

The John A. Hartford Foundation

1988 Annual Report





"It is necessary

to carve from

the whole vast

spectrum of

human needs

one small band

that the heart

and mind together

tell you is the

This has been the guiding philosophy of the

area in which

Hartford Foundation since its establishment in 1929.

you can make

With funds from the bequests of its founder,

your best

John A. Hartford, and his brother George L. Hartford,

contribution."

both former chief executives of the Great Atlantic

and Pacific Tea Company, the Hartford Foundation

seeks to make its best contribution by supporting efforts

to improve health care in America.



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.....



Report of the Chairman

"Now let it be RESOLVED: That we, the Trustees of The John A. Hartford Foundation, do acknowledge and acclaim the distinguished leadership of our Chairman, Leonard Dalsemer, over the period of his wise and thoughtful stewardship."

Leonard Dalsemer became a Trustee of The John A. Hartford Foundation on March 6, 1973, and President five years later. He became Chairman Emeritus at our Annual Meeting on May 12, 1988, and the Board expressed its gratitude to him in a Resolution, part of which is quoted above. He led us well during a period of probably the greatest changes in the Foundation's history.

Hardly a day goes by when there isn't some mention in our media of the increasing cost of health care in this country and the parallel question of quality. Alongside such a column we might also see comments on the aging of America and the problems facing the ever-increasing numbers of elderly in this country. The Foundation's two principal areas of endeavor seem to be well positioned against two of our most important concerns in our country today. Our report this year continues the story of our work in these areas and describes our grants. Both of our programs will continue to address these ever-increasing areas of concern which we are facing today and will be facing in the years ahead.

Charles E. Murphy, Jr., became Vice Chairman and took my place as Chairman of our Grants Committee. His leadership of our program area is already being felt, and being in New York he is in closer contact with our program staff.

Our grant evaluations have been done in the past by a subcommittee of the Grants Committee. In 1988 we felt that this had become a more important facet of our overall process and decided to spin this out from the Grants Committee into a free-standing Board-appointed Committee. Dr. Charles Moeller, Jr., is its chairman and Messrs. Robert H. Mulreany and Birny Mason, Jr., are its other members.

Thanks to the effort of Norman Volk and his Finance Committee, our portfolio rebounded well in 1988 from Black Monday and we are grateful to this Committee for its wise deliberations.

In closing, let me express my gratitude to all my colleagues on our Board of Trustees and to our staff for a very successful 1988.


James D. Farley

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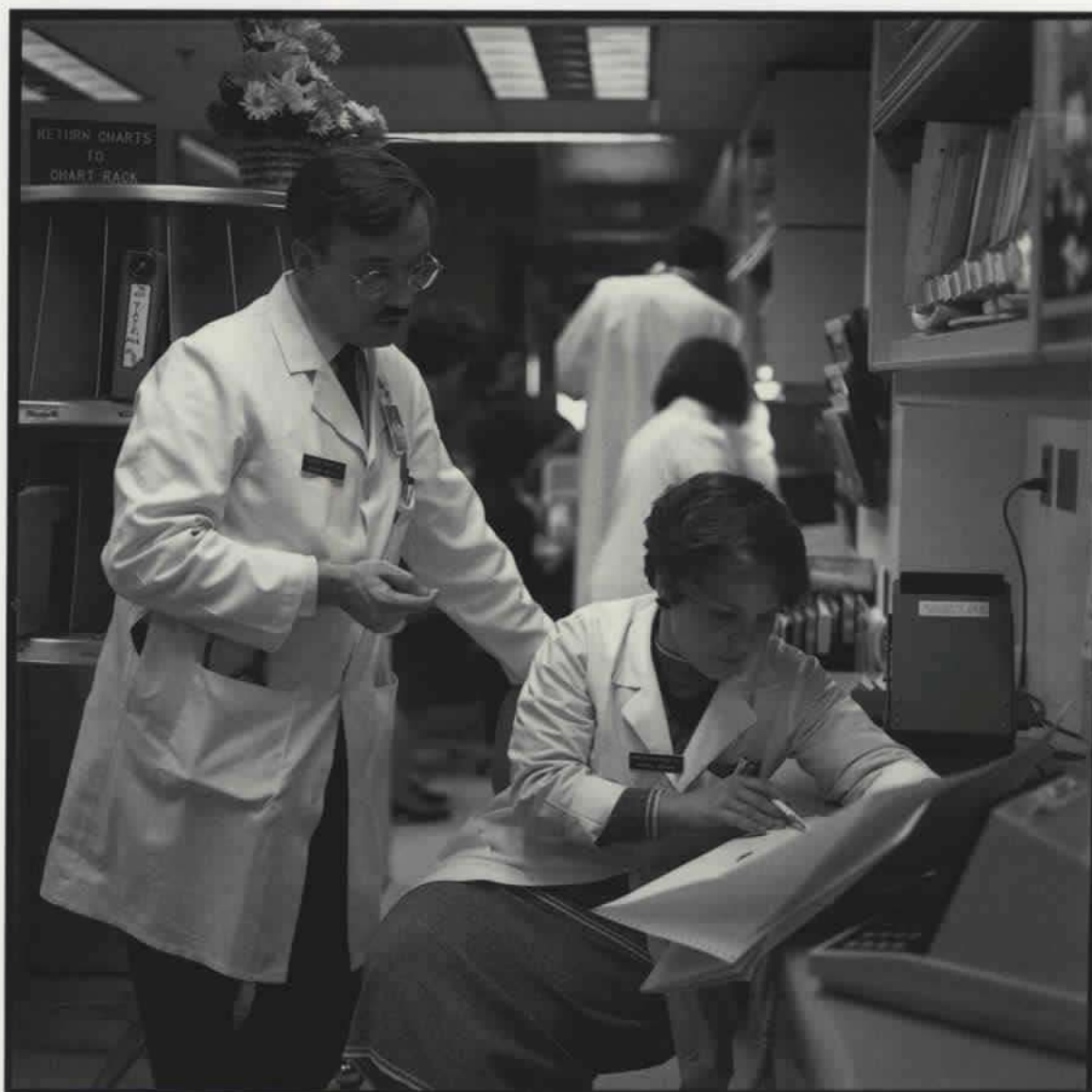
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Monica Ortiz-Ureña, Accountant
Teri L. Williams, Administrative Assistant

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arly in 1989 a *Newsweek* cover story with a provocative headline question, "Can You Afford to Get Sick?," captured the urgency and scope of the current crisis in our health care system. American consumers are alarmed by the continuing spiral of health care costs. As *Newsweek* reported, a recent report by the Health Insurance Association of America and Johns Hopkins University predicts that if current trends continue, corporations will face another double-digit increase in health insurance premiums by the end of 1990.





With Hartford's support, the Division of General Medicine at the University of Michigan Medical Center is managing its quality, through what it calls integrated inpatient management. At its core is a physician manager, charged with monitoring patient care with the aid of a computer-based information system. When a problem is identified, the manager helps those responsible for the patient's care to address it. Here, manager Annette M. Bernard, M.D., confers with attending physician, James Wooliscroft, M.D., regarding a patient's care.



The Midwest Business Group on Health is using Hartford support
 to help up to three local business groups to
 work with those who supply health care to their employees in
 fostering and measuring quality improvement. Here,
 James D. Mortimer, President of the Midwest Business Group,
 (center) confers with Janice Ypsilantes, Manager,
 Health Care Programs, at Navistar International Transportation
 Corporation and Robert Colasanto, President, CCN,
 Inc., both members of the Chicago Area Purchasing Council,
 which will undertake one of the demonstrations.

**Greater Attention
to Quality**

"To be sure, Americans want good health care," said Dr. William L. Roper, the Federal Medicare administrator. But "underneath that, there is a widespread doubt among individuals and national leaders," he said. "We're not getting full value. We need to do a better job of spending this large amount of money."

*New York Times
November 29, 1988*

But this continuing health care inflation was only part of last year's news. The more significant development was the growing recognition among those seeking to contain health costs—whether purchasers, regulators or providers—that they must take into account the relationship between cost and quality. While they were severely limited in their capacity to measure—or even define—health care quality, some progress was made in this regard.

It was the major purchasers in particular, including large corporations and government, who energized these intensified efforts. Faced with rapidly escalating health costs, they accelerated their search for solutions. But understanding that quality could suffer were they to seek only to "buy cheap," those at the cutting edge pursued ventures that combined commitment to excellence with attention to economy. Some joined with local health care leaders in community-based partnerships, others sought innovative discounting arrangements with providers, and still others tried ways to measure the quality of providers' care. In all cases the goal was insuring the best possible care at the most reasonable cost.

As hospitals and health maintenance organizations (HMOs) tightened their budgets in response to purchasers' pressures, they too voiced concern that the quality of their services could be hurt. Many addressed that concern by taking steps to strengthen the measurement and management of their quality. An increasing number of health care providers combined those efforts with publicizing their quality, knowing that in competitive markets this could gain them advantage.

The Hartford Foundation was prominent among those supporting such trend-setting developments. For example:

- A number of Hartford Foundation grants — including those to the Center for Policy Studies, the Midwest Business Group on Health, the Minnesota Coalition on Health, and the University of Pennsylvania — are making possible important purchaser initiatives that help employers and communities buy health care based on value, taking into account both price and quality.

- The Rochester Area Hospitals Corporation, Park Nicollet Medical Foundation, and the University of Michigan Medical Center — all with Hartford Foundation support — have become prominent among those at the forefront in developing health care quality assurance systems.

- The Harvard Community Health Plan's National Demonstration Project on Quality Improvement in Health Care — another Hartford Foundation grantee — is currently assisting over twenty hospitals and HMOs adapt techniques from industrial quality assurance in managing their quality.

- A team from the University of California, Los Angeles, led by Dr. Robert Brook — with seed funding from the Hartford Foundation — is now collaborating with a group of leading HMOs to develop a state-of-the-art system for measuring their quality.

Reducing Inappropriate Services

At the same time, the Hartford Foundation supported a number of new initiatives in 1988 aimed at reducing the volume of inappropriate medical services. For this too, it is agreed, will be crucial in strengthening our nation's health care system.

- A grant to the Rand Corporation supports its collaboration with a consortium of academic medical centers dedicated to developing an informed consensus as to the appropriateness of various medical procedures.

- A Foundation grant to Dartmouth supports Dr. John Wennberg's development of a prototype that helps make patients informed participants in selecting from among several treatment alternatives, in a process based on analysis of effectiveness and risks, and factoring in personal values and preferences.

- Duke University's Dr. David Eddy is using Hartford support to work with, among others, health services researchers, organizations of medical specialists, and the American Medical Association, in finding better ways to assess the appropriateness of health care technologies and procedures.

- With Hartford Foundation support, a consortium of technology assessment experts, led by Dartmouth's Dr. Harold Sox, is developing much-needed guidelines for internists in determining case-by-case suitability of a number of diagnostic tests.

- A Hartford grant is supporting George Washington University's Dr. William Knaus in the development of a system that will help physicians decide on the appropriateness of intensive care for their patients.

In Pittsburgh, the [Alcoa] company and other members of the Pennsylvania Business Roundtable, a group of major corporations, have joined a so-called Buy Right project to convince certain hospitals that opening themselves to corporate scrutiny is ultimately in their best interest. For hospitals that can show they offer good care at reasonable prices the incentive is to prevent companies from simply scurrying to low bidders.

*The Wall Street Journal
April 22, 1988*

Public Sector Initiatives



New Leaders for the Challenges Ahead

Says Wennberg, who notes that the drug industry spends billions evaluating its products: "The fundamental assessments of whether procedure A or B works better just haven't been done."

*Fortune
October 10, 1988*

The federal government, the nation's largest health care purchaser, was particularly active in addressing matters of cost and quality during 1988. It launched an ambitious Effectiveness Initiative, aimed at finding better ways to assure quality while containing the cost and volume of health care services provided under the Medicare and Medicaid programs. Prominent among Hartford grantees who participated in this Initiative were Dr. Robert Brook of the RAND Corporation, Dr. David Eddy of Duke University, and Dr. John Wennberg of Dartmouth.

The fast pace of developments in all of these areas has taxed the energies of the relatively small group of physicians best qualified to lead them. In response, a substantial 1988 Foundation award to Stanford University's Business School and the National Fund for Medical Education is making possible Stanford's expansion of an M.B.A. program track designed specifically for physicians committed to careers in health care management.

All of these activities well illustrate the Hartford Foundation's continuing commitment to the

If all health-care providers practiced as effectively and efficiently as the best, most efficient ones today, then without inventing anything new, we could cover all Americans for no more (and probably less) than we are spending now — and we could improve quality to boot.

*Walter J. McClure
Newsday
September 4, 1988*

goals of its Health Care Cost and Quality Program:

- to assist health care providers (hospitals, HMOs, physicians) in the development of systems for measuring and improving their quality;

- to assist health care purchasers (government, corporations, patients) in evaluating both the quality and cost of various health care providers;

- to assist the medical community and others in developing better ways to identify and reduce inappropriate health care services, taking into account individual patient preferences and values; and

- to expand the pool of physicians qualified to lead future endeavors in these areas.

1988 Grant Commitments

The Hartford Foundation awarded ten grants under its Health Care Cost and Quality Program in 1988, for commitments totalling \$4,143,075.*

*In addition, a balance of \$335,530 in the 1987 award to Stanford University for a multi-institutional technology assessment consortium has been redirected to Dartmouth Medical School due to the relocation of the project's principal investigator, Harold C. Sox, Jr., M.D., from Stanford to Dartmouth.

THE CENTER FOR HEALTH POLICY DEVELOPMENT

Washington, DC
Edward Neuschler

Well-Managed Care for Medicaid Recipients

The state agencies responsible for administering Medicaid programs based on prepaid, fixed-cost-per-patient approaches often lack expertise in key supervisory areas such as rate-setting or coordination of care. The Center for Health Policy Development will use this grant to organize a technical assistance program, beginning by bringing together experts and state officials in a focused dialogue to identify the scope and nature of the needs, and the available options to meet them.

Grant Award: \$83,176; 6 months
Starting Date: October 1, 1988

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HARVARD COMMUNITY HEALTH PLAN

Brookline, MA
Donald M. Berwick, M.D.

National Demonstration Project on Quality Improvement in Health Care

With previous Hartford Foundation support, The Harvard Community Health Plan (HCHP) demonstrated that some strategies of industrial quality control can be successfully applied in or adapted to the management of health care institutions. With continued support, HCHP will expand and institutionalize its National Demonstration Project on Quality Improvement in Health Care, making it possible for leaders in industrial quality control to share their expertise with an even wider range of health care organizations. As the core of its expanded program, HCHP will develop and market a series of educational programs—including on-site seminars and workshops—and programs of associated advisory support.

Grant Award: \$599,851; 3 years
Starting Date: January 1, 1989

MIDWEST BUSINESS GROUP ON HEALTH

Chicago, IL
Barbara S. Gurley

Value-Managed Health Care Purchasing Demonstration Project

With previous Foundation support the Midwest Business Group on Health (MBGH) found that while corporations are genuinely concerned about and committed to quality in their health care purchasing efforts, many have been able to incorporate these concerns in their purchasing decisions in only a fragmented way. Drawing on their evaluation of health care purchasing systems and quality assessment tools currently available to corporations in choosing health care service providers for their employees, MBGH will now undertake a two-year demonstration that relies heavily on strengthening the mutual understanding and exchange of information between the corporate purchaser and health care providers in order to foster a comprehensive quality-oriented purchasing approach.

Grant Award: \$399,000; 3 years
Starting Date: January 1, 1989

MINNESOTA COALITION ON HEALTH

St. Paul, MN

Patricia Drury

Voluntary Health Care Information Project in the Twin Cities

Working with health care providers in Minneapolis and St. Paul, the Minnesota Coalition on Health, in collaboration with the Healthcare Education and Research Foundation of the Council of Hospital Corporations (HREF) and the Center for Policy Studies, will develop a prototype system of hospital data profiles. These profiles, disseminated to local employers, will be designed to enable them to make realistic assessments of performance—in terms of both price and quality—of various health care providers and plans. In the course of the project, the Coalition will pay particular attention to the cost and feasibility of such data collection. The results could be of substantial interest and utility in implementing similar projects across the nation.

Grant Award: \$600,000; 3 years

Starting Date: May 1, 1988

NEW ENGLAND MEDICAL CENTER HOSPITALS

Boston, MA

Stephen C. Pauker, M.D.

A Flexible Approach to Optimizing the Delivery of Care in an Inpatient Setting

With previous Foundation support, a team from the New England Medical Center (NEMC) concluded that inadequate planning of inpatient care contributes substantially to hospital inefficiency. With continued Foundation support, NEMC will attempt to demonstrate the utility of better planning inpatient care management. Management plans will be developed for a range of illnesses for which the hospital's management of care is judged to be particularly inefficient. These plans will be evaluated, examining their impact on length of stay, resource use and quality of care. If the results are positive, steps will be taken to begin adapting the prototypes for use by other hospitals.

Grant Award: \$544,414; 3 years

Starting Date: July 1, 1988

THE RAND CORPORATION

Santa Monica, CA

Robert H. Brook, M.D.

Lucian L. Leape, M.D.

David H. Solomon, M.D.

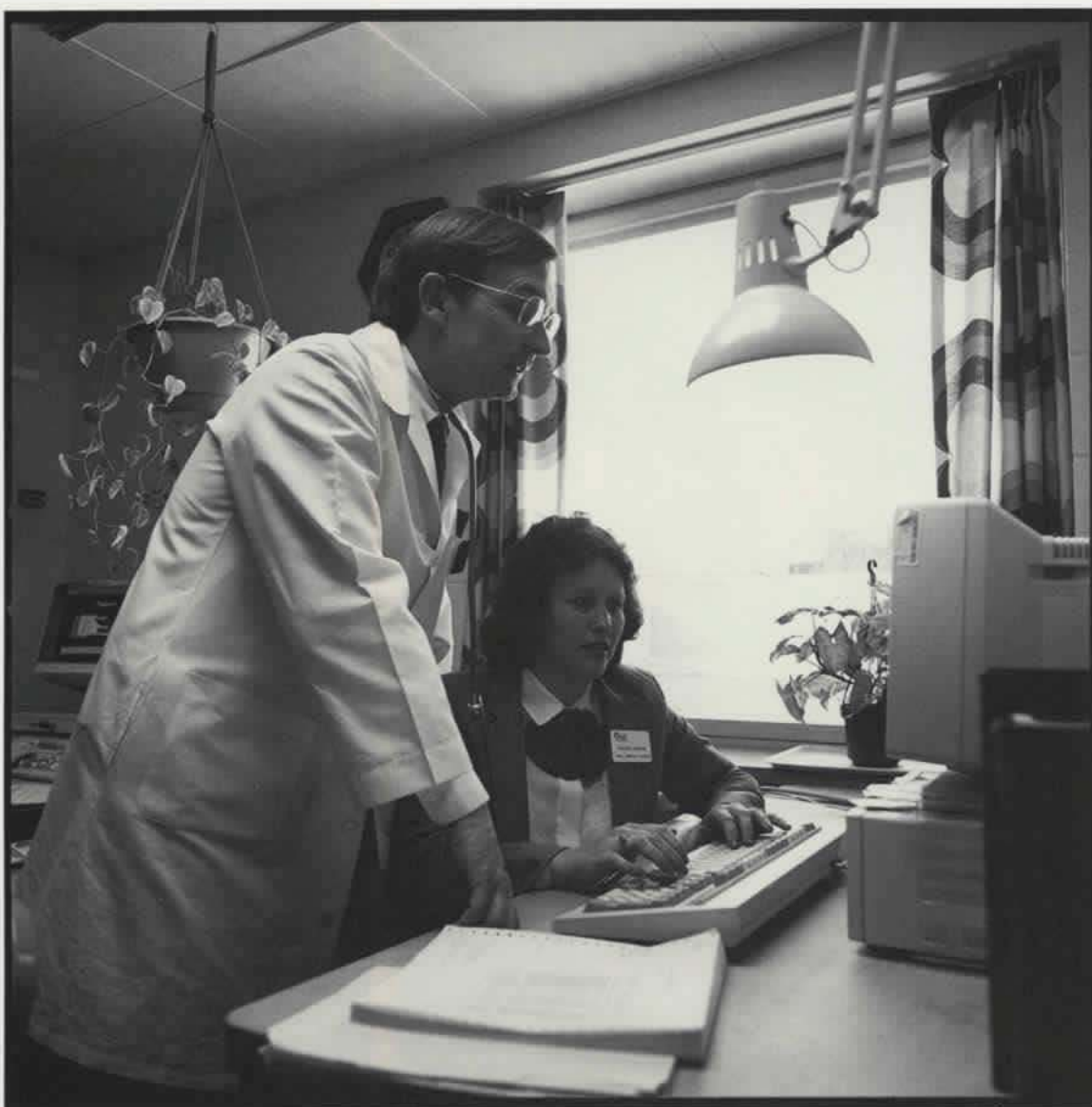
An Academic Medical Centers/RAND Consortium to Improve Quality and Appropriateness of Care

In order to implement a variety of initiatives aimed at containing costs while maintaining first-rate care, the medical community requires a valid consensus as to what constitutes appropriate care. With Hartford Foundation support, Dr. Robert Brook and his colleagues at The RAND Corporation will organize a consortium of the country's leading academic medical centers. Experts from these institutions will join together to develop and demonstrate better ways to measure the quality and appropriateness of care in their hospitals, thereby leading the way for other hospitals across the country.

During the one-year grant period, the consortium will develop a work plan, and undertake the preliminary research and training required to launch the project. At the end of the one-year grant period, the consortium will seek major support for full implementation of their program from foundations and government.

Grant Award: \$205,200; 1 year

Starting Date: October 1, 1988



With Foundation support, the Rochester Area Hospitals Corporation is developing a system to compare the quality of hospitals participating in a new reimbursement system with incentives for quality. Here, William J. Hall, M.D., Chief of Medicine at Rochester General Hospital and the project's co-principal investigator, consults with Patricia A. Houghton, R.N., Administrative Director for Quality Assurance, Utilization Management and Clinical Analysis at Rochester General about the project.

STANFORD UNIVERSITY SCHOOL OF BUSINESS

Stanford, CA

Alain C. Enthoven, Ph.D.

NATIONAL FUND FOR MEDICAL EDUCATION

Boston, MA

Norman S. Stearns, M.D.

Management Education Program for Physician Leaders

To meet the challenges ahead in the field of health care cost and quality, we need physician leaders who have not only outstanding medical training, but solid grounding in the tools and concepts of modern management. With Hartford's support, the Stanford Business School will build a program to address this need. In a national competition sponsored by Stanford and the National Fund for Medical Education (NFME), twelve fellows, four each year, will be selected to receive tuition support to attend Stanford's Graduate School of Business in one of the nation's most distinguished MBA programs. There, they will receive training for management careers in hospitals, HMOs, and other health organizations.

Stanford University:

Grant Award: \$296,825; 3 years;

Starting Date: March 1, 1989

National Fund for Medical Education:

Grant Award: \$566,144; 4 years

Starting Date: December 15, 1988

THE UNIVERSITY OF MICHIGAN MEDICAL CENTER

Ann Arbor, MI

Laurence F. McMahon, Jr., M.D., M.P.H.

Integrated Inpatient Management Model

With this grant, the University of Michigan Medical Center will develop and evaluate an innovative prototype system for measuring and managing the quality of hospital care based on the concept of a "clinician manager." These clinician managers are physicians assigned to monitor the quality of care in individual units. With the support of an improved computer-based data system the clinician managers will identify quality problems and bring them to the prompt attention of the attending physicians responsible for patients. The clinician managers also will monitor physicians' use of technical and personnel resources and will aid in coordinating patient care and services.

Grant Award: \$394,659; 2 years

Starting Date: October 1, 1988

THE UNIVERSITY OF PENNSYLVANIA,

LEONARD DAVIS INSTITUTE OF HEALTH ECONOMICS

Philadelphia, PA

Mark V. Pauly, Ph.D.

Development of a Community Hospital Quality Index

This project will develop a prototype system for rating hospital quality, which could be combined with systems already used by firms such as Moody's and Standard & Poor's for rating hospitals' financial strength. The goal is to provide a more accessible and universally applicable basis for comparing hospitals than has been available to date. The project will require collaboration by health services researchers from the University of Pennsylvania's Medical School, corporate finance experts from the Wharton School and the Pennsylvania hospitals' research and development organization, Health Data Services, Inc. An advisory committee comprised of corporate health care purchasers, providers, and health care experts will help guide the project.

Grant Award: \$453,806; 2 years

Starting Date: October 1, 1988



ur society must come to grips with a “fountain of age.”

America’s population is aging rapidly — there will be almost twice as many people 85 and over by the year 2000 as today and five times more by 2050. In one sense this is bad news. It will mean a rapid increase in the incidence of chronic disease and disabling conditions which typically accompany advanced age. We do not have in place the capacity to care for the growing numbers of elders with such afflictions.



Maybe they should put it on the front of the insurance policies they sell to older people: Caution—The United Seniors Health Cooperative has determined that the nursing home insurance you've been spending good money on may not be worth a damn when you need it.

*William Raspberry
The Washington Post
September 23, 1988*

**Closing the Gap:
The Hartford
Foundation's
Academic Geriatrics
Program**

But the good news is that significant progress is being made daily in understanding many diseases found among our elders. Dr. T. Franklin Williams, Director of the National Institute on Aging, expressed optimism in this regard in his remarks to the Hartford Foundation's Trustees in September, 1988:

"Among the most important findings of research on aging in the last few years are those which show that, for older persons who are fortunate enough to have been spared chronic diseases and who also live reasonably active and healthy lifestyles, most of the body's organ systems keep working astonishingly well into very late years. . . . We have learned that when something seems to go wrong, when some symptoms appear, we should look for potentially treatable or correctible problems and not just accept the changes as being due to old age."

The sobering implications of a population that is growing older, coupled with the promising opportunities to reduce illness and disability among the elderly, lend added urgency to the initiatives of the Hartford Foundation's Aging and Health Program.

From 1984 through 1987, the Hartford Foundation—with its continuing commitment to "closing the gap" between the expanding need for physicians with geriatric training and the current shortage of qualified faculty members to provide such training—responded to this challenge through its Geriatric Faculty Development Award Program. Through that program, the Foundation made it possible for 29 mid-career physicians to take faculty leave from their home institutions to pursue a year of intensive geriatric training at one of four medical centers distinguished in this field. Those physicians have now returned to their home institutions across the country, where they are spearheading the efforts to improve training in geriatrics.

In 1988 the Foundation broadened its focus. Under its Academic Geriatrics Recruitment Initiative, the Foundation identified ten medical schools across the nation that had made substantial contributions to advancing the state of knowledge and clinical practice in geriatrics. Grants to each one of these "Centers of Excellence" in academic geriatrics are now supporting a variety of innovative recruiting and training activities designed to increase the pool of outstanding physicians interested in pursuing careers in academic geriatrics. A 1988 grant to the American Geriatrics Society is

furthering the Foundation's goals in this area by sponsoring a workshop for medical school leaders and academic geriatricians on issues related to organizing and strengthening geriatrics training.

**Promoting Responsible
Drug Therapy and Use
Among Our Nation's
Elders**

The elderly are the most frequent users and beneficiaries of drug therapy. They are also the most likely to suffer adverse consequences of inappropriate drug usage. The potential for adverse effects will undoubtedly be exacerbated by increasing drug use by the elderly, as reimbursement for the cost of their medications is phased in under the Medicare "Catastrophic" Coverage approved in 1988.

The development of strategies to improve physicians' prescribing practices, to monitor the safety and coordination of medication use in a variety of settings, and to raise awareness on the part of all those involved in the drug therapy cycle (patients, physicians, pharmacists, and caregivers) of the hazards of inappropriate usage or combinations of drugs are the aims of the grants in this program area:

- Hartford Foundation grants made in previous years support pilot projects designed to assist physicians in reducing the medications problems of their elderly patients. These include programs that improve the dissemination of information to HMO physicians; that utilize more effectively the expertise of hospital and community pharmacists; and that improve systems in physicians' offices to avert drug therapy problems.

- Grants in 1988 to the University of Southern California and University of North Carolina are supporting projects to improve the prescribing and administering of medications to rest home patients.

- A 1988 grant to Boston's Beth Israel Hospital is making possible policy analysis and educational activities which address the medications problems of the elderly, led by Dr. Jerome Avorn.

These findings indicate that there is need for considerably more effort to improve the use of psychoactive drugs in institutionalized elderly patients. Psychoactive medications continue to be used with high frequency and selection of drug is often suboptimal.

*Mark Beers, M.D.;
Jerry Avorn, M.D., et al.
Journal of the American
Medical Association
November 25, 1988*

Organization and Financing of Long-Term Care



"Treating a 27-year-old flight attendant who has a urinary infection, you don't have to worry about heart disease, depression, other problems. But with an 80-year-old, these are all major concerns," says John Rowe, who heads the Division on Aging at Harvard Medical School.

*The Wall Street Journal
January 25, 1988*

During 1988, there was increased discussion at the federal level of the need to provide better organization and financing of long-term care for the frail elderly. Passage by Congress of the new Medicare catastrophic coverage served as a reminder that America has yet to assure its elders that adequate long-term care will be available to them if needed. The Foundation continues to make a limited number of grants in this area, in situations where such support underwrites prototypes or analysis with the potential to yield cost-effective solutions to this problem:

- A 1988 grant to Monroe County, New York supports the efforts of Rochester's leaders to develop a better approach to the organization and financing of their community's long-term care system.

- A 1988 grant to Emory University's Carter Center addresses the long-term care problem through prevention. The Center will develop a Health Risk Appraisal for Older Americans, by which individuals may reduce their risk of preventable disability and disease by answering a questionnaire designed to identify beneficial changes in behavior and life style and improved approaches to home and environmental safety.

**Reducing Functional
Deterioration of
Hospitalized Elders**

The authors of the [Brookings] study, led by Alice M. Rivlin . . . conclude that "long-term care is a normal, insurable risk for the elderly, which should be covered under a general social insurance program," not through a welfare program.

*The New York Times
February 7, 1988*

Writing in the *Annals of Surgery* in 1932, Dr. Charles Horace Mayo, one of the founders of the Mayo Clinic, shared the following intelligence: "Long ago I learned from my father to put old people to bed only for as short a time as was absolutely necessary, for they were like a foundered horse, if they got down it was difficult for them to get up, and their strength ebbed away very rapidly while in bed." Subsequent research has actually enabled scientific quantification of this phenomenon, so that we now can say that from 3–5% of muscle strength is lost per day of bed rest.

Despite this long-standing clinical observation and more recent scientific verification, it is a fact that the modern U.S. hospital — while devoting enormous attention and technology to the specific illness which has warranted a patient's admission — pays limited attention to the patient's functional status during the hospital stay. About 10 million Medicare-eligible elderly enter hospitals each year. Far too many of these patients are discharged "cured" but are more seriously functionally impaired than on admission. Many have lost the ability to walk, stand, transfer from bed to chair, or feed and clothe themselves; and others suffer diminishment of cognitive abilities, or loss of bowel and bladder function.

As the average age of patients increases and the number and complexity of diagnostic and therapeutic options (including medications) increases, this situation is likely to get worse.

In late 1988 the Foundation's Trustees approved a new program initiative to address this problem. Grants are planned for 1989 which will support and evaluate hospital interventions aimed at reducing functional deterioration of the elderly during the course of routine hospitalization.

**1988 Grant
Commitments**

During 1988 the Hartford Foundation awarded 16 grants under its Aging and Health Program initiatives, for commitments totalling \$5,270,604.

Responding to a national shortage of academic geriatric manpower, the Hartford Foundation in 1988 made the following grants to ten centers of excellence in academic geriatrics. Each grant seeks to strengthen recruitment of students for geriatrics, who could eventually meet the medical schools' need for faculty in this area.

BOWMAN GRAY SCHOOL OF MEDICINE AT WAKE FOREST UNIVERSITY
Winston-Salem, NC
William R. Hazzard, M.D.

The grant to Bowman Gray will underwrite the yearly recruitment of two junior faculty from other disciplines. On completion of their one-year intensive training in geriatrics, these individuals will be able to engage the interest of, and serve as mentors for those who might be recruited earlier in their training cycle. In addition, they will have sufficient research experience to compete successfully for foundation and government-sponsored research funds, and can help to "gerontologize" other clinical disciplines.

Grant Award: \$259,200; 3 years
Starting Date: July 1, 1988

DUKE UNIVERSITY MEDICAL CENTER
Durham, NC
Harvey J. Cohen, M.D.

With this grant, Duke will focus on attracting its own undergraduates and medical students to geriatrics by offering scholarships and support for summer research in gerontology and geriatrics. Duke will also sponsor an intra-university competition for seed research support among junior faculty with an interest in geriatric research, and will underwrite more intensive geriatric research training and clinical experience for medical education undergraduates.

Grant Award: \$292,050; 3 years
Starting Date: July 1, 1988

HARVARD MEDICAL SCHOOL
Boston, MA
Lewis A. Lipsitz, M.D.

Harvard is considering a wide range of recruitment efforts, to be elected from among the following possibilities: summer research stipends for medical students interested in geriatrics research; the extension of a two-year post-residency fellowship in geriatrics to three years with a focus on research; the development of a special curriculum in quantitative research for geriatric fellows; a program of fellowship training in geropsychiatry or clinical geriatrics for other subspecialties; support of pilot studies which focus on geriatric applications for researchers in other specialties; research residencies for young internists; and support for an M.D./Ph.D. candidate in geriatrics.

Grant Award: \$340,893; 3 years
Starting Date: July 1, 1988

JOHNS HOPKINS UNIVERSITY SCHOOL OF MEDICINE
Baltimore, MD
John R. Burton, M.D.

The Johns Hopkins grant will support a fellowship program for junior faculty from its own Medical School. These faculty will contribute to the geriatrics research base and serve as mentors for those more junior in their geriatrics career development. The grant will also support a summer research program in geriatrics for medical and undergraduate students.

Grant Award: \$297,000; 3 years
Starting Date: July 1, 1988

Aging and Health

Grants:

Academic Geriatrics

Recruitment Initiative

MOUNT SINAI SCHOOL OF MEDICINE

New York, NY

Myron Miller, M.D.

Mount Sinai, using its association with the City University system in New York, will make a special effort to recruit minority students to geriatrics. They will sponsor group meetings and seminars designed to inform minority students of the opportunities and challenges of geriatric careers. The grant will also enable Mount Sinai to strengthen the education of M.D./Ph.D. candidates and fellows in geriatrics by offering them Master's level training in public health, health services research, and management.

Grant Award: \$249,750; 3 years

Starting Date: July 1, 1988

UNIVERSITY OF CALIFORNIA, LOS ANGELES, SCHOOL OF MEDICINE

Los Angeles, CA

John C. Beck, M.D.

UCLA is planning a range of recruitment strategies including: the sponsoring of a seminar on geriatrics for undergraduate students; the offering of geriatrics electives and honors work for medical students; and the development of clinical and research opportunities for residents, post-residency fellows, and junior faculty. Their grant will be used in support of some combination of the above, and may enable them to continue geriatric training for mid-career faculty physicians from other medical schools, initiated under the Hartford Geriatric Faculty Development Award Program.

Grant Award: \$335,940; 3 years

Starting Date: July 1, 1988

UNIVERSITY OF CONNECTICUT HEALTH CENTER

Farmington, CT

Richard W. Besdine, M.D.

At the University of Connecticut, this grant will support "release time" for junior faculty with primary appointments in specialty departments to enable them to acquire geriatrics expertise. The University of Connecticut Health Center will also offer partial salary and geriatrics research support for subspecialty fellows as well as research support for medical students. In addition, they will organize a geriatric interest group for medical students.

Grant Award: \$262,239; 3 years

Starting Date: July 1, 1988

UNIVERSITY OF MICHIGAN MEDICAL SCHOOL

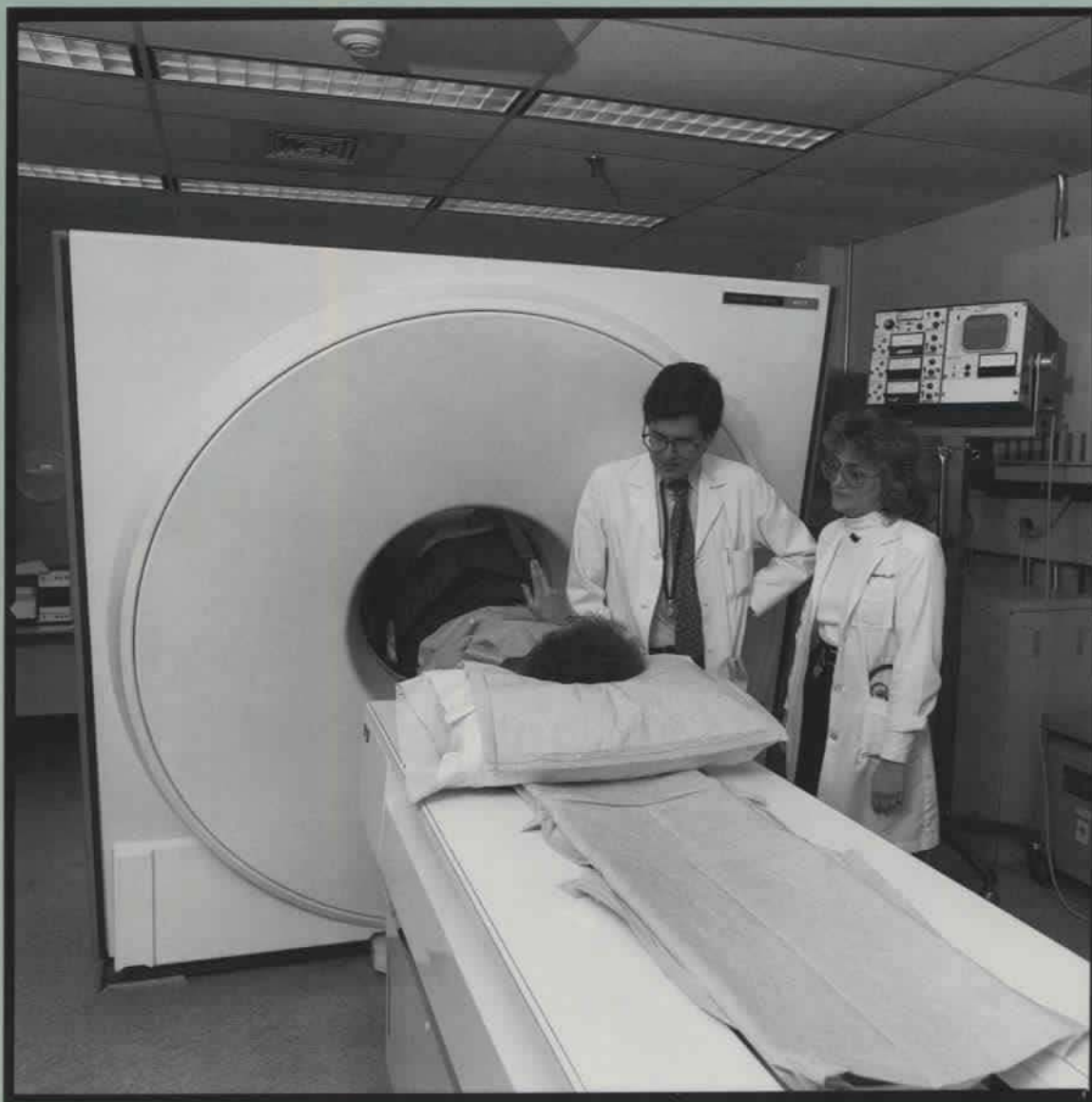
Ann Arbor, MI

Jeffrey B. Halter, M.D.

The University of Michigan, with this grant, will provide support for medical student summer research and tuition funding for M.D./Ph.D. candidates, some of whom may work with faculty at the University's Gerontology Institute. The grant will also enable the University to offer senior fellowship awards in geriatric clinical research. Seed funds will also be made available to specialty faculty for pilot research in geriatrics.

Grant Award: \$357,402; 3 years

Starting Date: July 1, 1988



As part of a program to recruit talent for academic geriatrics, the University of Pennsylvania is using a Foundation grant to support young physicians in aging-related research and clinical care training. With this support, Nicky Kelepouris, M.D., a post-doctoral fellow, is conducting research on osteoporosis under the tutelage of Maurice F. Attie, M.D. Here, they are using CAT scan technology to determine the bone density of one of their study's subjects.



There is no clear answer on how best the United States can meet the growing demand for long-term care as our frail elderly population increases. One source of possible answers, however, is experiments with long-term care alternatives which have taken place in recent years. The Heller School at Brandeis University is using Foundation support to analyze national long-term care policy options, tapping the results of those experiments.

In that effort it consults with an expert advisory committee, shown here meeting in Washington, D.C. with project leaders.

Aging and Health
Grants:
Academic Geriatrics
Recruitment Initiative

UNIVERSITY OF PENNSYLVANIA SCHOOL OF MEDICINE
Philadelphia, PA
Allan I. Pack, M.B., CH.B., Ph.D.

With this grant, the University of Pennsylvania will offer medical students, post-residency fellows and faculty the funds to pursue research training and projects related to gerontology in such areas as cellular and molecular biology, cerebrovascular disease, neuropsychiatry, and clinical epidemiology.

Grant Award: \$313,500; 3 years
Starting Date: July 1, 1988

UNIVERSITY OF WASHINGTON SCHOOL OF MEDICINE
Seattle, WA
Itamar B. Abrass, M.D.

The University of Washington plans to focus its recruitment efforts on several target groups. Through research stipends and support for M.D./Ph.D. training, they hope to attract medical students to geriatrics. They also will offer fellowships in geriatrics to advanced post-graduate students and seed research grants in areas related to geriatrics to young faculty in other specialties.

Grant Award: \$308,298; 3 years
Starting Date: July 1, 1988

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Aging and Health
Grants

AMERICAN GERIATRICS SOCIETY
New York, NY
Linda Hiddeman Barondess

Academic Geriatrics Program Development Workshop

With an increasing recognition of the need for well-trained academic geriatricians, more and more academic medical centers are seeking to develop training programs to meet this challenge. They are also dedicated to meeting the clinical service demands of a frail elderly population that is rapidly increasing. Currently, each geriatrics program is working on its own to resolve issues of program structure, research opportunities, and development of diverse clinical training sites, among other concerns. With this grant, the American Geriatrics Society will sponsor an intensive workshop for medical school leaders and academic geriatricians to help them address such issues and identify successful responses to them.

Grant Award: \$84,907; 1 year
Starting Date: January 1, 1989

BETH ISRAEL HOSPITAL
Boston, MA
Jerome L. Avorn, M.D.

Medications and Aging: Research and Education in Geriatric Pharmacology

The 12 percent of the United States population that is currently over the age of 65 uses about 30 percent of all prescription drugs. While the elderly can benefit immensely from responsible drug therapy, they are also the population most likely to suffer the traumatic effects of adverse drug reactions or poorly-coordinated prescribing practices. Harvard geriatrician Dr. Jerome Avorn, with colleagues at Beth Israel Hospital in Boston, will use this grant to help physicians and patients reduce such risks. In a program that includes pilot clinical and epidemiological studies, dissemination of previous research findings in this area, public education, and the organization of expert advice to policymakers, Dr. Avorn's project promises to yield insights and strategies for more responsible drug therapy for the elderly nationwide.

Grant Award: \$495,845; 3 years
Starting Date: October 1, 1988

THE CARTER CENTER OF EMORY UNIVERSITY
Atlanta, GA
Edwin B. Hutchins, Ph.D.

Development of a Health Risk Appraisal for Older Americans

There is expert consensus that many disabling conditions associated with old age can be prevented, or at least delayed, by changes in behavior and life style, and by simple improvements in one's home and environment. The Carter Center of Emory University will use this grant to develop a Health Risk Appraisal questionnaire for older adults which will help them evaluate their own lifestyle, and take steps to avoid or correct identified problems. The project will draw heavily on review of relevant scientific literature and consultation with experts in geriatrics and other fields. The grant also will support efforts to enlist the cooperation of a wide range of organizations to promote participation in the project by as many older Americans as possible.

Grant Award: \$371,710; 3 years
Starting Date: January 15, 1989

COUNTY OF MONROE
Rochester, NY
Kenneth Naples

Financing Strategy for Long-Term Care of the Elderly in Monroe County

By the year 2000, nine million elderly Americans will need long-term care and by the year 2040 this figure will double. Yet the organization and financing of such care remains inadequate to meet this need. Leaders in the Rochester area, including service providers, county officials and local employers, plan to develop a comprehensive system to meet the long-term care needs of their community's elderly. This grant supports an analysis of financing alternatives for such a system, an analysis, which should be of utility to many other communities in developing similar programs.

Grant Award: \$239,753; 15 months
Starting Date: January 1, 1989

UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
CENTER FOR HEALTH PROMOTION AND DISEASE PREVENTION
Chapel Hill, NC
Abraham G. Hartzema, Ph.D., M.S.P.H.

Strengthening the Links in the Drug Therapy Management Cycle in Rest Homes

Over half a million older Americans, typically with significant health problems, live in residential facilities for the elderly, including rest homes. Those in such facilities make heavy use of prescription drugs. Yet their medications are typically administered by staff lacking sufficient experience in identifying the potential risks of such medications or handling problems if they arise. The University of North Carolina will use this grant to undertake an educational program for aides, pharmacists, and physicians involved in medication therapy in rest homes. A controlled trial will measure the success of the program, including both its effect on the physical, cognitive, and psychosocial functioning of the residents, and its costs and savings potential.

Grant Award: \$565,456; 3 years

Starting Date: January 1, 1989

UNIVERSITY OF SOUTHERN CALIFORNIA
Los Angeles, CA
Bradley R. Williams, Pharm.D.

The Impact of Clinical Pharmacists on Drug Use in Residential Care Facilities for the Elderly

Because of the frailty of individuals living in residential facilities for the elderly, and the volume and complexity of the medications they take, their risk of drug-related problems is high. The University of Southern California will conduct an experiment to see whether guidance of the staff and residents in these facilities and of residents' physicians can reduce adverse drug reactions and related hospitalizations, as well as lower the number and cost of high risk drugs taken.

Grant Award: \$496,661; 3 years

Starting Date: February 1, 1989

Financial Reports

The annual financial statements, which have been audited by Arthur Andersen & Co., appear on pages 35 to 44.

On December 31, 1988, the Foundation's assets were \$224.1 million, an increase of \$18.3 million for the year, despite net withdrawals from the investment portfolio (in excess of additional assets received) of \$8.5 million for grants, expenses and federal excise tax. Total return on the investments, income plus realized and unrealized capital gains, was 16.6 percent. In 1988 revenues totalled \$10.8 million, a yield of approximately 5 percent for the year.

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

In light of this objective, the Foundation further diversified its assets by investing in a new real estate fund and hiring one new equity manager, whose area of expertise complements our other managers. The stock and fixed income portfolios comprised 55 and 41 percent of the total investments at the end of 1988, compared with 54 percent and 43 percent, respectively, on December 31, 1987. The balance of the investments, venture capital partnerships and other investments, totaled 4 percent and 3 percent of the assets at the end of 1988 and 1987, respectively.

As of December 31, 1988 the Foundation's investments are managed by Capital Guardian Trust Company, Towneley Capital Management, Sound Shore Management, Luther King Capital Management, Morgan Stanley Asset Management, and T. Rowe Price Associates. In addition, the Foundation is an investor in the Oak Investment Partners III, Brentwood Associates IV and Mayfield V venture capital limited partnerships, the Advent Realty Fund and Tullis-Cook Capital Focus limited partnerships. The Foundation is also an investor in two private placements of preferred stock, an equity mutual fund managed by Grantham, Mayo, Van Otterloo & Co. and a real estate trust managed by JMB Institutional Realty Corp. The Finance 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.

Report of Independent Public Accountants

To The John A. Hartford Foundation, Inc.:

We have audited the accompanying balance sheets of The John A. Hartford Foundation, Inc. (a New York not-for-profit corporation) as of December 31, 1988 and 1987, and the related statements of revenues, grants and expenses and changes in fund balance for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The John A. Hartford Foundation, Inc. as of December 31, 1988 and 1987, and the results of its operations and changes in its fund balance for the years then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The data contained in pages 39 to 44, inclusive, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit 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, 1989

Arthur Andersen & Co.

The John A. Hartford Foundation, Inc.**Balance Sheets, December 31, 1988 and 1987****1988****1987****Assets****Cash in Operating Account** \$ 2,773 \$ 1,433**Interest and Dividends Receivable** 1,587,715 1,562,258**Receivable for Pending Investment Sales** 518,822 1,837,123**Bequest Receivable** (Note 6) 50,000 275,000**Prepayments and Deposits** 28,069 63,717**Investments**, at quoted market prices

(Notes 1 and 2):

Short-term investments 25,863,714 22,829,076

Stocks 120,572,269 107,609,050

Long-term bonds 63,791,969 62,409,249

Venture capital partnerships 4,625,828 4,391,492

Other investments 3,753,713 1,300,001

Total investments 218,607,493 198,538,868

Office Condominium, Furniture and Equipment,

net of accumulated depreciation of \$584,401

in 1988 and \$340,343 in 1987, (Note 3) 3,341,286 3,570,449

Total assets \$224,136,158 \$205,848,848

Liabilities and Fund Balance**Liabilities:**

Grants payable (Note 1) –

Current \$ 5,008,930 \$ 5,124,562

Non-Current (Note 5) 7,412,973 4,286,123

Accounts payable 299,118 273,310

Payable for pending investment purchases 683,279 4,399,685

Federal excise tax payable (Note 1) –

Current 36,666 –

Deferred 165,203 –

Total liabilities 13,606,169 14,083,680

Fund Balance 210,529,989 191,765,168

Total liabilities and fund balance \$224,136,158 \$205,848,848

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

The John A. Hartford Foundation, Inc.
Statements of Revenues, Grants and
Expenses and Changes in Fund Balance
For the Years Ended December 31, 1988 and 1987

	1988	1987
Revenues:		
Dividends	\$ 3,953,096	\$ 3,910,642
Interest —		
Long-term bonds	5,415,803	5,088,825
Short-term investments	1,460,330	1,778,202
	10,829,229	10,777,669
Grants and Expenses:		
Grants awarded (less cancellations and refunds of \$478,874 in 1988 and \$160,842 in 1987 (Note 1))	9,523,383	5,843,639
Grant-related direct expenses	105,236	81,361
Federal excise tax on net investment income (Note 1)	197,372	196,703
Investment fees	879,884	886,429
Personnel salaries and benefits (Note 4)	849,345	660,251
Office and other expenses	532,788	546,573
Depreciation	244,058	230,787
Professional services	102,512	117,651
	12,434,578	8,563,394
Excess (deficiency) of revenues over grants and expenses	(1,605,349)	2,214,275
Net Realized and Change in Unrealized Gain		
(Loss) on Securities Transactions (Note 2)	20,320,170	(4,957,811)
Bequest From Distribution of Trust (Note 6)	50,000	275,000
Increase (decrease) in fund balance for the year	18,764,821	(2,468,536)
Fund Balance, beginning of year	191,765,168	194,233,704
Fund Balance, end of year	\$210,529,989	\$191,765,168

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

The John A. Hartford Foundation, Inc.

Notes to Financial Statements, December 31, 1988 and 1987

(1) Summary of significant accounting policies:

Method of Accounting

The accounts of the Foundation are maintained, and the accompanying financial statements have been prepared, on the accrual basis of accounting. The liability for grants payable is recognized when specific grants are authorized by the Trustees and the recipients have been notified.

Investments

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

Tax Status

The Foundation is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and has been classified as a "private foundation." The Foundation is subject to a two percent excise tax on net investment income, as defined. Deferred Federal excise taxes payable are recorded on the unrealized appreciation of investments.

Fixed Assets

The Foundation's office condominium, furniture and fixtures are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (office condominium—20 years; office furniture and fixtures—5 years).

(2) Investments:

The net gain on investments in 1988 is summarized as follows:

	Cost	Quoted Market Price	(Depreciation) Appreciation
Balance, December 31, 1988	\$210,347,319	\$218,607,493	\$ 8,260,174
Balance, December 31, 1987	\$204,626,588	\$198,538,868	(\$ 6,087,720)
Increase in unrealized appreciation			
during the year, net of increase in			
deferred Federal excise tax of \$165,203			\$14,182,691
Realized gain, net of provision for			
Federal excise tax of \$125,254			6,137,479
Net realized and change in			
unrealized gain on			
securities transactions			\$20,320,170

The Foundation is a participant in three venture capital limited partnerships. As of December 31, 1988, \$5,669,997 had been invested in these partnerships and future commitments for additional investment aggregated \$330,003.

Other investments include \$1,700,000 which had been invested in two limited partnerships and \$2,050,005 which had been invested in convertible preferred stocks of closely held companies. As of December 31, 1988, future commitments for additional investment in the two limited partnerships, the investment in the convertible preferred stocks, and a real estate investment trust amounted to \$2,300,000, \$199,998, and \$2,000,000, respectively.

**(3) Office condominium,
furniture and equipment:**

At December 31, 1988 and 1987, the fixed assets of the Foundation were as follows:

	1988	1987
Office condominium	\$3,596,916	\$3,597,965
Furniture and equipment	328,771	312,827
	3,925,687	3,910,792
Less – Accumulated depreciation	584,401	340,343
Office condominium, furniture and equipment, net	\$3,341,286	\$3,570,449

(4) Pension plan:

The Foundation has a defined contribution retirement plan covering all eligible employees. Pension expense under the plan for 1988 and 1987 amounted to \$72,048 and \$59,361, 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 \$33,000 in 1988 and \$34,000 in 1987 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 non-current grants payable as of December 31, 1988 will be disbursed as follows:

1990	\$4,088,955
1991	3,198,408
1992	125,610
	\$7,412,973

(6) Bequest received:

During 1986, the Foundation was advised that it was named as the remainder beneficiary of the estate of Loretta B. Ehrigott, the wife of a former trustee. A total of \$2,375,000 has been received from the trust as of December 31, 1988. An additional \$50,000 will be distributed to the Foundation in 1989.

Summary of Active Grants 1988

Health Care Cost and Quality	Balance Due January 1, 1988	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1988
BRIGHAM & WOMEN'S HOSPITAL Boston MA "Creation of a Product Cost Accounting System for Hospital Management" Barbara J. McNeil, M.D., Ph.D.	\$ 81,950			\$ 81,950
THE CENTER FOR HEALTH POLICY DEVELOPMENT Washington, DC "Well Managed Care for Medicaid Recipients" Edward Neuschler		\$ 83,176	\$ 83,176	
CENTER FOR POLICY STUDIES Minneapolis, MN "Implementation of the 'Buy-Right' Competition Strategy in Two or More Communities Across the Country" Dale V. Shaller	198,618		198,618	
DARTMOUTH MEDICAL SCHOOL Hanover, NH "A Demonstration of Patient Informed Decision Making: Patients with Benign Hypertrophy of the Prostate" John E. Wennberg, M.D.	482,100		267,125	214,975
DARTMOUTH MEDICAL SCHOOL Hanover, NH "Multi-Institutional Technology Assessment Consortium" Harold C. Sox, Jr., M.D.		335,530	81,611	253,919
DUKE UNIVERSITY Durham, NC "Expansion and Dissemination of the Confidence Profile Method for Assessing the Effectiveness of Health Technologies" David M. Eddy, M.D., Ph.D.	298,413		150,932	147,481
THE GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER Washington, DC "Development of Prototype to Aid Physicians' Intensive Care Decisions" William A. Knaus, M.D.	460,065		153,029	307,036
THE GEORGE WASHINGTON UNIVERSITY NATIONAL HEALTH POLICY FORUM Washington, DC "National Health Policy Forum Meetings on Topics Related to Health Care Cost and Quality" Judith Miller Jones	102,000		102,000	
HARVARD COMMUNITY HEALTH PLAN Brookline, MA "National Demonstration Project on Quality Improvement in Health Care" Donald M. Berwick, M.D.	72,690	599,851	172,704	499,837

	Balance Due January 1, 1988	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1988
JOINT COMMISSION ON ACCREDITATION OF HEALTHCARE ORGANIZATIONS Chicago, IL "Improving Health Care Quality by Reducing Medical Uncertainty: a Feasibility Study" James A. Prevost, M.D.	\$ 197,520			\$ 197,520
MAYO FOUNDATION Rochester, MN "Benchmarks for More Cost-Effective Care" Iqbal Krishan, M.D.	97,133		\$ 97,133	
MIDWEST BUSINESS GROUP ON HEALTH Chicago, IL "Value-Managed Health Care Purchasing Demonstration Project" Barbara S. Gurley	100,000	\$ 399,000	203,775	295,225
MINNESOTA COALITION ON HEALTH St. Paul, MN "Voluntary Health Care Information Project in the Twin Cities" Patricia Drury		600,000	201,272	398,728
NATIONAL ACADEMY OF SCIENCES INSTITUTE OF MEDICINE Washington, DC "Critical Evaluation of Utilization Management" Bradford H. Gray, Ph.D.	180,797		119,202	61,595
NATIONAL FUND FOR MEDICAL EDUCATION Boston, MA "Management Education Program for Physician Leaders" Norman S. Stearns, M.D.		566,144	35,843	530,301
NEW ENGLAND MEDICAL CENTER HOSPITALS Boston, MA "A Flexible Approach to Optimizing the Delivery of Care in an Inpatient Setting" Stephen C. Pauker, M.D.		544,414	83,793	460,621
PARK NICOLLET MEDICAL FOUNDATION Minneapolis, MN "Quality Assessment and Assurance in an HMO: The Managed Care Development Project" Jinnet Fowles, Ph.D., Sheila Leatherman	178,419		178,419	
PEOPLE-TO-PEOPLE HEALTH FOUNDATION, INC. PROJECT HOPE Millwood, VA "Health Affairs": A Special Issue on the Quality of Medical Care" John K. Iglehart	37,500		37,500	
THE RAND CORPORATION Santa Monica, CA "An Academic Medical Centers/RAND Consortium to Improve Quality and Appropriateness of Care" R. Brook, M.D., L. Leape, M.D., D. Solomon, M.D.		205,200	102,600	102,600

	Balance Due January 1, 1988	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1988
ROCHESTER AREA HOSPITALS CORPORATION Rochester, NY "Development and Evaluation of Severity Adjusted Outcome Measures in Assessing Hospital Inpatient Quality at the Community Level" William J. Hall, M.D., Robert Panzer, M.D.	\$ 529,138		\$ 204,474	\$ 324,664
STANFORD UNIVERSITY MEDICAL CENTER Stanford, CA "Multi-Institutional Technology Assessment Consortium" Harold C. Sox, Jr., M.D.	83,169		83,169	
STANFORD UNIVERSITY SCHOOL OF BUSINESS Stanford, CA "Management Education Program for Physician Leaders" Alain C. Enthoven, Ph.D.		\$ 296,825		296,825
UNIVERSITY OF CALIFORNIA, LOS ANGELES Los Angeles, CA "Monitoring the Quality of Care in Capitated Systems of Health Care" Robert H. Brook, M.D.; Albert L. Siu, M.D.	152,177		152,177	
THE UNIVERSITY OF MICHIGAN MEDICAL CENTER Ann Arbor, MI "Integrated Inpatient Management Model" Laurence F. McMahon, Jr., M.D., M.P.H.		394,659	97,937	296,722
UNIVERSITY OF PENNSYLVANIA Philadelphia, PA "Improving Cost-effectiveness of Physician Practice Patterns in Hospitals" J. Sanford Schwartz, M.D.	64,174		64,174	
UNIVERSITY OF PENNSYLVANIA LEONARD DAVIS INSTITUTE OF HEALTH ECONOMICS Philadelphia, PA "Development of a Community Hospital Quality Index" Mark V. Pauly, Ph.D.		453,806	115,187	338,619
UNIVERSITY OF ROCHESTER Rochester, NY "Research and Demonstration Project to Improve Cost-effectiveness of Out-patient Care" Robert Panzer, M.D.	97,731		97,731	
WASHINGTON BUSINESS GROUP ON HEALTH NATIONAL ASSOCIATION OF HEALTH DATA ORGANIZATIONS Washington, DC "A Project to Foster a More Rational and Uni- form Approach to Data Collection Among State Health Care Data Agencies and Others" Marlene Larks	129,758		129,758	
Subtotal	\$ 3,543,352	\$ 4,478,605	\$ 3,213,339	\$ 4,808,618

<i>Aging and Health</i>	Balance Due January 1, 1988	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1988
AMERICAN GERIATRICS SOCIETY New York, NY "Academic Geriatrics Program Development Workshop" Linda Hiddeman Barondess		\$ 84,907	\$ 60,000	\$ 24,907
BETH ISRAEL HOSPITAL Boston MA "Medications and Aging: Research and Education in Geriatric Pharmacology" Jerome L. Avorn, M.D.		495,845	100,210	395,635
BOWMAN GRAY SCHOOL OF MEDICINE AT WAKE FOREST UNIVERSITY Winston-Salem, NC "Academic Geriatrics Recruitment Initiative" William R. Hazzard, M.D.		259,200	43,200	216,000
BRANDEIS UNIVERSITY HELLER GRADUATE SCHOOL Waltham, MA "Development of a National Strategy for Strengthening Long-Term Care for the Elderly" Walter N. Leutz, Ph.D., J. A. Capitman, Ph.D.	\$ 281,500		186,000	95,500
BRIGHAM & WOMEN'S HOSPITAL Boston, MA "Evaluation of Alternative Designs for Outpatient Geriatric Assessment Units" Arnold M. Epstein, M.D.	138,704			138,704
THE CARTER CENTER OF EMORY UNIVERSITY Atlanta, GA "Development of a Health Risk Appraisal for Older Americans" Edwin B. Hutchins, Ph.D.		371,710	58,641	313,069
COMMUNITY CARE ORGANIZATION OF MILWAUKEE COUNTY, INC. Milwaukee, WI "The Living-at-Home Program" Kirby G. Shoaf	170,000		116,500	53,500
COUNTY OF MONROE Rochester, NY "Financing Strategy for Long-Term Care of the Elderly in Monroe County" Kenneth Naples		239,753	119,877	119,876
DARTMOUTH MEDICAL SCHOOL Hanover, NH "Development of the MEDS System to Strengthen the Physician's Role in Reducing Medications Problems of the Elderly" John H. Wasson, M.D.	152,993		133,136	19,857
DUKE UNIVERSITY MEDICAL CENTER Durham, NC "Academic Geriatrics Recruitment Initiative" Harvey J. Cohen, M.D.		292,050	48,675	243,375
HARVARD MEDICAL SCHOOL Boston, MA "Academic Geriatrics Recruitment Initiative" Lewis A. Lipsitz, M.D.		340,893	56,816	284,077

	Balance Due January 1, 1988	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1988
INTERSTUDY Excelsior, MN "Reforming the Health & Long-Term Care System for the Elderly" Cynthia Polich	\$ 200,000		\$ 200,000	
JOHNS HOPKINS UNIVERSITY SCHOOL OF MEDICINE Baltimore, MD "Academic Geriatrics Recruitment Initiative" John R. Burton, M.D.		\$ 297,000	49,500	\$ 247,500
MOUNT SINAI SCHOOL OF MEDICINE New York, NY "Academic Geriatrics Recruitment Initiative" Myron Miller, M.D.		249,750	41,625	208,125
ON LOK SENIOR HEALTH SERVICES San Francisco, CA "Technical Assistance for Replication of the On Lok Model of Community-based Long-term Care for the Elderly" Marie-Louise Ansak	408,719		199,213	209,506
UNIVERSITY OF CALIFORNIA, LOS ANGELES SCHOOL OF MEDICINE Los Angeles, CA "Academic Geriatrics Recruitment Initiative" John C. Beck, M.D.		335,940	55,990	279,950
UNIVERSITY OF CALIFORNIA, SAN FRANCISCO San Francisco, CA "The Impact of Clinical Pharmacists' Consultations on Use of Drugs and Health Care Services" Helene Levens Lipton, Ph.D.	261,705		163,998	97,707
UNIVERSITY OF CONNECTICUT HEALTH CENTER Farmington, CT "Academic Geriatrics Recruitment Initiative" Richard W. Besdine, M.D.		262,239	43,707	218,532
UNIVERSITY OF FLORIDA AT GAINESVILLE COLLEGE OF PHARMACY Gainesville, FL "Pharmacist Intervention with Physician Prescribing and Medication Use in Elderly Patients" Carole L. Kimberlin, Ph.D.	215,622		113,320	102,302
UNIVERSITY OF MICHIGAN MEDICAL SCHOOL Ann Arbor, MI "Academic Geriatrics Recruitment Initiative" Jeffrey B. Halter, M.D.		357,402	59,567	297,835
UNIVERSITY OF MINNESOTA Minneapolis, MN "Effects of Drug Audit Information to HMO Providers on High Risk Elderly Patients" Thomas Choi, Ph.D., Robert Kane, M.D.	166,234		106,607	59,627
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL CENTER FOR HEALTH PROMOTION AND DISEASE PREVENTION Chapel Hill, NC "Strengthening the Links in the Drug Therapy Management Cycle in Rest Homes" Abraham G. Hartzema, Ph.D., M.S.P.H.		565,456	84,256	481,200

	Balance Due January 1, 1988	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1988
UNIVERSITY OF PENNSYLVANIA SCHOOL OF MEDICINE Philadelphia, PA "Academic Geriatrics Recruitment Initiative" Allan I. Pack, M.B., Ch.B, Ph.D.		\$ 313,500	\$ 52,250	\$ 261,250
UNIVERSITY OF SOUTHERN CALIFORNIA Los Angeles, CA "The Impact of Clinical Pharmacists on Drug Use in Residential Care Facilities for the Elderly." Bradley R. Williams, Pharm. D.		496,661	77,300	419,361
UNIVERSITY OF WASHINGTON SCHOOL OF MEDICINE Seattle, WA "Academic Geriatrics Recruitment Initiative" Itamar B. Abrass, M.D.		308,298	51,383	256,915
Subtotal	\$1,995,477	\$5,270,604	\$2,221,771	\$5,044,310
Development of Biomedical Technology				
UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS Dallas, TX "Biotechnology Transfer Program" William B. Neaves, Ph. D.	\$2,624,929		\$ 166,089	\$2,458,840
Subtotal	2,624,929		166,089	2,458,840
Hartford Fellows Program				
FELLOWSHIPS STARTING IN 1986	583,200		583,200	
Subtotal	583,200		583,200	
Other				
AMERICAN INSTITUTE OF MEDICAL PREVENTICS Albany, CA	75,000			75,000
EDUCATIONAL BROADCASTING CORPORATION New York, NY	50,000		50,000	
THE FOUNDATION CENTER New York, NY		\$ 5,000	5,000	
GRANTMAKERS IN HEALTH New York, NY		5,000	5,000	
NATIONAL FOUNDATION FOR FACIAL RECONSTRUCTION New York, NY	103,185		68,050	35,135
NEW YORK REGIONAL ASSOCIATION OF GRANTMAKERS New York, NY		7,200	7,200	
MATCHING GRANTS*		235,848	235,848	
Subtotal	228,185	253,048	371,098	110,135
Grants Cancelled or Refunded	435,542	(478,874)	(43,332)	
Total (All Grants)	\$9,410,685	\$9,523,383	\$6,512,165	\$12,421,903

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

Additional Active Projects

(Grants still active in 1988 but no Foundation payout remaining)

Health Care Cost And Quality

JOHNS HOPKINS UNIVERSITY
Baltimore, MD
A renewal grant to the Center for Hospital Finance and Management which studies hospital reimbursement issues and provides technical assistance on payment issues to hospitals.
Gerard F. Anderson, Ph.D.
1985; \$600,000; 3 years

Hartford Geriatric Faculty Development Awards Program

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

HARVARD MEDICAL SCHOOL
Boston, MA
Lewis A. Lipsitz, M.D.
1987; \$80,000; 1 year

JOHNS HOPKINS UNIVERSITY
SCHOOL OF MEDICINE
Baltimore, MD
John R. Burton, M.D.
1987; \$80,000; 1 year

UCLA SCHOOL OF MEDICINE
Los Angeles, CA
David H. Solomon, M.D.
1987; \$80,000; 1 year

Aging and Health

BETH ISRAEL HOSPITAL
Boston, MA
Improving the use of medications in nursing homes.
Jerome L. Avorn, M.D.
1985; \$584,650; 3 years

BROOKDALE CENTER ON AGING
AT HUNTER COLLEGE
New York, NY
Intergenerational Life
History Project
Rose Dobrof, D.S.W.
1985; \$244,791; 3 years, 6 months

LOUIS HARRIS AND ASSOCIATES, INC.
New York, NY
National survey examining physician prescribing practices and subsequent compliance of older patients.
Merl W. Baker
1985; \$215,211; 1 year, 4 months

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.
1985; \$272,599; 3 years

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.
1985; \$295,192; 2 years, 6 months

1987-88 Hartford Scholars

BROWN UNIVERSITY PROGRAM IN MEDICINE
Providence, RI
David B. Reuben, M.D.

ST. LOUIS UNIVERSITY SCHOOL OF MEDICINE
St. Louis, MO
Douglas Kent Miller, M.D.

UNIVERSITY OF MISSISSIPPI MEDICAL CENTER
Jackson, MS
David Raymond Thomas, M.D.

UNIVERSITY OF SOUTH FLORIDA
COLLEGE OF MEDICINE
Tampa, FL
Bruce E. Robinson, M.D.

UNIVERSITY OF TENNESSEE
COLLEGE OF MEDICINE
Chanooga, TN
Ann Harris Rybolt, M.D.

UNIVERSITY OF VERMONT
COLLEGE OF MEDICINE
Burlington, VT
David Nelson Little, M.D.



rganizations 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 within the scale of other Foundation-supported activities. The scope and purposes of the Foundation's grant programs are described in this Report.

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 proposal 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 in the United States 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.

***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.

Further Information

Inquiries about the Foundation's programs should be addressed to:

Program Director

The John A. Hartford Foundation, Inc.

55 East 59th Street

New York, NY 10022

Phone: (212) 832-7788

Credits

Jan Heller Levi, *Editor*

Donald Battershall, *Designer*

Typogram, *Typographer*

Reynolds-DeWalt Printing Inc., *Printer*

Denny Tillman, *Photographer*