

The
John A. Hartford
Foundation



1985
Annual Report





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Report of the Chairman

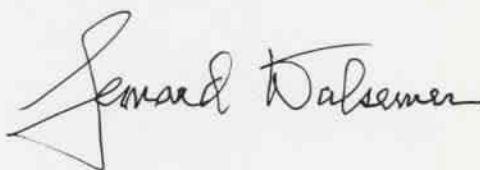
This year's Annual Report includes a review of the Hartford Foundation's major programs from their inception. We hope that by presenting the cumulative result of several years' work we will provide the reader with a better understanding of the goals and strategies underlying those programs.

1985 was an important year for the Foundation. Initiatives were taken to develop better measures for facilitating biotechnology transfer and to address the medication problems of older patients. We are grateful to our fellow Trustees, Richard Cramer, for his activities during the formative stages of our entrance into biotechnology, and Nuala Pell, for her work in our medications and the elderly project.

In late 1985, the Trustees decided to end the John A. and George L. Hartford Fellows Program. The Program has been an outstanding success. At its outset in 1979, it broke new ground in aiding young physicians who chose careers in biomedical research. Now, however, we believe that sufficient funding for that purpose is available from public and private sources. It is time for the Foundation to shift its resources to meet needs not sufficiently attended by others.

Steps were taken in 1985 by the Trustees' Finance Committee to strengthen the Foundation's investment management. Committee Chairman Norman Volk deserves special acknowledgment here for his leadership in this regard.

The past year brought changes in the Foundation's staff. Our new Executive Director, Stephen Eyre, and Program Director, Richard Sharpe, are providing effective leadership to our grant programs and our administrative activities. The contribution of these two new members of our staff is very visible.

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



University of Pennsylvania

Operating Room Director John Lecky and Deborah Kitz of the University of Pennsylvania Hospital are studying X-rays routinely required of patients scheduled for surgery.

They are members of a University team that, with Foundation support, is studying a range of such requirements, to determine whether some could be eliminated.

The results could generate significant savings in hospitals across the nation.



*New England Medical
Center*

*A 1984 Hartford Founda-
tion grant is enabling the
New England Medical
Center to evaluate and
improve its health care
"productivity."*

*Joni Beshansky and Anne
Charette, for example, are
tracking this patient
throughout her hospital
stay, collecting data on
everything from the extent
of laboratory use to the
period of time she waits*

*outside the operating room
prior to surgery. This infor-
mation is being analyzed
and used to develop a new
management system pro-
moting efficient, cost-
sensitive practices.*

Health Care Financing, 1979–1985

■ By most measures of success, the nation's health care system in 1979 represented an historic achievement. Many groups—blacks, low-income, the aged—with only limited access to appropriate medical treatment just two decades before, now had a regular source of care. Equally important, approximately 90 percent of Americans were covered by some form of health insurance. Few communities lacked hospital facilities. Health manpower was available in abundance.

Amid all these triumphs, however, there was a major complication: the rising cost of health care. A hospital stay in 1979, for example, cost 14 times more than it had in 1950. Personal health care expenditures claimed 10 percent of total per capita income, as compared with about 7 percent in 1966.

Escalating health care expenses had emerged as a national problem of significant proportions.

The Hartford Foundation, with its fifty years of expertise in the medical field, was well prepared to take a leadership role in addressing this problem.

This involved careful scrutiny of current systems of payment. By the late 70s, 90 percent of hospital bills and 65 percent of doctors bills were being paid for by third parties (insurance companies, Medicaid and Medicare). Because reimbursement largely covered whatever medical costs had been incurred, conscientious physicians were more than likely to recommend the most sophisticated and extensive level of services; anxious patients were more than likely to expect such services. With a third party "footing the bill," it was becoming increasingly clear that neither of the original two parties—the doctor (seller) or the patient (customer)—had any real incentive to minimize costs.

It was troubling enough that current systems of payment were wasteful. Equally disturbing was the mounting evidence that such systems often prevented health professionals from providing the best quality care. In many cases, for example, a patient might best be served by home care from a visiting nurse. But such treatment might not be considered, since only hospital stays—the more expensive alternative—were reimbursable.

In late 1979, then, the Hartford Foundation initiated the Health Care Financing Program, becoming one of the first private foundations to inaugurate a comprehensive program addressing these vexing dilemmas.

It was an auspicious moment in the Foundation's history to begin this important new program. For the past quarter of a century, the Hartford Foundation had been supporting, with notable successes, a broad-based program in biomedical research. However, by 1979, others, particularly government agencies, had increased their commitment to this effort. The Trustees agreed that it was now

appropriate and possible for the Foundation to shift its resources to meet the challenge presented by America's health care problems.



Dr. Carl Schramm

Johns Hopkins Sets the Pace in Cost-Effective Health Care Delivery

The Hartford Foundation's Health Care Financing Program was inspired, in part, by a 1979 *Fortune* Magazine article. The article reported that in just three years the internationally-renowned Johns Hopkins Hospital had managed to halve the annual rate of increase in its costs, to only 7.9 percent. This was an astonishing figure. With the conviction that this outstanding institution clearly had insights, skills and strategies to share, the Foundation provided funds to establish an academic center at Johns Hopkins committed to research, technical assistance, and education in the vital area of hospital management.

A young professor of health policy and management, Dr. Carl Schramm, was appointed Director of the Center for Hospital Finance and Management, founded in 1979. With continued Foundation support, Dr. Schramm and his colleagues have undertaken ground-breaking work on hospital cost containment. As Dr. Schramm reports, "Our work here is filled with the sense that everything we have done and are doing is being watched and put to use." The facts bear this out. The Center was the first to recognize that hospital inflation problems vary generically from state to state, and to demonstrate that policy should reflect these differences. This led to its development of the most comprehensive set of hospital economic data in the nation. To date, the Center has served as advisor to 17 state legislatures in their consideration of cost-related measures. Center-supported legislation in 1984 in West Virginia may result in over \$50 million of savings alone. The Center is also currently helping to implement new management techniques in over 40 hospitals, as well as continuing to sponsor professional seminars on hospital finance for leaders in government, health administration, health care insurance, and academia.

The Early Years

The Foundation began its pioneering work in Health Care Financing by taking a four-pronged approach, providing support for: 1) experiments and demonstrations of reimbursement alternatives, 2) cost-containment initiatives, 3) research and development related to payment systems and medical care management, and 4) public education and dissemination.

Reimbursement Experiments and Demonstrations: The Foundation supported the testing of new payment methods in a number of institutions across the country. These experiments, alternatives to the existing "fee-for-service" system, included a range of prepaid programs. In such cases, health care providers were allotted a fixed sum of money annually for each patient's care. Under these conditions, there was clear incentive for the provider to find the most economic means of maintaining quality care.

Cost-Containment Initiatives: The Foundation devoted significant resources to institutions and organizations seeking to provide cost-effective, quality care by innovative methods. Grants supported childbirthing centers, hospitals and other health care facilities. At the same time, the Foundation provided support to programs aimed at involving employers, unions, government agencies, and insurers in the control of health care costs.

Payment System and Medical Care Management Research and Development: Prior to 1979, serious research essential to instituting successful cost-containment measures had not been widely funded. The Hartford Foundation stepped in to meet this pressing need by supporting: 1) analyses of current payment systems to identify more clearly their particular strengths and weaknesses and 2) studies to generate specific information on the relative efficacy of various health care approaches.

Public Education and Dissemination: It was not enough, the Trustees determined, to finance programs and research aimed at curbing costs. The results and accomplishments of such projects must be brought to the attention of a wider public. Accordingly, the Hartford Foundation began support for a variety of dissemination projects—including workshops, publications and professional conferences—to stimulate greater awareness of problems and potential solutions in health care financing.



Dr. Lawrence Hart

Santa Barbara County Cuts Medicaid Costs

In 1982, Dr. Lawrence Hart, Director of Santa Barbara County's Health Care Services, requested Hartford Foundation support for a new agency's test of an alternative approach to financing health care for the poor.

Under the new program, the Santa Barbara Health Initiative, all individuals in the county receiving Medi-Cal (California's Medicaid program) benefits would select a primary care physician from among any of those under contract to the Initiative. The physician would serve as "case manager" for each patient's care in return for a fixed, prepaid annual fee. While Medi-Cal itself could underwrite major operating costs, the Hartford Foundation grant was essential for developing data processing and analysis capacity, supporting internal evaluation, and covering special administrative expenses.

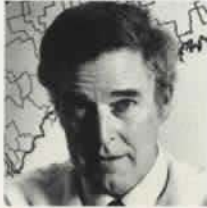
Dr. Hart's program has been a great success. In its first year alone, the Santa Barbara Health Initiative provided high quality care at 17 percent less cost than the traditional Medi-Cal programs. Both physicians and patients prefer the new system over the old one, and ongoing evaluation of care-giving—including prospective, concurrent and utilization review—assures that the Initiative will sustain its excellent performance.

The Santa Barbara Health Initiative's pioneering work continues to set an example for others and represents a successful illustration of the Foundation's program supporting alternative financing demonstrations.

Between 1979 and 1983, the Foundation's Health Care Financing Program made grants totalling \$25.5 million, spurring the effort toward national reform in this field. Most of these experiments would not have progressed beyond speculation without Hartford Foundation support to transform thoughts into action. And, by 1983, many of these projects had attracted national attention:

- Minneapolis-based InterStudy used Foundation support to alert the country to new methods of organizing and financing health care through Health Maintenance Organizations (HMOs).
- The Foundation's grant to the Center for Policy Studies, also based in Minneapolis, helped that new organization promote private sector initiatives for health cost containment.

- University of Washington health care leaders used grant funds to reorganize Seattle's municipal health services to save costs.
- With Foundation support, the American Academy of Pediatrics demonstrated the cost-effectiveness of a project that prepaid physicians for care of children under the Medicaid program.
- Aided by a Foundation grant, On Lok developed an exciting prototype project offering integrated, long-term care services for elders in San Francisco.



Dr. John Wennberg

Dartmouth Researchers Find Costly Variations in Medical Practice

In 1982, Dr. John Wennberg of Dartmouth Medical School received a Hartford Foundation grant to support his promising work on variations in medical practice patterns. Though it was widely recognized in the medical community that patients suffering from the same condition might receive different kinds of care depending upon the health care provider they consulted, the extent and implications of this situation had not been rigorously studied. Dr. Wennberg began by asking a fundamental question: Is there a relationship between variations in medical practice and the rising costs of health care?

The Wennberg studies of selected medical procedures in Iowa, Maine and Vermont clearly indicated wide variations in practice patterns and accompanying variations in expenses to the patient and third party payors. He showed that widespread overutilization of medical resources plays a significant role in increasing the cost of national health care. Furthermore, he found significant evidence that those providers who employ the highest cost treatments and procedures are not necessarily achieving the best quality of care for their patients.

Dr. Wennberg's findings, reported in the *New England Journal of Medicine*, the *Wall Street Journal*, *Ladies Home Journal* and other publications, have stirred national interest in the phenomenon that he has called "medical practice style."

A 1985 grant provided continued Foundation support for the work at Dartmouth. Dr. Wennberg and his colleagues are currently developing a new method to evaluate the medical outcomes of various kinds of care. This new method will provide physicians, administrators and insurers with concrete information to support their use of the most effective, rather than the most costly, medical procedures.

New Developments

At the same time, sources of support for new ventures in health care financing were expanding dramatically. U.S. companies were taking more aggressive action to control their skyrocketing health benefits costs. Federal and State governments had initiated financing reforms and experiments. By the close of 1983, for example, Medicare was supporting 29 payment experiments; Medicaid had underwritten 10 projects that introduced competitive market forces into the health care system. Foundations such as Robert Wood Johnson and Pew had significantly increased their commitments to projects addressing health care costs. Private capital was being invested in alternative financing and delivery systems. With all of this activity underway, the Hartford Foundation continued to direct its resources to still unmet needs.



Michael Gartner

Des Moines Business Leaders Take Initiative in Cutting Health Care Costs

By 1979, Robert Burnett, President and Chief Executive Officer of the Meredith Corporation, and Michael Gartner, President of the Des Moines Register and Tribune Company, had become seriously concerned about the soaring costs of health care in their community. They gained the cooperation of business colleagues to establish the Central Iowa Health Association. The Association's goal was to cut the climb in health care costs while, at the same time, finding the most effective ways to keep central Iowans healthy. The cost of their efforts was shared between Association members and the Hartford Foundation.

The Association, well-armed with facts, money, incentive and power, moved to foster much-needed competition in the delivery of medical services. By 1981, it had initiated steps to organize a comprehensive Health Maintenance Organization in Des Moines. Key members of the Association were participating in the Governor's Commission on Health Care Costs. Its work paved the way for legislative action and for creation of the Health Policy Corporation of Iowa, chaired by Charles Johnson, Financial Vice-President of Pioneer Hi-Bred International, Inc.

These combined initiatives by Iowa business leaders succeeded in reducing dramatically the number of days the average Central Iowan spends in a hospital. They cut the cost of certain surgical procedures. They changed, almost overnight, the way major companies handled their benefit programs. They instituted programs to prevent illness. They started experimental programs to bring injured workers back to their jobs more quickly. They undertook a successful six-month campaign to educate Iowans on the issues, the economics, the tradeoffs, the mysteries of health care. They lobbied successfully for legislation that made Iowa at that time the only state in the nation where data on health care would be available for those who wanted to shop for care.

The dramatic achievements of the Des Moines business coalition have inspired similar efforts and successes in cities throughout the United States.

Spurred by the successful work of Dartmouth's John Wennberg and other Hartford-supported researchers, a number of health care leaders urged the Foundation to expand its support of efforts promoting more cost-sensitive medical practice. Further study in this field could help the medical community to reduce unnecessarily expensive procedures without compromising the needs of patients. Recognizing this potential, the Foundation increased its funding in this area. By late 1984, grants had been made under the Health Care Financing Program supporting a range of such projects, aimed at defining and evaluating medical practice variation and promoting more cost-sensitive clinical practice:

- Foundation-supported researchers at Yale and Harvard collaboratively developed a new protocol for use in emergency rooms that will spare low-risk heart attack patients the unnecessary trauma—and expense—of intensive-care hospitalization.
- At Duke University, a Foundation grant enabled Dr. David Eddy to develop new tools and methods that can be used by insurers and others to examine the cost-effectiveness of various medical procedures and technologies.
- Foundation-supported research by Dr. Barbara McNeil of Harvard has provided valuable information on the cost-effectiveness of various radiological procedures and technologies.

1985 Grant Commitments

The Health Care Financing Program in 1985 supported seven outstanding projects. (An eighth project received phase-out funding.) Commitments totalled \$2,569,585, bringing the cumulative total from the program's inception to just under \$30 million*.

Five grants provided continued support for important work initiated in prior years. One was aimed at furthering employers' involvement in cost containment; two projects reflected the Foundation's commitment to promoting cost-sensitive clinical practice; a fourth sustained aid to hospitals' development of more effective reimbursement systems and management; and the last promoted dissemination of information on an alternative delivery system.

Two grants in 1985 supported new starts, both focused on ambulatory care. One supported a promising experiment that shifts what is normally an in-hospital procedure to the home, while the other expanded the study of clinical practice patterns to include ambulatory services.

In 1986, the Foundation will review its work to date in Health Care Financing and consider possible program changes in response to the fast-moving developments in U.S. health care. In their consideration of program options, the Trustees will be guided, as always, by the Foundation's historical commitment "to do the greatest good for the greatest number."

Cost Containment Initiatives

Henry Ford Hospital

2799 West Grand Boulevard

Detroit, MI 48202

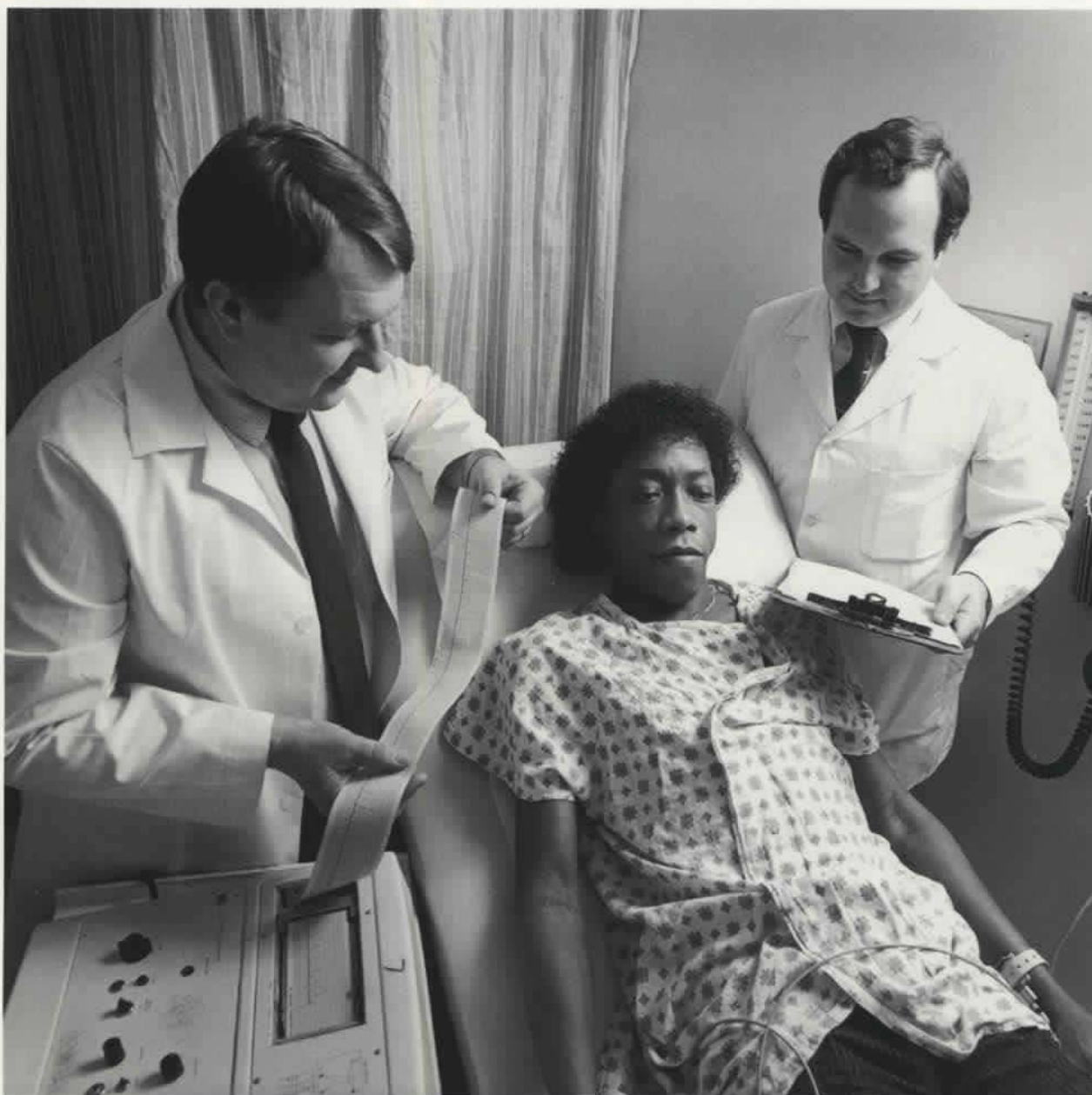
Edward B. Lewin, M.D.

(313) 876-7548

Outpatient Intravenous Therapy of Bacterial Infections in Infants and Children

Patients with serious bacterial infections often require ten days or more of intravenous antibiotic treatment. To date, such treatment has only been available in hospitals. This is particularly traumatic for children, and entails high cost for a relatively simple procedure. Under this grant, the Pediatric Infectious Disease Division at Henry Ford Hospital will undertake a pilot study to test the feasibility of home treatment for children requiring intravenous antibiotics. If successful, the project could lead to significant cost savings through reduced hospitalization. \$120,227 over one year.

**A list of all grants made under the program through 1985 is available on request.*

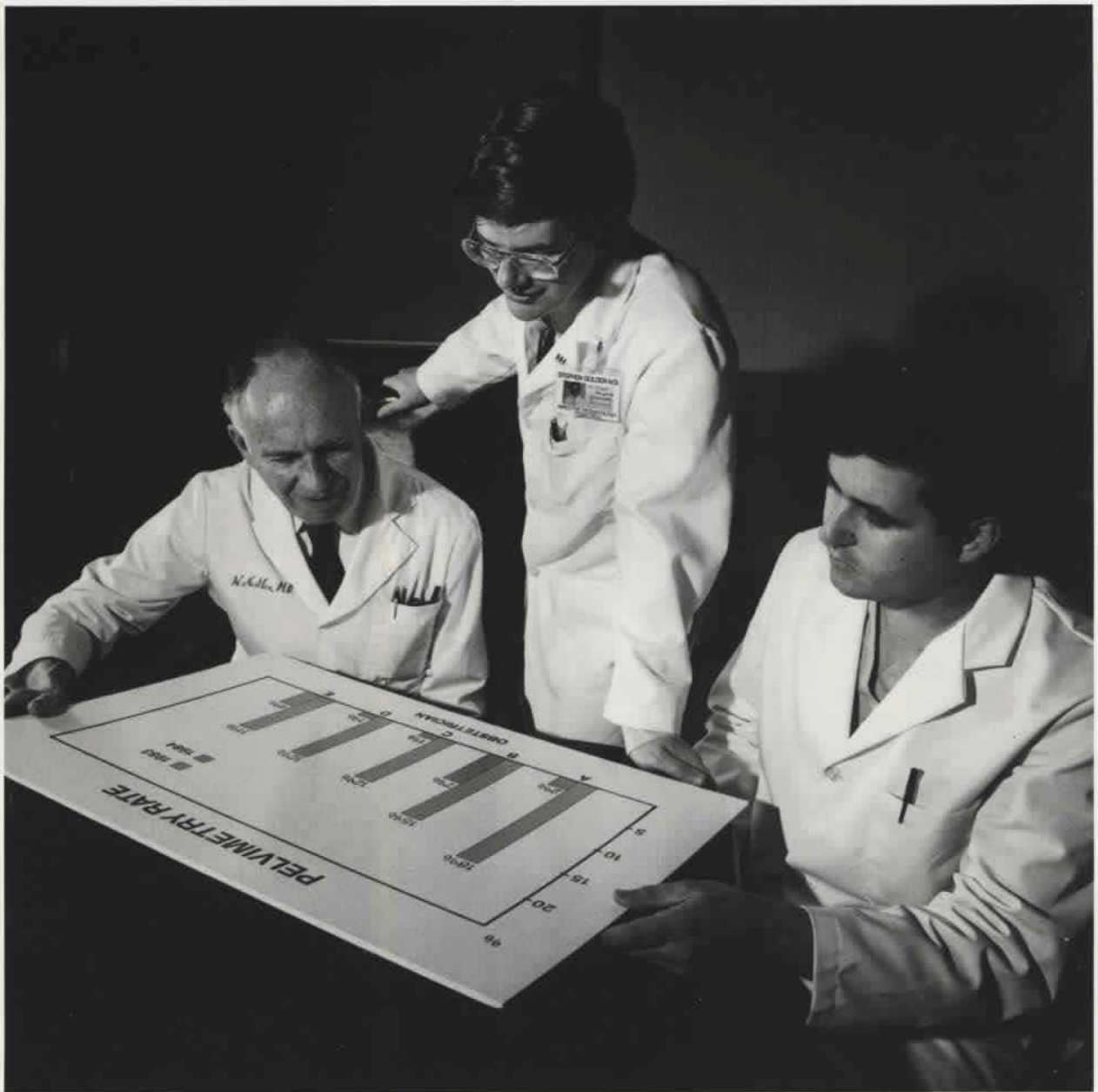


University of Rochester

Doctors Robert Panzer and Raymond Mayewski and their colleagues at the University of Rochester's Strong Memorial Hospital

are developing new strategies for cost-effective ambulatory care. With support from the Hartford Foundation, they are examining the necessity for tests

and procedures now used routinely in ambulatory care clinics and doctors' offices.



Overlook Hospital

Doctors Stephen Golden, Warren Nestler and Thomas Gianis are examining a chart on use of pelvimetry X-rays by obstetricians. The physicians are members of a research team at Overlook Hospital in Summit,

New Jersey that received a Hartford Foundation grant to study variations in practice associated with caesarean sections and hip replacement procedures.

They are exploring the possibility of developing protocols for more standardized practices in these areas that will insure patients superior care at the most reasonable cost.

Maternity Center Association

48 East 92nd Street

New York, NY 10028

Ruth Watson Lubic, Ed.D.

(212) 369-7300

National Association of Childbearing Centers

Childbearing Centers offer an attractive alternative to hospital obstetric care at nearly half the cost. They are staffed by nurse-midwives, but work in association with obstetricians and hospitals when appropriate. With prior Foundation grants, the Maternity Center Association (MCA) has organized a national network of such centers offering high-quality birthing alternatives. MCA's activities include technical assistance, public education programs, formulation of uniform standards, sharing of information, and promotion of reimbursement for out-of-hospital birth services. It also has established the National Association of Childbearing Centers to promote high-quality standards for birth centers and to encourage appropriate state licensing laws. In addition, the Association is seeking solutions to the current lack of affordable malpractice insurance for childbearing centers and nurse-midwives. This grant will enable the Association to continue to collect and disseminate service and financial data on member centers. Continuation of a previous four-year \$455,975 award; \$22,755 over two years.

Mayo Foundation

Health Care Studies Unit

200 First Street, S.W.

Rochester, MN 55905

Fred Nobrega, M.D.

(507) 284-2772

Benchmarks for More Cost-Effective Care

As employers have become increasingly concerned about the rising cost of employee health benefits, they have expressed a need for information by which to judge the cost-effectiveness of providers used by their employees. To address this need, the Mayo Clinic—an acknowledged leader in high quality, cost-effective care—is developing benchmark indices on the cost of its services, to be used by employers as a reference in assessing their local health providers' costs. Continuation of a previous sixteen month \$220,000 award; \$537,932 over three years and five months.

Payment System and Medical Care Research and Development

Johns Hopkins University

Center for Hospital Finance and Management

Room 304—Hampton House

624 North Broadway

Baltimore, MD 21205

Carl J. Schramm, Ph.D.

(301) 955-8316

Center for Hospital Finance and Management

Established in 1979 with Hartford Foundation support, the Johns Hopkins Center for Hospital Finance and Management has succeeded in its efforts to improve hospital reimbursement methods and management techniques. The 1985 grant will aid the Center in completing its data library, the home of the most comprehensive collection of computerized hospital financial and reimbursement information in the nation. In addition, Foundation support will enable the Center to continue its studies on hospital size and economies of scale, the extent of cost subsidization and cost shifting in hospitals, and the impact of hospital mergers and closures. Continuation of a previous five-year \$1,330,425 award; \$600,000 over three years.

Cost-Sensitive Medical Practice

Dartmouth Medical School

Department of Community and Family Medicine

Hanover, NH 03756

John Wennberg, M.D.

(603) 646-7820

A Study of Small Area Variations and Their Effect on Outcomes and Quality of Care

Patients with the same illness are more than likely to receive differing kinds of care depending on the doctor or health care provider they consult. In many cases, these differences will also be reflected in costs, as well as in risk to the patient. With Foundation support, Dartmouth Medical School has been investigating the efficacy of high-cost, high-risk medical procedures in an effort to shed light on physicians' decisions about appropriate treatment. The 1985 grant will enable the Dartmouth researchers to concentrate on documenting the relationship between differing procedures and their medical outcomes. Continuation of a previous three-year \$450,000 award; \$475,000 over three years.

University of Rochester
Strong Memorial Hospital
601 Elmwood Avenue, Box 612
Rochester, NY 14642
Paul F. Griner, M.D.
(716) 275-4605

Developing New Strategies for Cost-Effective Ambulatory Care

Though the evidence is now clear that a great deal of variability exists in medical practice, few studies in these areas have focused on ambulatory care. With Foundation support, the University of Rochester will examine ambulatory practice patterns and explore ways of making out-patient care more effective. In addition, this project will result in a comprehensive information system for the analysis and improvement of out-patient treatment at other institutions. \$523,671 over three years.

Yale University School of Medicine
Training Program
Department of Surgery
333 Cedar Street
New Haven, CT 06510
Donald A. Brand, Ph.D.
(203) 785-4210

Controlling Hospital Admissions from the Emergency Room

With Hartford Foundation support, researchers at Yale and Harvard (a sub-contractor under the grant) have spent two years developing and validating a protocol that helps physicians improve diagnoses of emergency room patients suffering myocardial infarctions. 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 who use the protocol in treating heart attacks. Since almost 70 percent of those admitted to intensive care units following an episode of chest pain turn out not to have suffered a myocardial infarction, even a slight decrease in such hospital admissions would yield substantial cost savings. Preliminary evidence from the research suggests that combining the judgment of the physician with information provided by the protocol can result in reduced admissions without undue risk. Support is now being provided for a controlled trial. Continuation of a previous 27-month \$660,027 award; \$240,000 over one year.



*Philadelphia Geriatric
Center*

*Jayne Antonowsky, a staff
member of the Philadelphia
Geriatric Center, is one of a
team of professionals who
provide at-home support*

*services for Alzheimer's
Disease victims. This inno-
vative program, funded by
the Hartford Foundation,
offers respite for family*

*members burdened with the
extraordinary responsibili-
ties of caring for a loved one.*



Beth Israel Hospital

With a Hartford Foundation grant to Boston's Beth Israel Hospital, Dr. Jerome Avorn is directing a project aimed at reducing the medication problems of nursing home residents.

Educating both patients and staff is a key component in the program's strategy. Dr. Avorn and nurse Roselyn Mattson are discussing with a patient each aspect of her medication therapy to insure that she understands what is being prescribed, and why.

Regularly-scheduled, personalized "training sessions" such as this are making it possible for patient and practitioner to work together to avoid the risks of over-medication and adverse drug reactions.

Aging and Health, 1983–1985

■ The number of persons over age 65 is expected to increase 40 percent by the year 2000 and another 60 percent by 2025. The population of those 85 and older is projected to grow even faster, with a startling 91 percent increase expected by the year 2000.

This enormous growth in the number of older people will have important implications for the field of health, since the elderly are among the highest utilizers of health resources.

Medical technology breakthroughs in the last twenty-five years have aided enormously in conquering and controlling certain diseases. But older persons characteristically suffer from multiple, complex medical problems and chronic conditions. Our past achievements have done little to improve the day-to-day experience of most elders moving through the health care system.

The typical patient travels through an often confusing labyrinth; from one physician to another, from one institution to another, each one providing a specific service. These isolated teams of specialists often have little communication with one another. The result, all too often, is uncoordinated treatment, possibly conflicting therapies, and an understandable sense of confusion and helplessness on the part of the patient. What is lacking, clearly, is a coordinated, yet flexible system of care to meet the unique needs of the elderly.

In April 1983, the Hartford Foundation initiated a program of support specifically designed to address this problem. The new Aging and Health Program, in conception and approach, both reflects and strengthens the Foundation's work in Health Care Financing. Every effort in this area is geared to promote cost-effective, high quality care for older patients, who require the most from our health care system.

In its early stage, the Aging and Health Program supported a wide array of projects in pursuit of three major goals: 1) the development or improvement of techniques to diagnose and manage the medical problems of older patients; 2) the improvement of non-institutional services for the elderly; and 3) the education of health care providers as to the special problems of the elderly.

■ Support was provided for several projects that developed the critical elements required for assessing the functional capabilities of elderly patients. The University of California, Los Angeles, worked on techniques to detect early signs of functional decline, while the Mount Sinai School of Medicine initiated a program to diagnose and treat problems of gait and falls in older patients.

- Some projects sought to reduce the burden on families caring for elders. The State University of New York in Buffalo developed a program entitled Caregiver's Assistance and Resources for the Elderly Relatives Series (CARERS); Philadelphia Geriatric Center initiated a program offering respite services to families caring for Alzheimer's disease victims.
- Older patients themselves were targeted as recipients of services in a number of projects. In Washington, DC, United Seniors Cooperative developed a health information program for elders; the University of California, San Francisco and the University of Michigan, Ann Arbor established training and education programs that improve patients' abilities to cope with the limitations imposed by chronic illness.



Stanley Wallach

The Brandeis "SHMO" Improves Elders' Care

Building on the term Health Maintenance Organization (HMO) coined by Paul Ellwood of InterStudy, Stanley Wallach and his colleagues at the Brandeis University Health Policy Center were inspired to take the notion one step further. They conceived of a Social Health Maintenance Organization (SHMO): an organization that would integrate into a single effective and efficient prepaid HMO program the managed health care and social services required by the elderly.

The Brandeis group organized an ambitious experiment to test such organizations. A Federal grant provided partial support, and the Hartford Foundation assisted with the financing of one of four pilot projects, the Metropolitan Jewish Geriatric Center's Elderplan in Brooklyn.

Elderplan has succeeded in demonstrating the value of the SHMO concept. By 1984, 333 enrollees were receiving high quality health care. At the same time, these elders were benefiting from a range of social services and activities which decreased their sense of loneliness and isolation—and all of this at a cost significantly below traditional measures. Elderplan subsequently undertook a targeted marketing effort to make its services better known—and as of 1985, over 1,000 elderly Brooklyn residents are enrolled in the innovative program that offers not only care, but also comfort, to the elderly.

Concentrating Foundation Support on Two Major Problems

By the end of 1984, gratified by the program's early achievements, but eager to concentrate in areas of funding where its support could generate the greatest benefit, the Hartford Foundation focused most of its Aging and Health Program resources on two major problems: the lack of physicians trained in geriatrics and the medication problems of the elderly.

Training Physicians in Geriatrics

While the number of people age 65 and over is rapidly increasing, the same cannot be said of the number of physicians trained to treat them. Just four years from now, it is estimated, the United States will require the services of over 2000 academic geriatricians. As that day approaches, there are no more than 200 such physicians on the faculties of United States medical schools.

The shortage of physicians trained in geriatrics affects all aspects of the health care system and limits our nation's ability to improve training in the diagnosis and treatment of the aged, to expand medical research on aging-related problems, and to improve health services for the elderly. While many medical schools are creating departments or divisions of geriatrics, and others have developed fellowship training programs for post-residency medical students, such efforts must be accompanied by a significant increase in fully-trained geriatricians to staff such programs.



Alice M. Rivlin

Brookings Institution Studies National Long-Term Care Options

Virtually every American family has a loved one who will require long-term medical care. The Medicaid program is the primary public support for this care, but it is limited to the poor. Contrary to popular belief, little coverage is available under Medicare. While a number of private insurance companies now offer reimbursement in this area, most of these policies are highly restrictive and expensive. And so, as our nation's population of elders continues to grow, the burden of financing appropriate care for elderly patients threatens to strain to the breaking point the resources of the typical American family.

The Hartford Foundation, in collaboration with several other foundations, is now supporting a major study of new options and solutions to this urgent problem. Under the direction of Alice M. Rivlin, former director of the Congressional Budget Office, the renowned Brookings Institution is conducting an unprecedented examination of alternate approaches to the organization and financing of long-term care.

One of the most significant contributions of this important project is Brookings' development of a computer-based microsimulation model, capable of providing concrete data on the consequences of various long-term care approaches as applied to specific groups and their medical needs. In addition, Brookings is examining relevant programs in other countries.

Through these investigations, the project will generate greater public understanding of the issues involved and provide a framework for consideration of national policy options.

The Hartford Geriatric Faculty Development Awards are now playing a crucial role in meeting this need. The Awards support one-year retraining programs in geriatrics for academic physicians. Candidates are selected through a national competition. They receive 75 percent of their current salary (not to exceed \$50,000) and a relocation allowance of \$5,000 to attend one of the four institutions where training is provided: 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. After training, each physician is expected to return to his or her sponsoring institution to expand or develop its academic geriatrics program. A list of those participating in the 1985-86 and 1986-87 training programs appears on page 31.

Medications and the Elderly: A Request for Proposals

Older patients are major consumers of both prescription and over-the-counter drugs. In fact, at least 25 percent of medications sold annually are used by people 65 and over. While advances in pharmacology have improved modern medical care, the use of drugs also presents significant risks, particularly for patients who

are experiencing age-related physiological changes and who suffer from multiple and chronic problems. For these patients, there is real danger of inappropriate drug use and serious adverse reactions to medication. The high price of many medications also imposes a financial burden on the elderly at a time in life when, for many, funds are limited.

A broad-based research and demonstration agenda is needed to deal with the range of important issues in this area, from the biomedical aspects of drug use to the prescribing behavior of physicians and the consumer habits of the elderly themselves.

In 1985, the Hartford Foundation invited proposals for projects that addressed these concerns, with particular interest in activities which would generate practical methods for providers, patients and caregivers to avoid the dangers and costs of inappropriate drug use. An advisory committee of eminent leaders in geriatrics reviewed over 200 proposals received in response to that invitation. The Foundation will be considering the awarding of grants in the spring of 1986.

1985 Grant Commitments

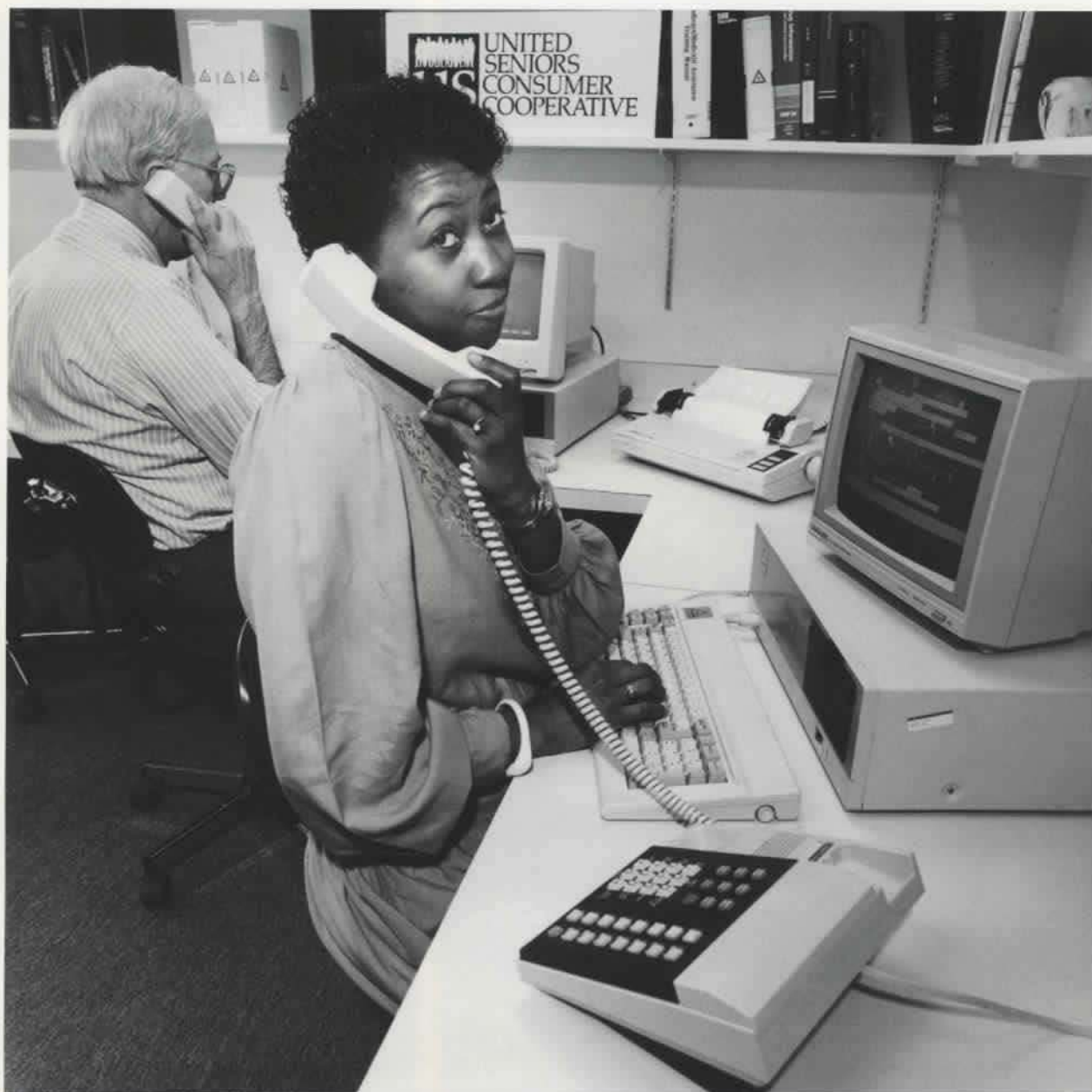
In addition to the request for proposals in the medications area, two grants were awarded in 1985 for work addressing the medications problem. One project is investigating the clinical and economic consequences of improving the use of medications in nursing homes. The second grant supports a national survey of drug prescribing practices for elderly patients.

Two other actions in 1985 sustained support for efforts initiated under previous grants, both aimed at improving non-institutional services for the elderly. These supported development of a health information program for elders and a respite care program for Alzheimer's victims.

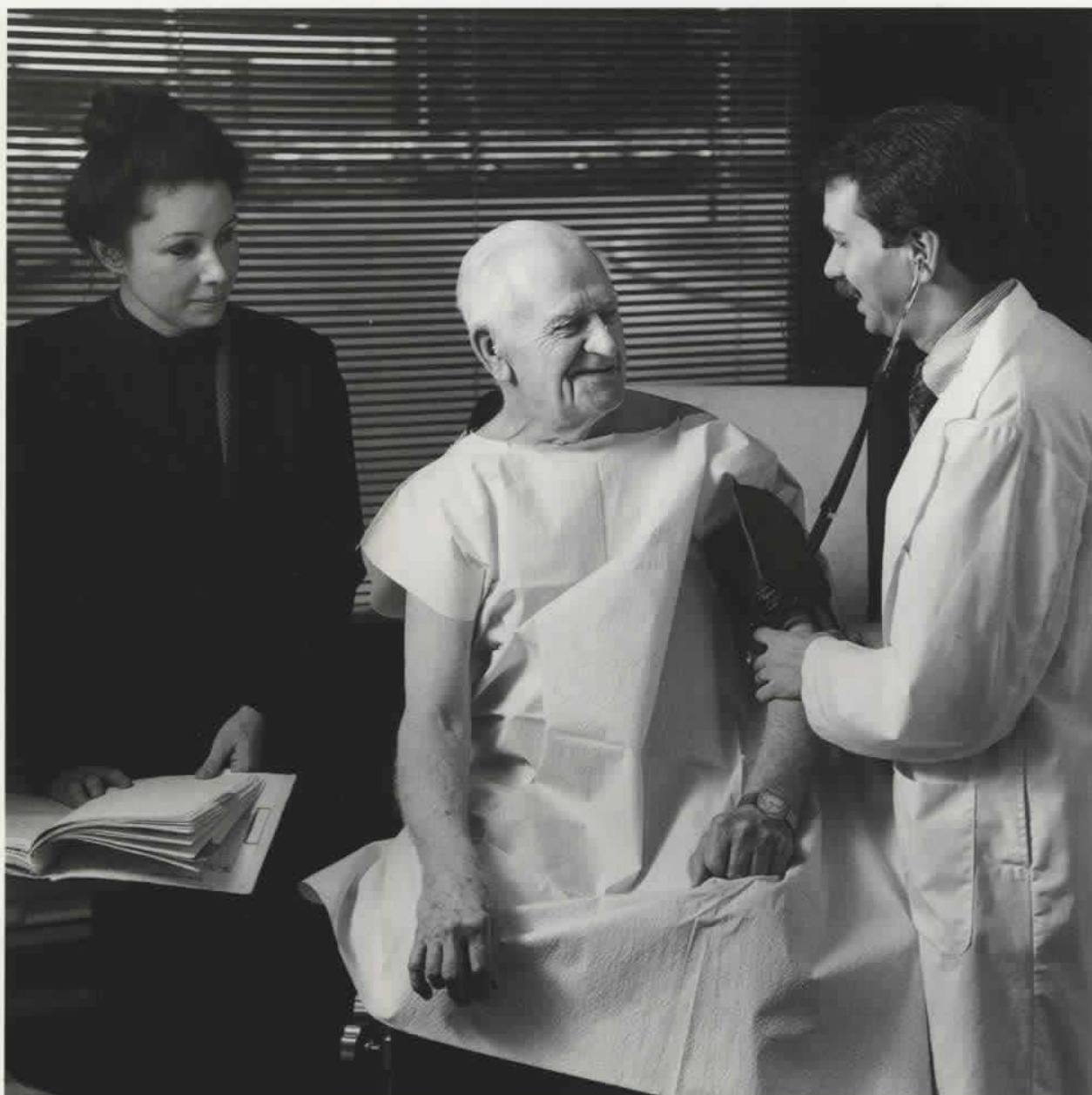
The total value of the four major 1985 grant commitments under the Aging and Health Program, the Geriatric Faculty Awards, and two lesser actions was \$2,150,129. Including these authorizations, total commitments since the program's inception reached \$7 million in 1985.*

As in the Health Care Financing Program, the Foundation will undertake in 1986 further consideration of program options by which to address the health care needs of the elderly.

**A list of all grants made under the program through 1985 is available upon request.*



United Seniors Cooperative In Washington, DC, a Hartford Foundation grant is helping The United Seniors Consumer Cooperative launch a program to inform older people about available health care options and about the providers who offer these services. Barbara Robinson and Craig Wilson of the Cooperative's staff are demonstrating how a telephone inquiry can be answered quickly by retrieving information from a computerized data base.



Brigham and Women's Hospital

Social worker Mary Lou DeCiantis and physician Richard Gazzarro are part of a Geriatric Assessment Unit (GAU) team at Providence Hospital in Rhode Island. These units are a relatively new development on the national health scene.

Most hospital GAUs are staffed by a physician, a nurse practitioner, a social worker and an occupational therapist who work together to assess the full scope of medical and social needs required by each patient.

With Foundation support, Brigham and Women's Hospital in Boston is conducting a study to determine whether the Providence Hospital's GAU offers a viable, cost-effective alternative to traditional services.

Improving the Effectiveness of Non-Institutional Services for the Elderly

Philadelphia Geriatric Center

5301 Old York Road
Philadelphia, PA 19141
Elaine M. Brody
(215) 456-2980

Multi-Service Respite for Family Caregivers of Patients with Alzheimer's Disease

Caring for an Alzheimer's Disease victim places great strain on the family, and often precipitates the decision to institutionalize the patient. In 1983, Philadelphia Geriatric Center began a two-year project to demonstrate an effective way of strengthening and supporting such families by providing them with periodic relief in a variety of forms, including temporary nursing home placement of the patient, day care, and in-home care. With continued support, the Center is now assessing the long-term effects of the respite service on costs and on the well-being of the caregivers, through a full evaluation of its demonstration program. Continuation of a previous award of \$261,100 for two years; \$295,669 over two years.

United Seniors Consumer Cooperative

1334 G. Street, N.W.
Suite 500
Washington, DC 20005
James P. Firman, Ed.D.
(202) 393-6222

Consumer Health Information Program

The United Seniors Consumer Cooperative (USCC) is developing a comprehensive health information program to enable elderly consumers in Washington, DC, Virginia and Maryland to make more informed choices regarding their health needs and the health care providers who serve them. For a basic membership fee, consumers may use the Cooperative's Computerized Health Finder Service to assist in selecting providers; the Eligibility Checkup Service to advise them about their eligibility for federal, state, and local public programs; and The Second Opinion Service to assist in identifying physicians to advise on non-emergency surgery. Beyond the demonstration period (approximately 3 years), USCC expects that this service program will be self-sufficient and totally financed by membership and user fees. Continuation of a previous one-year \$100,000 award; \$272,599 over three years.

Projects Addressing Medication Problems of the Elderly

Beth Israel Hospital

330 Brookline Avenue
Boston, MA 02215
Jerome Avorn, M.D.
(617) 732-1005

Clinical and Economic Consequences of Improving the Use of Medications in Nursing Homes

Elderly residents of nursing homes are at great risk of excessive medication, particularly with psychoactive drugs (i.e., mood-altering drugs, tranquilizers and sedatives). Though federal regulations were introduced in 1974 to expand pharmacist involvement in these facilities, their services are still not provided in every nursing home and tend to vary in quality. Beth Israel Hospital is developing and evaluating an education program which entails both distribution of printed materials on appropriate drug use to all physicians and nurses affiliated with eight nursing homes and follow-up guidance by clinical pharmacists. The goals of this project are to prevent adverse drug reactions and to reduce the costs of drug use in the nursing homes. \$584,650 over three years.

Louis Harris and Associates, Inc.

630 Fifth Avenue
New York, NY 10111
Merl W. Baker
(212) 975-1600

A National Survey of Drug Prescribing Practices

There have been few attempts to analyze rigorously and document the sources of elderly patients' medication problems. How good are prescribing practices in the U.S.? How can they be improved? Who are the professionals involved in the process of prescribing and monitoring medications? How do older patients help or hinder the prescribing decisions? These questions remain largely unanswered. Louis Harris and Associates, Inc. will conduct the first major survey of physicians, nurse practitioners and older Americans to illuminate concerns about prescribing patterns and patient compliance. The survey will assess the extent of inappropriate use as well as the likely effectiveness of various practical methods to correct existing problems. It is expected that this survey will provide the basis for tracking changes in prescribing practices and patterns of medication use in older patients over time. \$215,211 over six months.

Hartford Geriatric Faculty Development Awards*

The following physicians participated in the 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

The following individuals were awarded grants to participate in the 1986-87 training programs:

Harvard Medical School

- John A. Edwards, M.D.
State University of New York
(SUNY) at Buffalo School of Medicine
- James E. C. Walker, M.D.
University of Connecticut School of
Medicine

The Johns Hopkins University School of Medicine

- Eugene D. Furth, M.D.
East Carolina University
School of Medicine
- Robert B. Scott, M.D.
Medical College of Virginia

The Mount Sinai School of Medicine

- Richard W. Demmler, M.D.
Baylor College of Medicine
- William A. Steiger, M.D.
Eastern Virginia Medical School

University of California, Los Angeles School of Medicine

- Fran E. Kaiser, M.D.
University of Minnesota
Medical School
- Cheves M. Smythe, M.D.
University of Texas Medical School at
Houston

*The Hartford Geriatric Faculty Development Awards Program is described on page 25.



*Hartford Fellow,
Jonathan D. Victor,
Rockefeller University*

*Dr. Jonathan D. Victor of
Rockefeller University is
one of 84 outstanding
young physicians who have
been awarded John A. and*

*George L. Hartford Fel-
lowships in biomedical
research since 1979. He
is studying information
processing in the nervous
system.*

*Here he utilizes a sight
test experiment to
gain understanding of
brain function.*



University of Texas
Health Science Center
at Dallas

The University of Texas
Health Science Center at
Dallas and the Dallas Bio-
medical Corporation have
initiated a partnership to

promote more effective com-
mercial application of bio-
medical discoveries. Corpo-
ration funds, matched by a
Hartford Foundation
grant, will be invested in
promising projects stem-
ming from the work of the

Center's outstanding bio-
medical researchers, such as
Nobel Prize winners
Michael S. Brown and
Joseph L. Goldstein.

The 1985 Biotechnology Transfer Initiative

■ America's investment in health research and development is estimated to have reached \$12.8 billion in 1985. During the last decade, biomedical research has advanced at an astonishing pace. Vital new discoveries pave the way to prevent, diagnose and treat a vast range of diseases. Critical to this process, however, is society's ability to translate these discoveries into useful products. This translation is called "biotechnology transfer."

While universities are the site for most of the basic discoveries leading to major breakthroughs in medical care, they have not generally been heavily involved in the biotechnology transfer process. Historically, universities have received support primarily for basic biomedical research—largely from the National Institutes of Health. They have received relatively little funding for applying that research. Apart from the question of funding, universities have been reluctant to participate in ventures that might jeopardize their primary mission of pure research.

Given this state of affairs, important scientific discoveries only slowly—and sometimes never—reach the public. And, when and if they do, universities often fail to realize the financial rewards their biomedical research generates.

Many universities are now seeking a more active role in biotechnology transfer through mechanisms that will give them appropriate control over the transfer process, that will speed up the commercial application of their research, and that will help them compensate outstanding academic researchers for their ground-breaking work.

To aid the universities in this regard, the Foundation in 1984 invited proposals from thirteen major medical research institutions for projects that would foster their development of biotechnology transfer systems, providing for: 1) support, at an early stage, of multiple research projects that have significant potential for medical applications; and 2) development of institutional capacity to select, develop and market projects that offer both scientific merit and commercial potential. Twelve responded. In December 1985, the Foundation's Trustees approved grants for two important projects:

University of Texas Health Science Center at Dallas

5323 Harry Hines Boulevard

Dallas, TX 75235

William B. Neaves, Ph.D.

(214) 688-2509

Biotechnology Transfer Program

The University of Texas Health Science Center at Dallas is undertaking a program to facilitate more effective commercial application of its biomedical research through an innovative arrangement with the Dallas Biomedical Corporation. The newly-formed corporation will invest in promising projects, using interest from \$12 million provided by local investors. The Foundation's grant will match funds from the Corporation on a project-by-project basis. Each project must be approved both by the Center's scientific review panel and the Corporation's directors. Returns from any commercially successful projects will be shared equally by the Corporation and the Center. The Center's earnings will serve in part to recycle the pool of funds for future projects. \$3,000,000 over five years.

University of California, San Diego, School of Medicine

La Jolla, CA 92093

Roger D. Meyer

(619) 452-6737

Biotechnology Transfer Study

With over one-third of the nation's biotechnology firms situated in California, the research undertaken at the University of California significantly influences the biotechnology industry. Currently, a system-wide office manages the business aspects of technology transfer, but an aggressive approach to identifying and developing potentially transferable research on any given campus has not been developed. The University of California, San Diego, School of Medicine is undertaking a study to explore ways to promote more effective biotechnology transfer of its research. \$159,696 over one year.

The John A. and George L. Hartford Fellowship Program

■ The John A. and George L. Hartford Fellowship Program, inaugurated in 1979, was designed to promote the career development of young physicians wishing to pursue medical research. The awards provide assistance during the transition period from completion of post-doctoral training to the time when the Fellow has achieved sufficient productivity to compete for independent research support. Each year, the Foundation has awarded three-year grants to twelve young physician researchers, with the current annual stipend set at \$45,000. The selections have been based on nominations from a sponsoring medical school and the recommendations of an advisory committee of prominent researchers.

The program has been an outstanding success, not only in providing much-needed support to talented young physicians, but also in leading the way for increased funding in this area from other agencies. As of 1985, over 600 fellowships were available for young professionals in biomedical research, with over 200 of these reserved for physicians. The National Institutes of Health, alone, were offering over \$50 million annually to young physicians in this field.

In short, it has become clear that the lack of funding which had spurred the Hartford Foundation to establish this fellowship program no longer exists. It was for this reason that the Foundation's Trustees decided in December 1985 to terminate appointment of new Fellows after this point.

It is with a sense of great pride and achievement that the Hartford Foundation acknowledges the physicians who currently hold Hartford Fellowships. The 1986 Hartford Fellows will begin work under the program during the summer of 1986. They are listed on the following pages, along with the Fellows supported by the Foundation in 1985.

1986 Hartford Fellows

Victor P. Addonizio, M.D.
University of Pennsylvania School of Medicine
"Perioperative Platelet—Induced Cardiac Ischemia"

Blair Ardman, M.D.
Tufts University School of Medicine
"Identification and Analysis of Leukemogenic Retrovirus Receptors"

Mark Haas, M.D., Ph.D.
Yale University School of Medicine
"Characterization of the (Na + K + 2Cl) Co-transport System"

John G. Hexem, M.D., Ph.D.
University of Pennsylvania School of Medicine
"In Vivo Nuclear Magnetic Resonance Studies of Renal Ischemia"

David R. Kaplan, M.D., Ph.D.
Case Western Reserve University School of Medicine
"Cyclosporine Effects on Human T Lymphocyte Clones"

Herbert M. Lachman, M.D.
Albert Einstein College of Medicine
"The Role of C-MYC on Erythroid Differentiation"

Diana L. Marquardt, M.D.
University of California, San Diego, School of Medicine
"Purine Metabolism, Adenosine, and Mast Cell Biochemistry"

Lee Ratner, M.D., Ph.D.
Washington University School of Medicine
"Studies on the Mechanism of Transformation by the product of the C-sis oncogene"

Craig E. Rubens, M.D., Ph.D.
University of Washington School of Medicine
"Group B Streptococcal Virulence Genetic Analysis of the Type III Polysaccharide"

David M. Schlossman, M.D., Ph.D.
Duke University School of Medicine
"Biochemical Characterization of an Uncoating ATP ase"

Mark C. Udey, M.D., Ph.D.
Washington University School of Medicine
"Suppressor T Lymphocytes in Autoimmune Disease"

Peter D. Yurchenco, M.D., Ph.D.
University of Medicine and Dentistry of New Jersey—Rutgers Medical School
"Assembly, Structure and Function of Basement Membranes in Normal and Diabetic States"

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 DNA 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 Chondrodystrophies"

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"

In addition, the Foundation expresses its gratitude to the distinguished physicians who, as of December 1985, served on the Hartford Fellows Program Advisory Committee:

Dr. Daniel Foster, Chairman
Professor of Internal Medicine
University of Texas Health Science Center
at Dallas

Dr. Bernard N. Fields
Professor of Microbiology and Molecular
Genetics
Harvard Medical School

Dr. John A. Oates
Director of Clinical Pharmacology
Vanderbilt University School of Medicine

Dr. James Schwartz
Professor of Psychology and Neurology
Columbia University College of Physicians
and Surgeons

Dr. E. Richard Stiehm
Professor and Head, Division of Pediatric
Immunology/Allergy
University of California, Los Angeles,
School of Medicine

Dr. Samuel Alonzo Wells
Professor of Surgery
Washington University School of Medicine

Financial Reports
and
Summary of Active Grants

Financial Summary

■ The annual financial statements, which have been audited by Arthur Andersen & Co., appear on pages 45 to 58.

On December 31, 1985, the Foundation's assets were \$180.7 million, an increase of \$25.6 million for the year. The Foundation's portfolio mix was unchanged from the prior year end with stock holdings remaining at 45 percent and fixed income at 54 percent. The remaining one percent of the portfolio at the end of 1984 and 1985 was comprised of venture capital limited partnerships. Commitments to such partnerships total \$6 million, with additional capital contributions in 1985 of \$1.1 million for a total of \$3 million invested to date.

In 1985, revenues on a cash basis totalled \$12.7 million, and cash payments for grants, program-related investments, expenses and federal excise tax were \$8.7 million. The yield on the market value of investments was approximately 7.5 percent for the year. Total return, income plus realized and unrealized capital gains, was 23.2 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, 1985, the Foundation's investments were managed by Capital Guardian Trust Company, T. Rowe Price Associates, Towneley Capital Management, Inc. and McConnell & Miller, 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, 1985 and 1984, 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, 1985 and 1984, 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 in pages 49 to 58, inclusive, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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 21, 1986

Arthur Andersen & Co.

Balance Sheets—December 31, 1985 and 1984

	1985	1984
Assets		
Cash in Operating Account	\$ 2,044	\$ 620
Interest and Dividends Receivable	1,965,296	2,426,486
Receivable for Pending Investment Sales	1,105,930	350,375
Other Current Assets	16,854	9,493
Investments (Notes 1 and 2)		
Cash and short-term paper	32,684,844	12,222,940
Stocks	79,057,831	67,802,175
Long-term bonds	61,873,938	69,073,900
Venture capital partnerships	2,834,723	1,846,094
Total investments	<u>176,451,336</u>	<u>150,945,109</u>
Program Loans Receivable (Note 6)	1,193,450	1,438,149
Total assets	<u>\$180,734,910</u>	<u>\$155,170,232</u>
Liabilities and Fund Balance		
Accounts Payable	\$ 228,961	\$ 177,740
Payable for Pending Investment Purchases	331,833	366,235
Federal Excise Tax Payable (Note 1):		
Current	464,948	294,323
Deferred	350,692	142,658
Grants Payable (Notes 1 and 5)	13,433,107	9,713,770
Total liabilities	<u>14,809,541</u>	<u>10,694,726</u>
Fund Balance	165,925,369	144,475,506
Total liabilities and fund balance	<u>\$180,734,910</u>	<u>\$155,170,232</u>

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, 1985 and 1984

	1985	1984
Revenues:		
Dividends	\$ 2,745,303	\$ 3,169,965
Interest-		
Short-term paper	1,851,050	1,659,206
Long-term bonds	7,577,018	6,750,585
	<u>12,173,371</u>	<u>11,579,756</u>
Grants and Expenses:		
Grants awarded (less cancellations and refunds of \$118,208 in 1985 and \$102,755 in 1984) (Note 1)	10,220,669	6,896,931
Grant-related expenses	112,932	148,603
Provision for uncollectible program- related loans	50,000	149,561
Federal excise tax on net investment income (Note 1)	231,814	221,910
Investment fees	576,219	484,232
Personnel salaries and benefits (Note 4)	590,310	673,789
Professional services	129,238	91,198
Office and other expenses	429,555	397,551
Foundation history project	—	35,931
	<u>12,340,737</u>	<u>9,099,706</u>
Excess (deficiency) of revenues versus grants and expenses	(167,366)	2,480,050
Net Realized and Change in Unrealized Gain (Loss) on Securities Transactions (Note 2)	21,617,229	(4,233,329)
Assets Received Upon Termination of Trust (Note 7)	<u>—</u>	<u>33,639</u>
Increase (decrease) in fund balance for the year	21,449,863	(1,719,640)
Fund Balance, beginning of year	<u>144,475,506</u>	<u>146,195,146</u>
Fund Balance, end of year	<u>\$165,925,369</u>	<u>\$144,475,506</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 \$350,692 and \$142,658 applicable to the unrealized appreciation of investments at December 31, 1985 and 1984, 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 gain on investments in 1985 is summarized as follows:

	Cost	Quoted Market Price	Appreciation
Balance, December 31, 1984	\$143,812,220	\$150,945,109	\$ 7,132,889
Balance, December 31, 1985	\$158,916,737	\$176,451,336	\$17,534,599
Unrealized appreciation during the year, net of increase in deferred federal excise tax of \$208,034			\$10,193,676
Realized gain, net of provision for federal excise tax of \$233,134			11,423,553
Total net gain			\$21,617,229

During 1983, the Foundation entered into three limited partnership venture capital agreements. As of December 31, 1985, \$3,000,000 had been invested in these partnerships. Future commitments under the agreements aggregate \$3,000,000.

(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 1985 and 1984 was \$133,113 and \$116,985 respectively.

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

	Minimum Rental
1986	\$ 112,530
1987	117,330
1988	117,330
1989	117,863
1990	123,724
Thereafter to 1994	484,586
Total minimum commitment	\$1,073,363

The Foundation is currently negotiating the acquisition of office facilities and termination of its current lease.

(4) Pension plan:

The Foundation has a defined contribution retirement plan covering all eligible employees. Pension expense under the plan for 1985 and 1984 amounted to \$47,921 and \$46,577, 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 \$48,000 in 1985 and \$42,000 in 1984 for payments to certain retirees who began employment with the Foundation prior to the initiation of the formal retirement plan.

(5) Grants payable:

The Foundation estimates that the grants payable balance as of December 31, 1985, will be paid as follows:

	Amount
1986	\$ 6,567,446
1987	3,810,686
1988	1,754,975
1989	700,000
1990	600,000
	\$13,433,107

(6) Program loans receivable:

Program loans which have been made to certain not-for-profit organizations for use in approved projects are repayable in one to five years and, in certain cases, provide interest at rates up to 8%.

(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, 1985 and 1984, under short-term foreign currency forward purchase commitments aggregating \$130,421 and \$85,298, respectively.

Summary of Active Grants 1985

	Balance Due January 1, 1985	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1985
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. Gretchen V. Fleming, Ph.D.	\$323,828		\$167,744	\$156,084
Brigham and Women's Hospital Boston, MA Creation of a product cost accounting system for hospital management. Barbara McNeil, M.D., Ph.D.	282,992		81,491	201,501
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.	150,000		75,000	75,000
Dartmouth Medical School Hanover, NH A renewal grant to study the outcome and quality of care associated with practice pattern variations. John E. Wennberg, M.D.	150,000	475,000	259,600	365,400
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.	135,196		135,196	
George Washington University Washington, D.C. State workshops on market and non-market strategies for controlling health care costs. Judith Miller Jones	59,000		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.	53,630		53,630	

	Balance Due January 1, 1985	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1985
HealthChoice, Inc. Portland, OR Demonstration project to help improve the availability of health coverage for the self- employed in Portland, Oregon. Robert O'Brien	\$143,063	\$50,000	\$193,063	
Henry Ford Hospital Detroit, MI Pilot study for determining the feasibility of treating children with infectious bacterial diseases at home. Edward B. Lewin, M.D.		120,227	60,114	60,113
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. Jeanne McGee, Ph.D.	383,000		185,000	198,000
Johns Hopkins University Baltimore, MD A renewal grant to the Center for Hospital Finance and Management which studies hospi- tal reimbursement issues and provides tech- nical assistance on payment issues to hospitals. Carl J. Schramm, Ph.D.		600,000	200,000	400,000
Maternity Center Association New York, NY A renewal grant for the collection and dis- semination of data on the care provided in birth centers. Ruth Watson Lubic, Ed.D.		22,755	11,378	11,377
Mayo Foundation Rochester, MN A renewal grant for the development of benchmarks for more cost-effective care. Fred Nobrega, M.D.	35,115	537,932	170,636	402,411
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	
New England Medical Center Boston, MA Improving efficiency in the medical, surgical and pediatric units of a hospital. Peter Van Etten	250,000		100,000	150,000

	Balance Due January 1, 1985	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1985
New York Hospital New York, NY Improving productivity in hospital operating rooms. Rosemary Clemens, Ph.D.	\$744,000		\$263,000	\$481,000
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 Demonstration of prepaid financing for long term care of the frail elderly. Richard Zawadski, Ph.D.	127,581		64,281	63,300
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	106,045		83,665	22,380
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	46,925		46,925	
People-to-People Health Foundation Millwood, VA Evaluation of selected employer initiatives to control health costs. Gail Wilensky, Ph.D.	25,000		25,000	
University of California, Los Angeles Santa Monica, CA A renewal grant to conclude a three-year comprehensive national study of variations in clinical practices. Robert H. Brook, M.D.	250,000		150,000	100,000
University of Pennsylvania Philadelphia, PA Improving cost-effectiveness of physician practice patterns in hospitals. J. Sanford Schwartz, M.D.	524,997		80,508	444,489

	Balance Due January 1, 1985	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1985
University of Rochester Rochester, NY Research and demonstration project to improve cost-effectiveness of out-patient care. Paul F. Griner, M.D.		\$523,671	\$78,438	\$445,233
Yale University New Haven, CT 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.	340,000	240,000	460,000	120,000
Subtotal	\$4,400,372	\$2,569,585	\$3,153,669	\$3,816,288
Aging and Health				
Beth Israel Hospital Boston, MA Improving the use of medications in nursing homes. Jerome Avorn, M.D.		584,650	97,911	486,739
Brigham and Women's Hospital Boston, MA A demonstration and evaluation of an outpatient geriatric assessment unit. Arnold M. Epstein, M.D.	475,610		104,390	371,220
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.	36,615		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	70,766		70,766	
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

	Balance Due January 1, 1985	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1985
Louis Harris and Associates, Inc. New York, NY National survey examining physician drug pre- scribing practices and subsequent compliance of older patients. Merl W. Baker		\$215,211	\$107,606	\$107,605
Lutheran Medical Center Brooklyn, NY Establishment of a hospital-based community care organization to ensure the identification, delivery, and financing of long-term care ser- vices 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		108,910	141,090
Philadelphia Geriatric Center Philadelphia, PA A renewal grant to continue demonstration and evaluation of a multi-service respite program for family caregivers of Alzheimer's patients. Elaine M. Brody	76,075	295,669	171,844	199,900
Research Foundation of CUNY New York, NY A demonstration to develop a model for an intergenerational life-history program. Rose Dobrof, D.S.W.	244,791		183,522	61,269
Senior Medical Consultants New York, NY Development and implementation of a continu- ing medical education program in geriatrics for primary care physicians in local hospitals. Melvin Horwith, M.D.	112,500		112,500	
United Seniors Consumer Cooperative Washington, DC A renewal grant to implement a comprehensive consumer health information program for older patients. James P. Firman, Ed.D.	50,000	272,599	110,899	211,700

	Balance Due January 1, 1985	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1985
U.S. Department of Health and Human Services National Institute on Aging Bethesda, MD Partial support for the symposium on aging research in conjunction with the 10th Anniversary Celebration of NIA. T. Franklin Williams, M.D.		\$2,000	\$2,000	
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. John C. Beck, M.D.	92,500	20,000	112,500	
University of California 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.	39,763		39,763	
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.	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.	234,846		60,346	174,500
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.	80,000	80,000	40,000	120,000
Johns Hopkins University School of Medicine Baltimore, MD William R. Hazzard, M.D.	80,000	80,000	40,000	120,000

	Balance Due January 1, 1985	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1985
Mount Sinai School of Medicine New York, NY Robert N. Butler, M.D.	\$80,000	\$80,000	\$40,000	\$120,000
UCLA School of Medicine Los Angeles, CA David H. Solomon, M.D.	40,000	80,000	20,000	100,000
Partial salary support for the selected mid-career physicians who are retraining for academic careers in geriatrics.				
1985–86 Hartford Scholars				
Hahnemann University Philadelphia, PA Robert Nathan, M.D.	55,000		30,000	25,000
Michigan State University East Lansing, MI Keith Champney, M.D.	55,000		30,000	25,000
New Jersey Medical School Newark, NJ Reynard McDonald, M.D.	55,000		30,000	25,000
University of Colorado Denver, CO Laurence Robbins, M.D.	55,000		30,000	25,000
University of Kentucky Medical Center Lexington, KY James Cooper, M.D.	55,000		30,000	25,000
University of Maryland Medical School Baltimore, MD Elizabeth Rogers, M.D.	55,000		30,000	25,000
University of Michigan Ann Arbor, MI John Santinga, M.D.	55,000		30,000	25,000
1986–87 Hartford Scholars				
Baylor College of Medicine Houston, TX Richard W. Demmler, M.D.		55,000		55,000
East Carolina University School of Medicine Greenville, NC Eugene D. Furth, M.D.		55,000		55,000

	Balance Due January 1, 1985	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1985
Eastern Virginia Medical School Norfolk, VA William A. Steiger, M.D.		\$55,000		\$55,000
Medical College of Virginia Richmond, VA Robert B. Scott, M.D.		55,000		55,000
Olive View County Hospital Sylmar, CA Fran E. Kaiser, M.D.		55,000		55,000
SUNY/Buffalo School of Medicine Buffalo, NY John A. Edwards, M.D.		55,000		55,000
University of Connecticut Health Center School of Medicine Farmington, CT James E. C. Walker, M.D.		55,000		55,000
University of Texas Medical School Houston, TX Cheves M. Smythe, M.D.		55,000		55,000
Subtotal	\$2,506,903	\$2,150,129	\$1,793,009	\$2,864,023

Development of Biomedical Technology

University of Texas Health Science Center at Dallas Dallas, TX Model to channel research into the business community for more rapid commercial application, and return a majority of profits to the University. William B. Neaves, Ph.D.	3,000,000	3,000,000
University of California, San Diego, School of Medicine La Jolla, CA Study to devise alternate methods for improving the University's present system of biotech- nology transfer of its research. Roger D. Meyer	159,696	159,696
Subtotal	\$3,159,696	\$3,159,696

	Balance Due January 1, 1985	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1985
Hartford Fellows Program				
Fellowships Starting in 1983	\$400,050		\$381,150	\$18,900
Fellowships Starting in 1984	907,200	129,600	453,600	583,200
Fellowships Starting in 1985	1,360,800	259,200	453,600	1,166,400
Fellowships Starting in 1986		1,749,600		1,749,600
Subtotal	\$2,668,050	\$2,138,400	\$1,288,350	\$3,518,100
Other				
Baylor College of Medicine Houston, TX	55,556		55,556	
The Cooper Union Research Foundation, Inc. New York, NY		100,000	50,000	50,000
The Foundation Center New York, NY		5,000	5,000	
International Committee of the Red Cross Geneva, Switzerland		10,000	10,000	
New York Regional Association of Grantmakers New York, NY		5,000	5,000	
Overlook Hospital Summit, NJ		50,000	25,000	25,000
Matching Grants*		151,067	151,067	
Subtotal	\$ 55,556	\$ 321,067	\$ 301,623	\$ 75,000
Grants Cancelled or Refunded	82,889	(118,208)	(35,319)	
Total (All Grants)	\$9,713,770	\$10,220,669	\$6,501,332	\$13,433,107

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

Program Related Investments

	Authorized Not Issued January 1, 1985	Loans Authorized 1985	Loans Issued 1985	Authorized Not Issued December 31, 1985
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	
Loans Cancelled	\$192,000	(\$192,000)		
Total	\$242,000	(\$192,000)	\$50,000	

Additional Active Projects

(Grants and program related investments still active in 1985, but no Foundation payout remaining.)

Health Care Financing

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

1983; \$109,548; 1 year

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

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

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

Midpeninsula Health Services

Palo Alto, CA

Development of a new form of preferred provider health care financing plan.

Jeanne Ewy

1983; \$173,365; 1½ years

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

1982; \$194,000; 2 years

National Governors' Association

Washington, DC

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

1982; \$300,000; 2 years

Northern Sierra Hospital Council

Chico, CA

A renewal grant to create a rural hospital management consortium.

Sharon Avery

1983; \$100,000; 1 year

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

University of Vermont

Burlington, VT

Presentation of variations in physician practice patterns to a general audience.

Hamilton Davis

1984; \$58,408; 1 year

Washington Business Group on Health

Washington, DC

A loan to develop a monthly magazine, Business & Health, to help employers manage health benefits costs while insuring that their employees receive quality health care.

Willis Goldbeck

1983; \$200,000 loan.

Aging and Health

The Gerontological Society of America

Washington, DC

Publication of 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.

1984; \$50,000; 1½ years

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

Harvard Medical School

Boston, MA

Implementation and operation of a training program for mid-career physicians who are retraining for academic careers in geriatrics.

Richard W. Besdine, M.D.

1983; \$190,000; 1 year

The Johns Hopkins University

School of Medicine

Baltimore, MD

Implementation and operation of a training program for mid-career physicians who are retraining for academic careers in geriatrics.

William R. Hazzard, M.D.

1983; \$190,000; 1 year

The Mount Sinai School of Medicine
New York, NY
Implementation and operation of a training program for mid-career physicians who are retraining for academic careers in geriatrics.
Robert N. Butler, M.D.
1983; \$190,000; 1 year

SUNY/Buffalo, Center for the Study of Aging
Buffalo, NY
A demonstration project to expand and upgrade a model for assistance to family caregivers of the elderly, using training sessions in community, hospital, and nursing home settings.
Carol A. Nowak, Ph.D.
1983; \$89,000; 1 year

University of California, Los Angeles School of Medicine
Los Angeles, CA
Implementation and operation of a training program for mid-career physicians who are retraining for academic careers in geriatrics.
David H. Solomon, M.D.
1983; \$190,000; 1 year

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. Lusk, Ph.D.
1983; \$114,000; 1 year

Energy

Association of Physical Plant Administrators of Universities and Colleges
Washington, DC
A renewal grant to complete college and university energy management and financing demonstrations, and to disseminate the results.
Christopher Crittenden
1982; \$550,000; 2 years

Energy Conservation and Facilities Management Corporation
New York, NY
Energy Conservation Capital Fund for non-profit organizations.
Clara Miller
1981; \$250,000 loan

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

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

Other

Hospice of Santa Barbara
Santa Barbara, CA
1984; \$25,000; 1 year

Waveny Care Center
New Canaan, CT
1984; \$25,000; 1 year

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 and assisting the health care systems to accommodate the nation's aging population. 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. 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.

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.

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 Geriatric Faculty Development Awards

The Hartford Geriatric Faculty Development Awards program has a formal application process. Applications are accepted once each year in June. Approximately eight Scholars are selected 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. Those interested may request more detailed information about the program from the Foundation.

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.

Further Information

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

Address until October 31, 1986:

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

Address after October 31, 1986:

Executive Director
The John A. Hartford
Foundation, Inc.
55 East 59th Street
New York, NY 10022

Credits

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