Christopher Crittenden				
Subtotal	\$110,000		\$110,000	
Hartford Fellows Program				
Fellowships Starting in 1982	415,800		415,800	
Fellowships Starting in 1983	926,100		453,600	472,500
Fellowships Starting in 1984	1,360,800		453,600	907,200
Fellowships Starting in 1985		1,360,800		1,360,800
Subtotal	\$2,702,700	\$1,360,800	\$1,323,000	\$2,740,500
Other				
Baylor College of Medicine	55,800			55,800
Houston, TX				
The Foundation Center		5,000	5,000	
New York, NY				
Hospice of Santa Barbara		25,000	25,000	
Santa Barbara, CA				
New York Philharmonic		100,000	100,000	
New York, NY				
New York Regional Association of Grantmakers		5,000	5,000	
New York, NY				
Waveny Care Center		25,000	25,000	
New Canaan, CT				
Matching Grants*		145,614	145,614	
Subtotal	\$55,800	\$305,614	\$305,614	\$55,800
Grants Cancelled or Refunded	10,931	(102,755)	(91,824)	
Total (All Grants)	\$8,354,471	\$6,896,931	\$5,537,632	\$9,713,770

*Grants made under the Foundation's program for matching charitable contributions of Trustees and employees.

Program Related Investments

	Authorized Not Issued Jan. 1, 1984	Loans Authorized 1984	Loans Issued 1984	Authorized Not Issued Dec. 31, 1984
Health Care Financing				
HealthChoice, Inc. Portland, OR A loan to develop a method of providing the self-employed and small businesses with more comprehensive health coverage at a reasonable cost. Susan Kaufman		\$92,000		\$92,000
San Bernardino Primary Health Care System San Pedro, CA A loan to establish a health care payment system for Medi-Cal patients in which doctors will be prepaid.	100,000			100,000
Washington Business Group on Health Washington, DC A loan to develop a monthly magazine, <i>Business and Health</i> , to help employers manage health benefits costs while insuring that their employees receive quality health care. Willis Goldbeck	100,000		100,000	
Aging and Health				
The Gerontological Society of America Washington, DC A loan to publish a biennial report which documents trends in income, health and demographics among the elderly, and identifies research and program options. Eric R. Kingson, Ph.D.		50,000		50,000
Total	\$200,000	\$142,000	\$100,000	\$242,000

Additional Active Projects

(Grants and program related investments still active in 1984, but no Foundation payout remaining.)

Health Care Financing

The American College of Physicians
Philadelphia, PA
Research on the efficacy of diagnostic and therapeutic procedures.
John Ball, M.D.
1980; \$650,412; 3 years

Council of Medical Specialty Societies
Lake Forest, IL
A study of malpractice claims and the development of an educational program to prevent incidents that lead to malpractice suits.
Donald Aaronson, M.D.
1981; \$369,100; 2 years

Executive Service Corps of Chicago
Chicago, IL
Promotion of prepaid health plans in Chicago.
Marvin J. Berz
1983; \$50,000; 1 year

George Washington University
Washington, DC
A grant to develop a manual for health cost coalitions to improve understanding of antitrust implications (if any) of coalition activities.
Judith Miller Jones
1982; \$89,165; 1 year

Harvard Medical School
Boston, MA
A comparison of the costs and effectiveness of new radiologic technologies.
Barbara J. McNeil, M.D., Ph.D.
1979; \$286,300; 3 years

Indochinese Cultural and Service Center/ at the Neighborhood House
Portland, OR
A loan to support publication of bilingual guides to the American medical system in three Indochinese languages and English.
Carol Law
1982; \$20,000 loan

Institute for the Future
Menlo Park, CA
Development of a strategy for supporting information systems innovation in health care.
Robert Johansen, Ph.D.
Mary Poulin
1983; \$89,800; 1 year

Johns Hopkins University
Baltimore, MD
A renewal grant to expand the Foundation-supported Center for Hospital Finance and Management, and to support four specific studies of hospital economic behavior and up to three grant evaluations for the Foundation.
Carl J. Schramm, Ph.D., J.D.
1982; \$450,000; 2 years

Manhattan Eye, Ear and Throat Hospital
New York, NY
Establishment of an out-patient ambulatory surgery center.
George Sakar, Ph.D.
1981; \$300,000 loan

Monterey County Special Health Care Authority
Salinas, CA
Assistance to devise a new health insurance system for low-income people.
Lawrence Zimmerman
1983; \$50,000; 1 year

Northern Sierra Hospital Council

Chico, CA

A renewal grant to create a rural hospital management consortium.

Sharon Avery

1983; \$100,000; 1 year

Omaha Cost Containment Coalition

Omaha, NB

Omaha employers' health cost coalition.

James Johnson

1981; \$150,000; 1 year

Rutgers Medical School—UMDNJ

Piscataway, NJ

A renewal grant to complete the final year of a three-year demonstration of health promotion activities with the elderly.

Frank Snope, M.D.

1982; \$100,000; 1 year

San Bernardino Primary Care Health Care System

San Pedro, CA

Establishment of a health care payment system for Medi-Cal patients in which donors will be prepaid.

1981; \$85,000; 2 years

United Health Services, Inc.

Johnson City, NY

A renewal grant to complete the second year of a two-year project creating a new case-mix based management structure and information system in three recently merged hospitals.

Linda Battaglini

1982; \$275,000; 1 year

University of Arizona

Tucson, AZ

An evaluation of the competitive bidding process in Arizona's Medicaid experiment.

Jon B. Christianson, Ph.D.

1982; \$75,000; 1½ years

University of Illinois**Department of Preventive Medicine and Community Health**

Chicago, IL

Development and dissemination of a method for employers to estimate the full cost of employee health benefits, emphasizing the effect of plan design on employee absenteeism.

Gwynne Winsberg, Ph.D.

1982; \$110,056; 1 year

Utah Health Cost Management Foundation

Salt Lake City, UT

A renewal grant for a coalition of business, labor, government and provider leaders who are attempting to stimulate strong market forces in Utah's health system as a means of controlling costs.

Peter Singer

1982; \$150,000; 1 year

Aging and Health

Harvard Medical School

Boston, MA

Hartford Geriatric Faculty

Development Awards training site planning grant.

Richard W. Besdine, M.D.

1983; \$30,000; 1 year

Harvard Medical School

Boston, MA

A loan to support a continuing education teleconference to help general practitioners improve care for older patients.

Stephen Goldfinger, M.D.

1983; \$130,000 loan.

**The Johns Hopkins University
School of Medicine**
Baltimore, MD
Hartford Geriatric Faculty
Development Awards training site
planning grant.
William R. Hazzard, M.D.
1983; \$30,000; 1 year

The Mount Sinai School of Medicine
New York, NY
Hartford Geriatric Faculty
Development Awards training site
planning grant.
Robert N. Butler, M.D.
1983; \$30,000; 1 year

**University of California, Los Angeles
School of Medicine**
Los Angeles, CA
Hartford Geriatric Faculty
Development Awards training site
planning grant.
David H. Solomon, M.D.
1983; \$30,000; 1 year

Energy

Alliance to Save Energy
Washington, DC
A renewal grant to assist Arkansas Power
and Light in designing and implementing
new incentives to encourage conservation
investments, and to disseminate results.
Douglas Norland, Ph.D.
1982; \$50,000; 1 year

Contra Costa County
Concord, CA
A grant to implement and evaluate a new
voluntary electricity rate for residential
customers in Contra Costa County, which
will reflect the different costs of producing
electricity at different times of day.
Sara M. Hoffman
1982; \$135,000; 2 years

**The Health Service Improvement
Fund, Inc.**
New York, NY
Hospital Energy Efficiency
Capital Fund.
Kenneth Weiner
1981; \$750,000 loan

**New England Environmental Mediation
Center**
Boston, MA
New England Energy Mediation Project.
William R. Humm
1980; \$150,000; 2 years

The New York Community Trust
New York, NY
Energy Conservation Capital Fund for
non-profit organizations.
Clara Miller
1981; \$250,000 loan

The Rand Corporation
Santa Monica, CA
Promotion of energy efficiency through
improved electricity pricing.
Jan Paul Acton, Ph.D.
1982; \$75,000; 1 year

**Urban Homesteading Assistance
(UHAB), Inc.**
New York, NY
Demonstration of a financing program
to stimulate private lending for energy
efficiency improvements in low and
moderate-income housing cooperatives
in New York City.
Robert Pierpont
1981; \$100,000 grant and \$200,000 loan

Application Procedures

■ The John A. Hartford Foundation is a private philanthropy established in 1929 by John A. Hartford. Mr. Hartford and his brother, George L. Hartford, both former chief executives of The Great Atlantic & Pacific Tea Company, left the bulk of their estates to the Foundation upon their deaths in the 1950s. Since 1979, the Foundation has focused its support on improving the organization and financing of health care, assisting the health care system to accommodate the nation's aging population, and aiding the early career development of physician researchers. Before 1979, the Foundation primarily supported clinically-oriented biomedical research projects.

Grants in Program Areas

Organizations seeking grant awards from the Foundation may submit proposals at any time. No formal application forms are required, but proposed projects should be consistent with the Foundation's interests and guidelines and within the scale of other Foundation-supported activities. The scope and purposes of the Foundation's grant programs are described earlier in this Report, and more detailed and current program guidelines may be obtained by contacting the Foundation.

Within each program area, preference will be given to projects that seek to demonstrate and evaluate specific innovative solutions to clearly defined problems, with emphasis on projects that, if successful, can serve as models for other organizations or decision-makers facing similar problems. Support is not provided for general research or for general activities not clearly linked to specific objectives.

To apply for support, please submit a brief letter describing the proposed project to the appropriate program officer. If a project is adequately described in a prepared proposal, the Foundation will accept the proposal for review without further introduction, but if a proposal must be prepared, applicants are strongly encouraged to describe the activity first in a letter of inquiry.

Project descriptions and proposals should be concise and should outline the nature and importance of the problem to be addressed; the specific solution to be designed or evaluated; how the proposed solution differs from other projects addressing the same problem; what the unique contributions of the project are anticipated to be; the criteria for measuring the project's success; the relevant experience and expertise of the persons and organizations proposing to conduct and sponsor the project; and the funds required. Detailed application procedures can be obtained by writing to the Foundation.

The Foundation makes grants only to organizations having tax exempt status under Section 501(c)(3) of the Internal Revenue Code, and to those that are not private foundations within the meaning of Section 509(a) of the Code, or in the absence of such a determination, to a State or any political subdivision thereof within the meaning of Section 170(c)(1) of the Code, or a state college or university. The Foundation does not make grants to individuals.

Please submit letters of inquiry and proposals in duplicate. Initial inquiries should be made at least six months before funding is needed. The proposed project will be reviewed by members of the Foundation's staff and possibly by outside reviewers. You will be notified of the results of this review in approximately one month and may be asked to supply additional information. The Foundation rarely provides support for periods longer than three years.

Hartford Fellows Program

The John A. and George L. Hartford Fellowship Program has formal application materials and an application deadline. Twelve Fellows are chosen annually through a national competition. Each Fellow, a young physician with a doctorate in medicine, beginning on a faculty track in a U.S. medical institution, receives salary support of \$35,000 per year for three years. A committee of scientific advisors meets yearly to review each application and make its recommendation to the Board of Trustees for final approval. Detailed information on eligibility and the application process may be obtained by writing to the Fellowship Program Officer at the Foundation.

Hartford Geriatric Faculty Development Awards

The Hartford Geriatric Faculty Development Awards program also has a formal application process. Applications are accepted once per year, in June, for participation in the retraining program beginning July, August, or September of the following year. Approximately eight Scholars are designated annually. Each Scholar, a mid-career physician with a full-time faculty appointment at a U.S. medical school, receives partial salary support at 75 percent of his or her salary, not to exceed \$50,000, and a relocation allowance of \$5,000. Candidates indicate the training site(s) of their choice (from among four sites) on the application form. Interested candidates may request more detailed information about eligibility, applications and materials describing the training sites from the Program Officer at the Foundation. For more information on the training programs, contact:

Harvard Medical School
Division of Aging
643 Huntington Avenue
Boston, MA 02115
Richard W. Besdine, M.D.
(617) 325-8000 Ext. 291
John W. Rowe, M.D.
(617) 735-4581

**The Mount Sinai
School of Medicine**
Department of Geriatrics
and Adult Development
1 Gustave L. Levy Place
New York, NY 10029
Robert N. Butler, M.D.
Leslie S. Libow, M.D.
(212) 650-5561

**The Johns Hopkins University
School of Medicine**
Department of Medicine
Baltimore, MD 21205
William R. Hazzard, M.D.
(301) 955-8131
John R. Burton, M.D.
(301) 396-9193

**University of California, Los Angeles
School of Medicine**
Multicampus Division of
Geriatric Medicine
10833 LeConte Avenue
Los Angeles, CA 90024
David H. Solomon, M.D.
John C. Beck, M.D.
(213) 825-8255

Program-Related Investments

The Foundation sometimes provides conventional financing on a loan, guarantee, or equity basis to organizations working in its program areas. Organizations conducting work in the Foundation's program areas are encouraged to inquire about the possibility of a program-related investment. Application procedures are similar to those detailed under "Grants in Program Areas" above.

Publications

Along with this Annual Report, the Foundation also publishes *The John A. Hartford Foundation Bulletin*, which provides more detailed information about some of the projects supported. If you wish to be added to the mailing list, please write to the Foundation.

Further Information

Inquiries about the Foundation and its programs should be addressed to:

Executive Director
The John A. Hartford Foundation, Inc.
405 Lexington Avenue
New York, New York 10174.
Phone: (212) 661-2828.

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