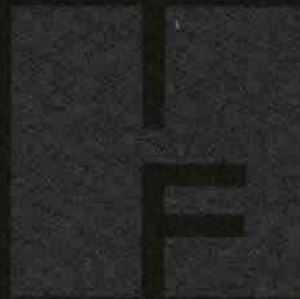


The John A. Hartford Foundation 1989 Annual Report



"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 area in which you can make your best contribution." This has been the guiding philosophy

of the Hartford Foundation since its establishment in 1929.

With funds from the bequests of its founder, John A. Hartford, and his brother George L. Hartford, 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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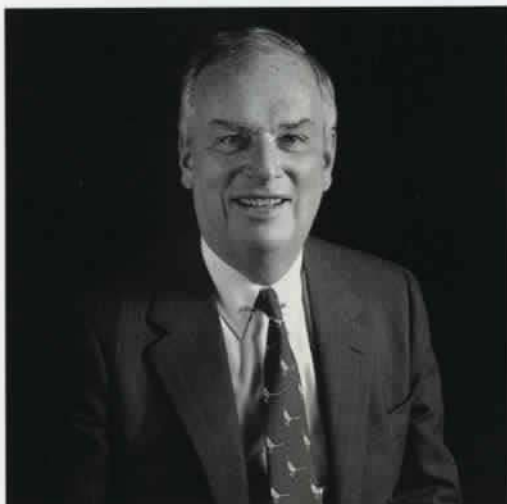
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Report of the Chairman



I am happy to report that on balance 1989 was a good year for The John A. Hartford Foundation. Our program staff was extremely active working on new grants which exceeded \$10,000,000 for the year. Our efforts continue to be divided almost evenly between our two major programs, Health Care Cost and Quality and Aging and Health. While our work in the Aging and Health field seems to be moving ahead smoothly, we are increasingly frustrated by the country's inability to contain medical costs. Our grants in this area have been

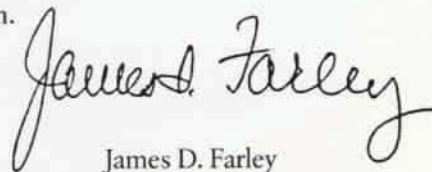
instructive, and we are hopeful they will ultimately help contribute to a moderation in the staggering cost escalation our country has been experiencing. One encouraging sign is the increasing involvement of corporate leaders across the country. We sincerely hope many more will focus on this important aspect of their corporations' expenses.

Once again, Norman Volk and his Finance Committee did an excellent job in shepherding our financial assets. In an increasingly difficult environment we ended 1989 with total assets of \$259.3 million, an increase of 16.1% over the twelve month period.

In an effort to be more responsive to requests received from deserving entities in our home city, New York, the Board authorized the establishment of the New York Fund, under which grants may be made.

At our Annual Meeting in May, three of our Trustees, Perry E. Gresham, Byron Jay, and Birny Mason, did not stand for reelection. Later in the year Byron Jay passed away. Byron was a former head of the A&P Company and had been actively involved with the Foundation since 1963. He brought to the Foundation an important link with our past. Perry Gresham joined our Board in 1973, and for those sixteen years his wisdom and collegiality did much to better us and further our affairs. Lastly, Birny Mason had been a Trustee for ten years and his long experience at the helm of one of the world's great corporations provided invaluable help in the management of our Foundation. We are all the better for the years of our three colleagues' service.

I am most grateful to our Trustees and Staff for all they did to make 1989 another year of progress in the annals of The John A. Hartford Foundation.



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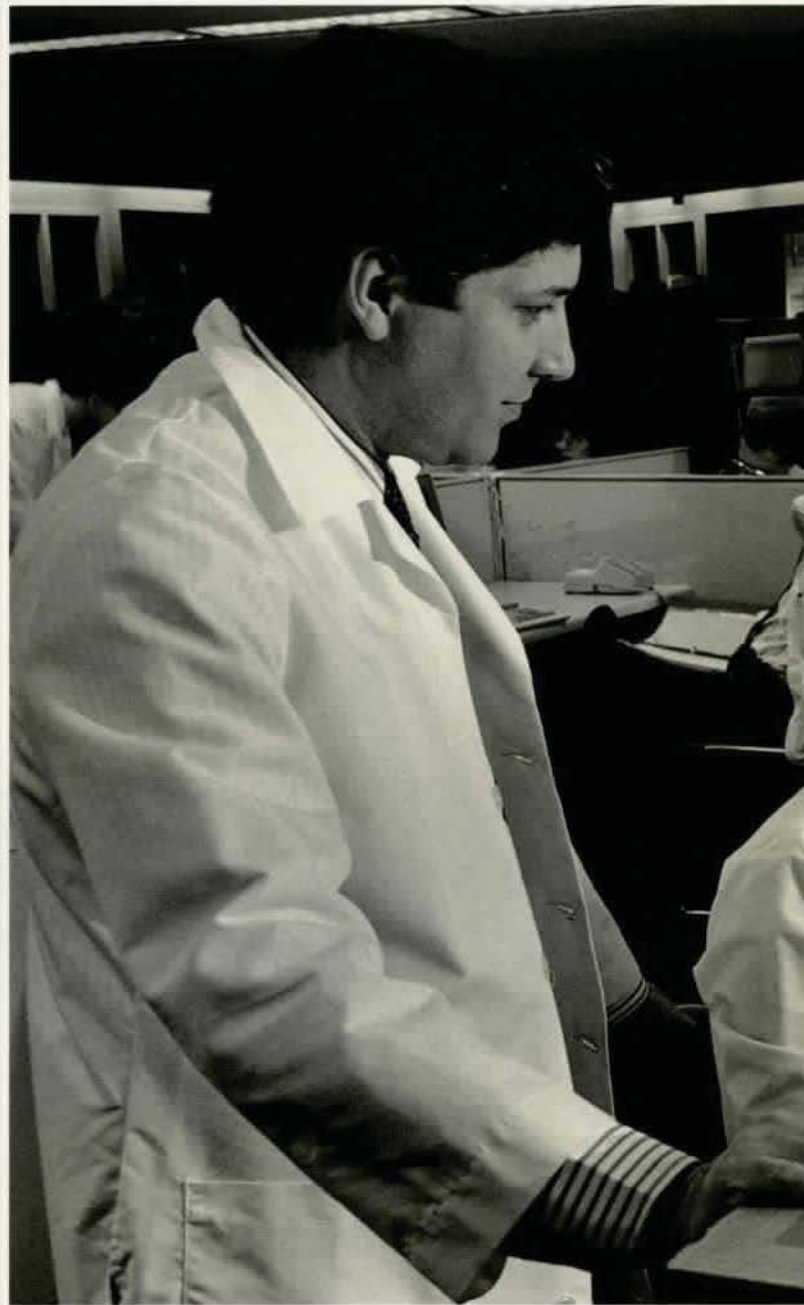
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Health Care Cost and Quality

Though the continuing rise in health care cost is discouraging, there is a new sense of energy and achievement among those working to improve and assess America's health care quality.

Hospitals and other health care providers are engaged in an unprecedented effort to improve their quality and demonstrate their value in an increasingly competitive market. In response, purchasers and government are developing better ways to assess that quality.





▲ A Foundation grant is being used by Boston's Beth Israel Hospital to enhance its computer-based information system, already one of the most sophisticated in the country, and demonstrate how it can strengthen hospital management of quality. In a pilot project for patients admitted to the medical service with ischemic heart disease, congestive heart failure, stroke, pneumonia, and urinary tract infection, the system will be used to identify those at high risk of adverse outcomes and to guide their care. The team responsible for the project includes (left to right) Charles Safran, M.D., David R. Calkins, M.D., Thomas L. Delbanco, M.D., and John M. Byrne.

With Hartford's support, the Health Policy Corporation of Iowa is developing measures of quality to help purchasers compare hospitals. These encompass such aspects of quality as the appropriateness of services, the record of quality improvement over time, and patients' assessment of their care. Here, consultant Mark R. Chassin, M.D. (right), a leading expert on measuring the appropriateness of services, offers advice on that subject to Sal Bognanni (left), Vice President of Information Services for HPCI and William K. Appelgate, HPCI Board member and chairperson of its Health Management Information Center. ▼





Reducing Inappropriate Services

An important dimension of health care quality is the appropriateness of care. In 1989 Hartford Foundation grantees made noteworthy contributions toward building the nation's capacity to identify and reduce inappropriate health care services. For example, Robert H. Brook, M.D., continued his highly innovative work at the RAND Corporation on appropriateness, in partnership with a newly organized consortium of nine leading academic medical centers. The project seeks to set standards as to the appropriate use of selected medical procedures. It will also assess the extent to which the practice patterns of physicians at the participating centers match those standards. The project received renewal support from Hartford in December.

Dr. John Wennberg and his team at the Dartmouth Medical School are taking a different approach, focused on helping the patient make informed choices among health care options. During 1989 they successfully demonstrated a prototype using interactive videodisk technology to educate patients with non-cancerous enlargement of the prostate gland about the risks and benefits of treatment options. Based on that success, and with renewal support from Hartford, they are organizing the non-profit Foundation for Informed Medical Decision Making to distribute this prototype and develop similar units for other conditions.

The Council of Medical Specialty Societies in 1989 continued to help organizations serving medical specialists foster appropriate care among their members. Working closely with the council, and drawing on an earlier Hartford grant to Duke University, David M. Eddy, M.D., Ph.D., prepared *A Manual for Assessing Health Practices and Designing Practice Policies*. Under a 1989 Hartford Foundation grant to the council, Dr. Eddy will offer a training program for specialty societies, based on this manual.

The Health Care Data Problem

Heartening as these successes are, further progress may be severely hampered by a pervasive lack of the data necessary to gauge the effectiveness of medical practices. Better data sources also are needed to measure the competence of those providing health care, whether for external evaluation or for internal management.

The establishment by Congress late in 1989 of the Agency for Health Care Policy and Research shows a laudable commitment to research on medical effectiveness and related activities. Nevertheless, the success of that initiative will depend heavily on good data.

Several 1989 Hartford grants address the data problem. The Foundation provided partial support for a project at the Institute of Medicine of the National Academy of Sciences to improve the patient record and meet the rapidly expanding demand for data by tapping the potential of the computer for patient information systems.

A grant was given to Harvard's Beth Israel Hospital, which has one of the most advanced computer-based patient information systems, to enhance the system and to demonstrate its ability to identify patients at risk of poor outcomes who warrant special care.

Hartford supported a project at Brigham and Women's Hospital that will identify which patient data could be most usefully collected for selected surgical patients to pinpoint those at highest risk of adverse outcomes.

A project at the University of Rochester's Strong Memorial Hospital addresses the need to combine data from ambulatory and inpatient care in order to assess the effectiveness of alternative approaches to care. A network of local physicians will demonstrate how pooling and analyzing such data aids assessment.

Evaluating the quality of a health maintenance organization (HMO) presents a special challenge. The Foundation in 1989 provided renewal support for a collaborative



effort by the RAND Corporation and a consortium of leading HMOs to develop a quality assessment system for these prepaid health plans.

One important, and often overlooked, source of health care data is the patient. A 1989 Hartford grant to the New England Medical Center Hospitals supports a



▲ The Council of Medical Specialty Societies is fostering development of policies on appropriate medical practices among the national organizations of physician specialists called specialty societies. With Foundation support, it is collaborating with David Eddy, M.D., Ph.D., of Duke University to train those responsible for such work in the societies and to develop a method for resolving conflicts between societies on such policies. At a recent meeting of its Task Force on Practice Policies, Dr. Eddy (center) is shown chatting with the council's Executive Vice President, Richard S. Wilbur, M.D., (standing left), Hugh P.H. Bower, M.D., of the American Academy of Family Physicians (standing right), Ellison C. Pierce, Jr., M.D., of the American Society of Anesthesiologists (seated left), and Jerome H. Shapiro, M.D., of the American College of Radiology (seated right).

Utilization management is widely used by purchasers of health care to reduce inappropriate services. The Institute of Medicine of the National Academy of Sciences in 1987 convened an expert committee to undertake the first systematic study of utilization management, with support from the Hartford Foundation and U.S. Department of Labor. Chairman Jerome H. Grossman, M.D., President of New England Medical Center Hospitals in Boston (left), is shown reviewing the committee's report, *Controlling Costs and Changing Patient Care? The Role of Utilization Management*, with Samuel O. Thier, M.D., the institute's President. ▼



new National Resource Center for Healthcare Assessment. Drawing on past experience with patient questionnaires, John Ware, Ph.D., the center's director, and his colleagues will assist others who wish to use such questionnaires to study health care outcomes and assess the quality of hospitals and other providers.



Generating Demand for Health Care Value

Health care data are essential to those organizations seeking to reward providers who offer the best balance of quality and price in their communities. Two such organizations received Hartford grants in 1989. The Center for Policy Studies in Minneapolis received renewal support to continue helping health care purchasers "buy right" in several communities, including Cleveland, fostering beneficial competition among health care providers there. The Health Policy Corporation of Iowa will use Hartford's support to provide Iowa's citizens with information on the quality of hospital services as well as price.

Strengthening Health Care Organizations'

Management of Quality

Several projects, funded in previous years, tackled the need to improve health care management. The Harvard Community Health Plan's National Demonstration Project on Quality Improvement in Health Care gained widespread attention in 1989 for fostering continuous improvement in health care organizations. A collaborative effort between the Stanford Business School and the National Fund for Medical Education was launched to recruit and train physician managers. A 1988 grant to the University of Michigan Medical Center made progress in demonstrating the usefulness of designating a physician to coordinate quality management at the unit level, aided by a computer-based patient information system.

The challenges remain. There is no "quick fix," but these efforts offer encouraging signs that the capacity to meet those challenges is being built.

1989 Grant Commitments

The Hartford Foundation awarded twelve grants under its Health Care Cost and Quality Program in 1989, for commitments totalling \$5,544,902.

Health Care Cost and Quality Grants

Beth Israel Hospital

Boston, MA
David R. Calkins, M.D.

Using a Computer-based, Patient Information System for Quality Assurance:
A Research and Demonstration Program

One important goal of the Hartford Foundation's Health Care Cost and Quality program is the development of prototype systems by which U.S. health care providers, particularly hospitals, can better monitor and improve the quality of care they provide. With this grant, Harvard University's Beth Israel Hospital will enhance its patient information system, already one of the most sophisticated in the country, and demonstrate how it can strengthen hospital management of quality. The expanded system will be used to identify medical patients at high risk of adverse outcomes, guide their care, and track the outcomes of that care.

Grant Award: \$599,979; 3 years
Starting Date: July 1, 1989

Brigham & Women's Hospital

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

Development of Models for Predicting Adverse In-hospital
and Post-discharge Outcomes

Recent studies have emphasized the difficulty of determining whether variations in patient outcomes are due to the effectiveness of care or unmeasured differences in patient risk at the time of admission. With this grant, a team at Harvard's Brigham and Women's Hospital will attempt to identify the kinds of data that should be collected for hospitals' patient information systems about selected surgical patients, in order to better predict those at highest risk of adverse outcomes and monitor their care. A special effort will be made to encourage hospitals to incorporate these "indicator" data into their patient information systems.

Grant Award: \$491,826; 2 years, 6 months
Starting Date: June 1, 1989

The Center for Health Policy Development

Washington, DC
Patricia A. Riley

Medicaid Managed Care: Advancing the State of the Art

Almost a million Medicaid beneficiaries are now enrolled in health maintenance organizations (HMOs) or similar "managed care" plans, more than triple the number in 1981. Many states have difficulty adopting these plans due to overly optimistic timetables, administrative problems, or the inadequate education of both providers and beneficiaries. The Center for Health Policy Development will use this grant for an Institute on Medicaid Managed Care to address these problems. The institute, which will be open to all state Medicaid representatives, will allow participants to exchange information and gain assistance from resource persons.

Grant Award: \$117,799; 1 year
Starting Date: June 1, 1989

Center for Policy Studies

Minneapolis, MN
Walter McClure, Ph.D.

Implementation of the "Buy Right" Strategy

With Hartford Foundation support over the last seven years, the Center for Policy Studies has developed the innovative "buy right" approach to containing costs and insuring quality. Using that approach, communities 1) generate competition among providers; 2) help purchasers and patients choose among the competitors on the basis of rigorously assessed quality, as well as price; and 3) set up public and private arrangements for the poor and uninsured. This grant will provide continuing assistance to communities interested in this strategy for improving health care. Activities will include on-site aid in selected cities, and publications and training to guide others.

Grant Award: \$400,000; 2 years
Starting Date: April 1, 1989

Council of Medical Specialty Societies

Lake Forest, IL
Richard S. Wilbur, M.D.

Project to Advance the Development of Practice Policies by Medical Specialty Societies

The Council of Medical Specialty Societies facilitates collaboration among the national associations of physicians organized according to areas of specialized training. The council will use this grant to train key people in these specialty societies to develop policies on appropriate medical procedures and devise a process to resolve conflicting policies between societies. For both activities, the council will continue to collaborate with David Eddy, M.D., Ph.D., of Duke University, whose *Manual for Assessing Health Practices and Designing Practice Policies* was prepared for council use with Hartford's previous grant to Duke University supporting Dr. Eddy's work.

Grant Award: \$173,530; 1 year
Starting Date: January 1, 1990

Dartmouth Medical School

Hanover, NH
John E. Wennberg, M.D.

Product Development Activities of the Foundation for Informed Medical Decision Making

Dartmouth Medical School has developed a new approach that helps patients, in consultation with their physicians, choose appropriate treatment options. They have completed a prototype for patients with non-cancerous enlargement of the prostate. Interactive video-disks explain the patient's condition, show treatment options, and display data on probabilities of outcomes. This technology is designed to fit the individual's circumstances. The Dartmouth group is creating the non-profit Foundation for Informed Medical Decision Making to replicate this successful prototype for other kinds of patients. This grant permits an early start in the production of the new videodisks while the foundation's organization is completed.

Grant Award: \$493,944; 1 year
Starting Date: January 1, 1990

Health Policy Corporation of Iowa

Des Moines, IA
Sal Bognanni

Development and Application of the Next Generation of Quality of Care Measurement Technology

The Health Policy Corporation of Iowa seeks to provide consumers and purchasers with enough information to be able to make comparisons among hospitals and other providers, based on quality and price. In collaboration with the Iowa Health Data Commission, it has published information on hospital prices, volume of inpatient cases, and physician surgical charges. It is collecting information on staff qualifications, quality assurance activities, the severity of the cases, and outcomes. With this grant the corporation will develop further measures aimed at providing the public with information, including patients' assessments of hospital quality, to help them judge the appropriateness of a hospital's services, and evaluate a hospital's record of quality improvement.

Grant Award: \$295,089; 1 year, 6 months
Starting Date: November 1, 1989

National Academy of Sciences/Institute of Medicine

Washington, DC
Richard S. Dick, Ph.D.

Study on Improving the Patient Record in Response to Increasing Functional Requirements and Technological Advances

A serious difficulty in monitoring and improving health care cost and quality is the lack of adequate and accessible information about a patient's condition, the care provided, and the result. The traditional paper-based medical record does not easily accommodate the high volume of clinical data from multiple sources, typical of modern patient care, nor does it permit adequate access to such information when needed. With support from the Hartford Foundation and others, the Institute of Medicine will organize a committee to recommend steps to improve the nation's patient record systems. An important consideration in the project will be the ways in which computer technology could improve the current system in a cost-effective manner.

Grant Award: \$100,000; 1 year, 3 months
Starting Date: January 1, 1990

New England Medical Center Hospitals

Boston, MA
John E. Ware, Jr, Ph.D.

A National Resource Center for Health Care Assessment

Over the past five years a major study of medical outcomes based at the RAND Corporation, and related studies elsewhere, have demonstrated the usefulness of questionnaires for patients as sources of information about the process and outcome of clinical care and the quality of health care services. The increased recognition of the value of patient-centered measures has generated a growing demand for the questionnaires developed in the RAND study and a need for their further refinement. Dr. John Ware, now at the New England Medical Center, is responsible for this aspect of the RAND study. This grant will enable him and his staff to respond to the many health care organizations, purchasers, community-based groups, and others who want to use patient-based measures for assessing quality.

Grant Award: \$598,967; 3 years
Starting Date: January 1, 1990

The RAND Corporation

Santa Monica, CA
Robert H. Brook, M.D.
Lucian L. Leape, M.D.
David H. Solomon, M.D.

Developing Criteria of Appropriateness of Use for Operations and Procedures

Leading academic medical centers are beginning to realize that standards of appropriateness could enhance their efforts to assure quality care. This grant will provide partial support for collaboration between the RAND Corporation and the newly-organized Academic Medical Centers Consortium, to demonstrate the usefulness of such standards in the nine participating medical centers. Appropriateness criteria will be developed for up to twelve diagnostic areas, on the basis of rigorous review of the literature and an informed consensus process. The participating academic medical centers then will apply the criteria in their own institutions and report the result.

Grant Award: \$975,000; 3 years
Starting Date: January 1, 1990

The RAND Corporation

Santa Monica, CA
Robert H. Brook, M.D.
Albert H. Siu, M.D.

Developing a Quality Assessment System in Prepaid Health Plans

As growing numbers of Americans enroll in health maintenance organizations, and as health care becomes increasingly competitive, HMOs must be able to assure enrollees, payors, and regulators that they provide quality care. HMO managers need the information and analysis to assure that quality. In collaboration with leading HMOs, Dr. Robert Brook and his colleagues at RAND will undertake a project to develop and test such a quality assessment system. This grant provides partial support for developing a system that will 1) document the impact of preventive services; 2) identify possible problems in gaining access to care; 3) employ process and outcome measures of quality; and 4) assess the appropriateness of care.

Grant Award: \$699,850; 3 years
Starting Date: July 1, 1989

University of Rochester

Rochester, NY
Robert J. Panzer, M.D.
Edgar R. Black, M.D.

Research and Demonstration Project to Improve the Cost-effectiveness of Outpatient Care: Further Development and Dissemination of Findings

With previous Hartford Foundation support, a team at the University of Rochester's Strong Memorial Hospital initiated development of a computer-based system to collect and analyze ambulatory and inpatient hospital data covering the full episode of a patient's care. This grant will permit the team to complete the development of that system and to organize a network of primary care physicians in Rochester. The network will use the system to pool and analyze patient data in order to judge the effectiveness of selected treatment options.

Grant Award: \$598,918; 3 years
Starting Date: July 1, 1989

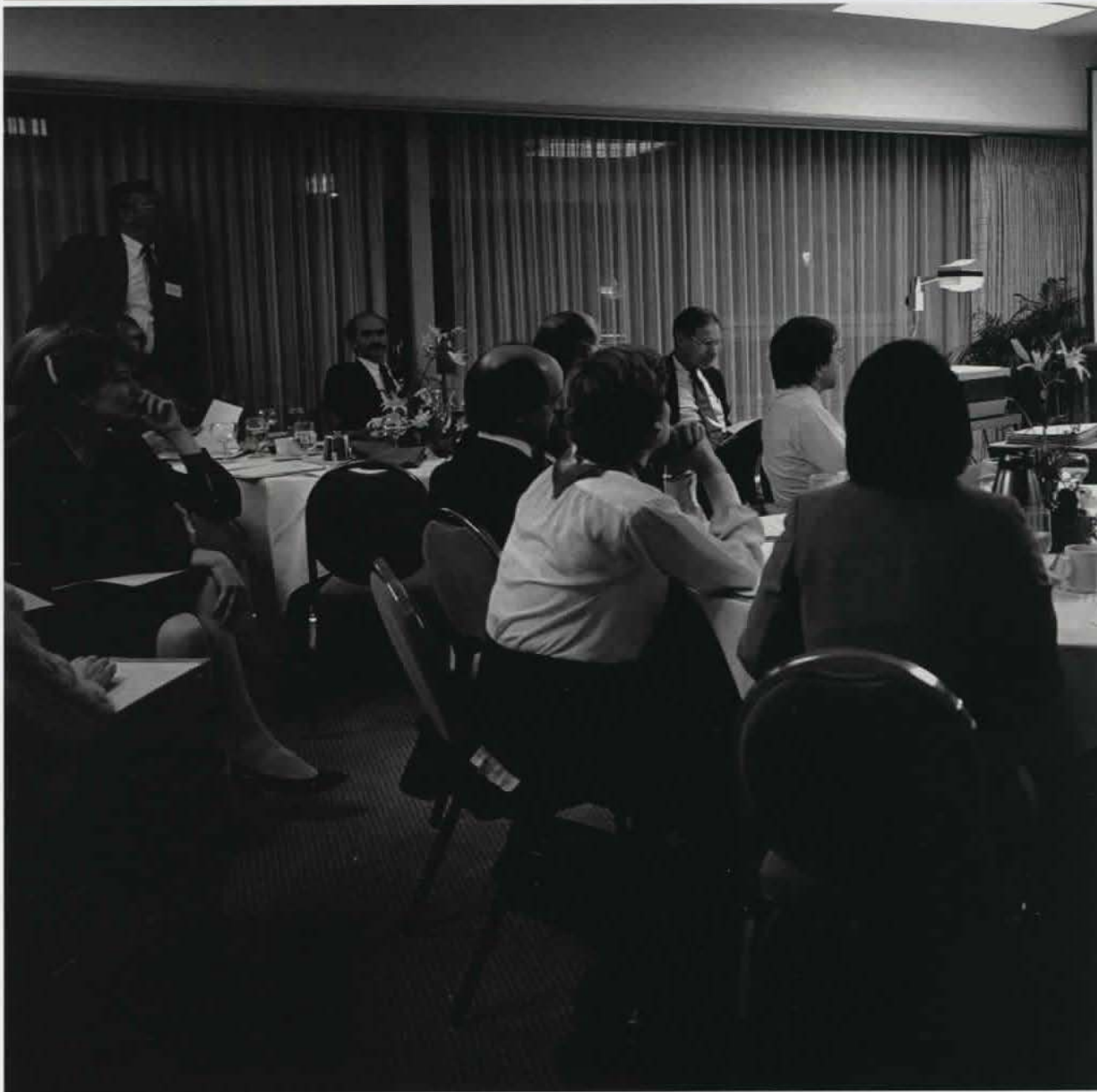
In June 1988 the United States Congress passed a bill creating “catastrophic” insurance coverage for the elderly. This bill was widely considered a bipartisan success story, in which the President and the Congress had teamed up to extend Medicare coverage to important new areas: it would limit patients’ hospital bills, improve physician coverage, expand payments for nursing home care, cover prescription drugs, and much more. Few imagined that it would never be implemented.





▲ Among the grants made under the Foundation's Medications and the Elderly Program are projects to improve medications use in nursing homes and rest homes, in which many of the nation's most vulnerable elders live. The University of North Carolina's Center for Health Promotion and Disease Prevention is using a Hartford grant to educate rest home personnel (aides, pharmacists, and physicians) about proper use of medications for their patients. Here, Gladys Brannon, a resident in one of the homes participating in the program, receives her medication and an extra dose of TLC from aide, Tammy Batchelor.

With grants from the Foundation, six hospitals are testing the effectiveness of different strategies for reducing the functional deterioration which often occurs among elderly patients as a result of hospitalization. Where possible, they are using similar measures and pooling certain data in their evaluative research to facilitate analysis across projects where that could enhance their findings. The Bowman Gray School of Medicine has been awarded a Hartford grant to coordinate the effort and develop its common database. Bowman Gray's Walter Ettinger, M.D., is shown leading a recent meeting of the six teams. ▼





Before the ink had dried on the bill, there were rumblings of discontent. Some of the major provisions of the new legislation were redundant for many Medicare beneficiaries, particularly those with so-called “Medigap” policies they had purchased or received as retirement health benefits from their former employers. These were often the same people who would bear the brunt of the surtax instituted to pay for the new coverage. On the other hand, the bill would not protect them from the truly catastrophic financial consequences of chronic illness, functional debilitation, and long-term care.

Very soon the rumblings became an avalanche of mail from angry constituents. Some sixteen months after its passage, almost all of the provisions of “Medicare Catastrophic” were repealed overwhelmingly in both houses of Congress.

Some believe these developments impeded the nation’s progress toward needed health system reform. Certainly, they heightened the public’s awareness of the costs of these programs, the limits on coverage for long-term care needs, and the tangled politics attendant upon these issues. All of this has lent further urgency to the Foundation’s Aging and Health Program.

Improving Drug Therapy for our Elders

A 1989 Hartford Foundation grant for a special issue of the Washington-based journal *Health Affairs*, focusing on medications and the elderly, was initially stimulated by the anticipated prescription drug coverage under the catastrophic coverage bill. Despite the bill’s repeal, the year-long debate on medications issues affirmed the importance of gathering the latest research and policy-relevant information for publication.

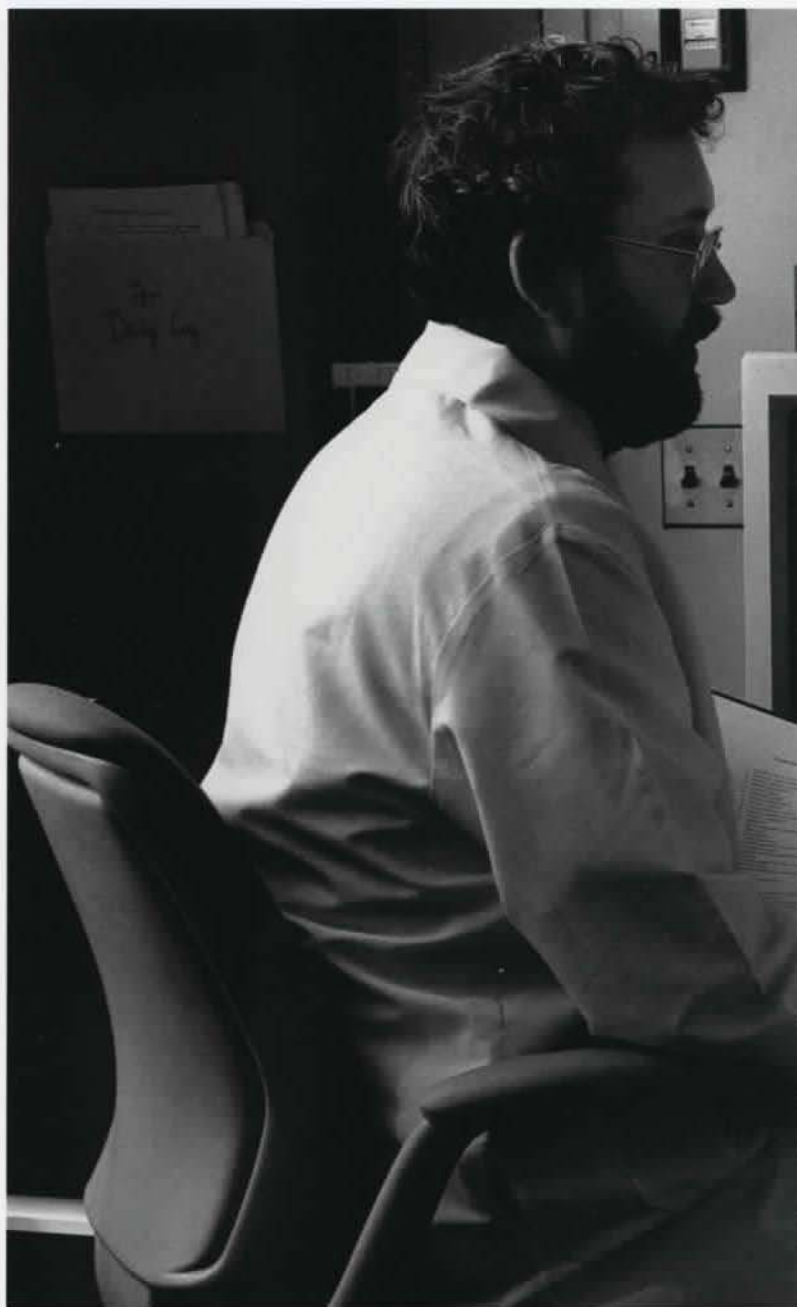
In 1989 Hartford supported two projects addressing the inappropriate use of medications in nursing homes. One grant, to the University of California at Los Angeles, is designed to improve physician prescribing in the nursing home by building an intervention into the monthly drug utilization review that is required by Medicare. The other, to be implemented by researchers at Vanderbilt University, seeks to substitute non-pharmacologic strategies to deal with the symptoms which typically lead to the inappropriate prescribing of psychotropic medication in nursing homes.

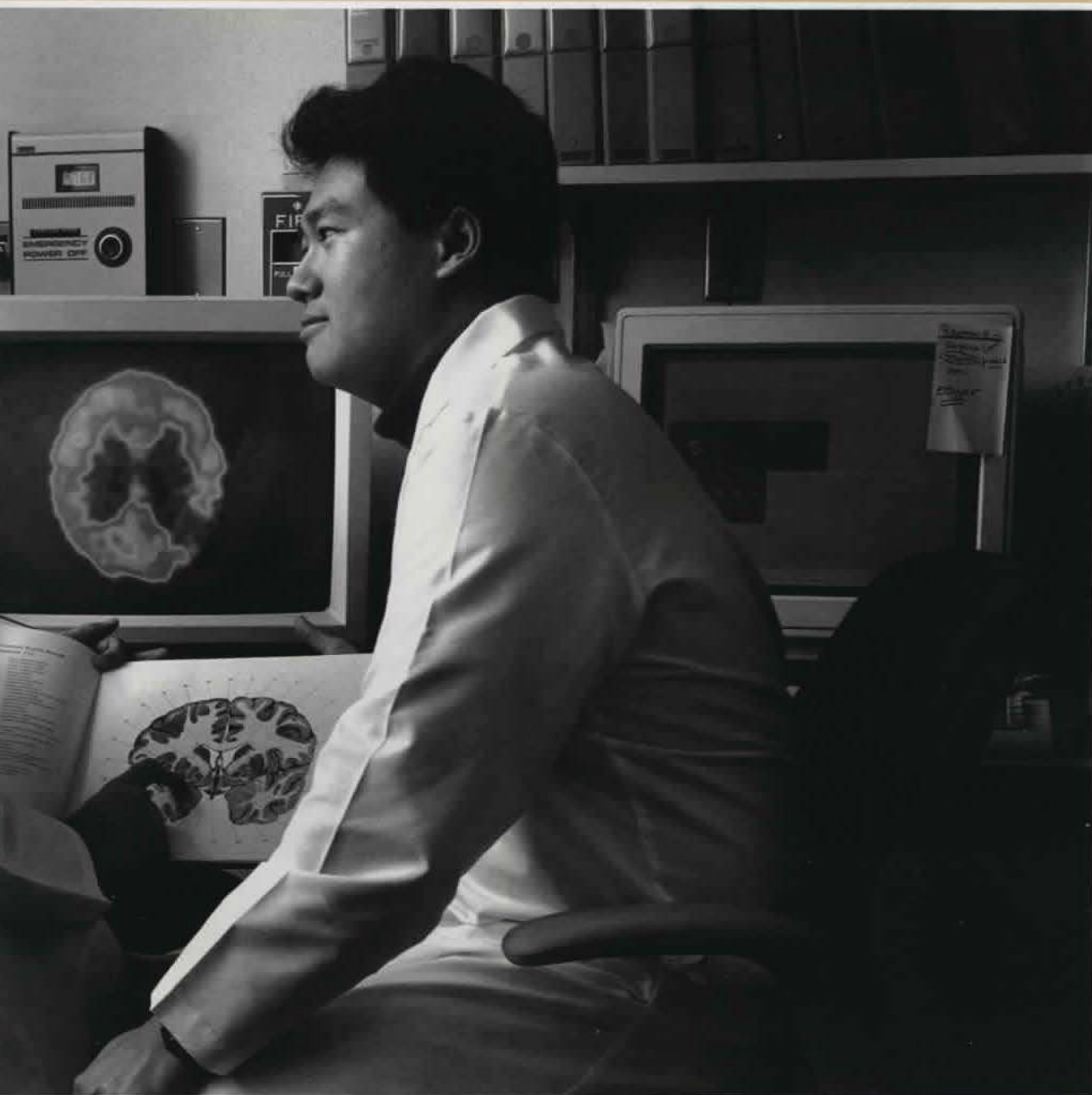
Organization and Financing of Long-Term Care

The demise of the catastrophic health care bill brought particular attention to the country's chronic neglect of the long-term care needs of the elderly, an area of continuing interest to the Hartford Foundation. Three grants were made during 1989 to address this problem. One, to The New York Community Trust, will support a study to assess lifestyles, quality of life, and quality of care among New York City's elders. The project will update research undertaken a decade ago and study the effect of services initiated since the earlier work.

The second action, a Foundation-administered project, supported the analysis of both foster care programs and so-called "assisted living" developments for the elderly in the state of Oregon. It also supported a conference of experts (academic, federal, state, local, and private) in the fields of health and housing, who too often do not communicate across bureaucratic boundaries.

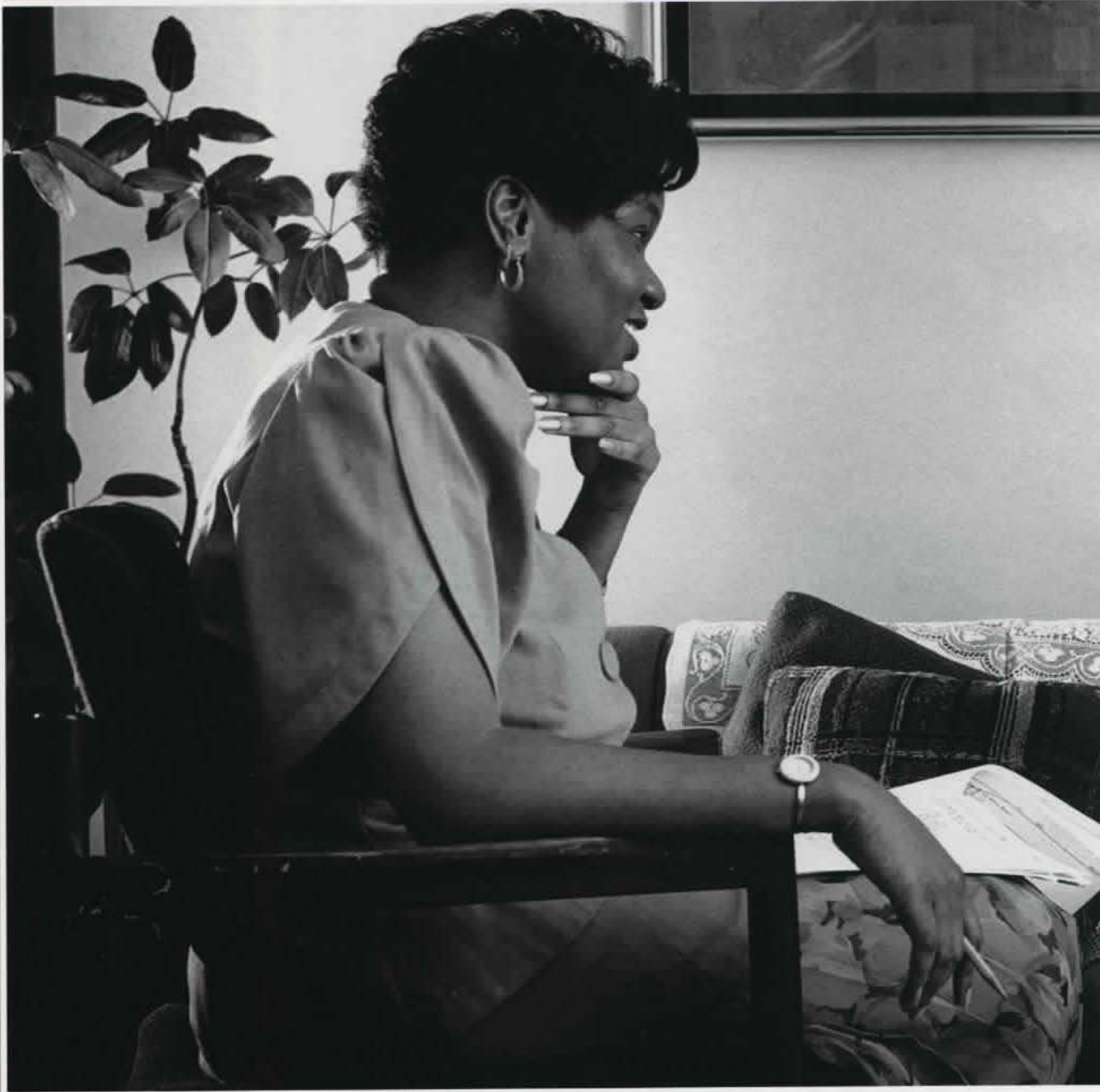
The third grant supported efforts of the United Seniors Health Cooperative, a Washington-based advocacy group whose start-up was aided by the Foundation, to develop "standards of excellence" for long-term care insurance.





▲ The University of Michigan Medical School is one of ten "centers of excellence" participating in a Foundation-supported program to recruit and train outstanding physician/researchers who could meet the urgent need in medical schools for faculty in the field of geriatrics. Michigan uses part of its Hartford grant to support promising students' research on aging-related subjects. John Chen, a Michigan medical student (right), receives support for his work on dementia, including Alzheimers, which uses functional brain imaging techniques. Here, he reviews a PET scan of a patient's brain with his faculty mentor, Norman L. Foster, M.D.

Under a grant from the Foundation, The New York Center for Policy on Aging of the New York Community Trust is asking elderly New Yorkers about their changing lifestyles and their views on how well currently available services meet their needs. The results will aid those planning for the future. The poll is being conducted by Louis Harris and Associates, Inc. whose representative Maria-Antoinette Jackson (left) is shown interviewing Dorothea E. Hoskins (right), of Manhattan. ▼



Reducing Functional Deterioration of Hospitalized Elders

This was the area of the Foundation's most intense grant-making activity during 1989 in its Aging and Health Program. Six grants were made to researchers at geographically and organizationally diverse hospitals to test the effectiveness of different strategies for reducing the functional deterioration of hospitalized elders.



The grantees are Cedars-Sinai Medical Center in Los Angeles, St. Marys Hospital Medical Center in Madison, Wisconsin, Stanford University Hospital, University Hospitals of Cleveland, University of Chicago Hospital, and Yale-New Haven Hospital.

A separate grant was awarded to Bowman Gray Medical School in Winston-Salem, N.C., to create, maintain, and analyze information in a common database across the six projects in this program. A Foundation-administered project made possible the development of this "meta-analysis" component of the Foundation's effort to improve inpatient care of the frail elderly.

Recruitment for Careers in Geriatrics

In 1988 the Foundation initiated a "centers of excellence" strategy to encourage medical students and practicing physicians at ten sites across the United States to specialize in academic geriatrics. This program was enhanced and broadened during 1989. A grant was awarded to one of those centers, the University of Michigan, to provide cross-site communication and career nurturance for these "Hartford Scholars," particularly those early in their career development. To provide continuing education for primary care physicians who received their training before recent improvements in geriatric education, a grant was given to the University of North Carolina to improve the knowledge base of those already in practice.

1989 Grant Commitments

During 1989 the Hartford Foundation awarded 16 grants under its Aging and Health Program initiatives, for commitments totalling \$5,089,793.

Aging and Health Grants

"Prehab" Program Grants: Reducing Functional Deterioration in the Hospitalized Elderly Patient

About 10 million Medicare-eligible elderly enter hospitals each year. Frequently the patient is cured of a specific illness but less able to carry on with normal life after discharge. As a result, hospitalization is an important cause of subsequent social dependency and institutionalization. In the following seven grants, and a project administered by its staff, the Foundation is supporting the testing of interventions designed to reduce the functional loss associated with acute illness and hospitalization.

Cedars-Sinai Medical Center

Los Angeles, CA
Hilary Siebens, M.D.

Physical Deconditioning: A Treatable Source of Functional Loss in Hospitalized Elderly Patients

Cedars-Sinai Hospital is using this grant to develop an exercise program and to evaluate its effectiveness for inpatients aged 70 and over. The goal of the program is to maintain or improve physical fitness and to reduce the patient's length of hospital stay and need for readmission.

Grant Award: \$485,884; 3 years
Starting Date: September 1, 1989

St. Marys Hospital Medical Center

Madison, WI
Mark A. Sager, M.D.

Reducing Functional Deterioration in the Hospitalized Elderly Patient

St. Marys Hospital Medical Center will develop and evaluate the impact of a multi-disciplinary inpatient program in reducing the functional loss of elderly patients hospitalized with common problems, such as stroke, pneumonia, and hip replacement. The intervention, through a multi-disciplinary geriatric team, could include physical, psychosocial, pharmacologic, and nutritional components. After hospitalization, some of the patients will receive follow-up care to see if their recovery and functional status are further improved by this kind of outreach. Evaluation will include patient outcome data, as measured by physical and mental status, and a cost analysis.

Grant Award: \$460,418; 3 years
Starting Date: July 1, 1989

Stanford University

Stanford, CA
Carol H. Winograd, M.D.

Reducing Functional Deterioration in the Hospitalized Elderly Patient

Researchers at Stanford University have designed a model to test the effectiveness of physical therapy in improving mobility among hospitalized elderly patients. Researchers will test the hypothesis that patients receiving this therapy will have improved mobility upon discharge, as compared to other patients similarly at risk. They will also assess the effect of physical therapy on the length of the hospital or nursing home stay, and on the caregiver burden. In addition, the Stanford team will determine whether or not patient mobility is further improved by greater interpersonal warmth and clinical effort on the part of caregivers.

Grant Award: \$496,421; 3 years
Starting Date: July 1, 1989

University Hospitals of Cleveland

Cleveland, OH
C. Seth Landefeld, M.D.
Robert M. Palmer, M.D., M.P.H.

The Dysfunctional Syndrome: Characterization and Prevention

A team from University Hospitals of Cleveland will use this grant to undertake research to define critical elements in the pattern of functional decline among elderly patients. They will also attempt to identify factors which lead to this "dysfunctional syndrome" during hospitalization. In the project's second phase they will test the effectiveness of a separate hospital unit for the acute care of elderly patients at risk for functional loss. The unit's nurses will be trained to meet the needs of the frail elderly.

Grant Award: \$484,998; 3 years
Starting Date: October 1, 1989

University of Chicago

Chicago, IL
Christine K. Cassel, M.D.
Peter Pompei, M.D.

Early Detection, Evaluation and Treatment of Delirium in Hospitalized Elderly

The University of Chicago will use this grant to address the frequent failure, in hospitals, to diagnose and treat patients who develop delirium during their stay. The Chicago team believes this failure is a major factor in functional loss. The project will have two major aspects. It will develop and assess the effectiveness of a training program to improve nurses' ability to detect delirium. It will also develop specific geriatric and nursing consultative efforts, and investigate their impact on the length of the hospital stay, mortality, the functional and mental status of patients, and the use of outpatient services after discharge.

Grant Award: \$307,406; 2 years, 4 months
Starting Date: September 1, 1989

Yale-New Haven Hospital

New Haven, CT
Leo M. Cooney, Jr., M.D.
Sharon K. Inouye, M.D., M.P.H.

Geriatric Care Program

Yale-New Haven Hospital will compare alternative approaches to inpatient care in preventing and/or treating confusion, incontinence, immobility, inappropriate use of medication, and poor nutrition. The study will assess the value of both specialized geriatric nursing consultation and interdisciplinary caregiver teams in helping patients maintain independence and avoid functional losses. These approaches will be compared to the hospital's usual system of primary care nursing. Criteria will include the length of stay, discharge site (home vs. nursing home), and incidence of functional loss. The effect on the nursing staff and nurse retention will also be studied.

Grant Award: \$448,668; 2 years, 6 months
Starting Date: July 1, 1989

Foundation-Administered Project

Efforts to Increase Synergy Across "Prehab" Program Projects

Under this project, the six grantees supported under the program to improve routine hospital inpatient care for elders at risk of functional deterioration explored the feasibility of conducting a cross-site analysis to assess the impact of the strategies employed by the six sites.

Grant Award: \$43,354; 6 months
Starting Date: April 1, 1989

Bowman Gray School of Medicine

Winston-Salem, NC
Curt D. Furberg, M.D., Ph.D.

"Prehab" Project Data Coordinating Center

Bowman Gray will serve as a data coordinating center for the six "prehab" projects described above, in order to analyze data across sites. The center will facilitate the study of functional decline among elderly inpatients in all six hospitals and evaluate the hospitals' success, as a group, in addressing the problem.

Grant Award: \$624,637; 3 years
Starting Date: November 1, 1989

Other Aging and Health Grants

Foundation-Administered Project

Improving the Fit Between Health Services for the Elderly and Their Housing Environments

Health and support services coupled with housing conditions help to determine an older person's ability to retain independence despite a chronic illness or disability. This project, administered by Foundation staff, supports efforts to analyze and illuminate the relationship between health needs of the elderly and their housing environments. It will include an analysis of foster care and "assisted living" developments in the state of Oregon, as well as a conference designed to bring together experts in the health and housing fields to discuss remedies.

Grant Award: \$83,310; 8 months
Starting Date: April 1, 1989

The New York Community Trust/New York Center for Policy on Aging

New York, NY
James R. Dumpson, Ph.D.

Study of Changing Lifestyles, Quality of Life, and Quality of Care of New York City Elders

Both private and governmental organizations require accurate information in order to develop services for our rapidly growing older population. The New York Center for Policy on Aging will use this grant to conduct a random sample survey of New York City residents over the age of 60. The data gathered will clarify the relationship between the quality of life among New York City's elderly and the services they receive. The project will compare the results of this new survey with those from two previous studies conducted in the early 1970s.

Grant Award: \$97,850; 2 years
Starting Date: August 1, 1989

People-to-People Health Foundation, Inc. Project HOPE

Millwood, VA
John K. Iglehart

Special Issue of *Health Affairs* Devoted to Policy Issues in the Field of Medications and the Elderly

Medications play a central, often life-saving, role in the health care of the elderly. However, as prescribing practices and patterns of administration have changed in response to legislative and regulatory initiatives, there is greater concern about the risks of adverse drug effects. People-to-People Health Foundation is developing a special issue of the journal *Health Affairs* targeted at the health policy community, to raise awareness of the issues involved in extending drug benefits and revising regulations affecting medications.

Grant Award: \$75,493; 1 year
Starting Date: July 1, 1989

United Seniors Health Cooperative

Washington, DC
James P. Firman, Ed.D.

Standards of Excellence for Long-Term Care Insurance

The emerging demand for long-term care insurance has resulted in the rapid growth of the private market for such insurance policies. Yet this growth has been accompanied by consumer disappointment and confusion. The United Seniors Health Cooperative plans to address these problems by developing and disseminating 1) standards of excellence for long-term care insurance policies and 2) decision-making tools for consumers based on those standards.

Grant Award: \$146,520; 1 year, 3 months
Starting Date: January 1, 1990

University of California, Los Angeles

Los Angeles, CA
Mark H. Beers, M.D.

Improving the Appropriateness of Medication Prescribing in Nursing Homes

Nursing home residents typically take seven prescribed medications at the same time. This puts them in a high risk category (nine times greater than that of individuals on one medication) for adverse reactions. This project will develop a computerized review of nursing home medications, based on information available to the pharmacist, which will flag potential problems. These will be brought to physicians' attention once a month, when they are obliged to sign off on re-orders in compliance with Medicare regulations, forcing them to review, as well as renew, their patients' drug therapies.

Grant Award: \$250,995; 3 years
Starting Date: December 1, 1989

University of Michigan Medical School

Ann Arbor, MI
Jeffrey B. Halter, M.D.

Coordinating Center: Academic Geriatrics Recruitment Program

In May 1988 the Foundation awarded three-year grants to ten universities deemed "centers of excellence" in academic geriatrics, with the goal of attracting more physicians, at different stages in their training and careers, to that field. Under this grant, the University of Michigan will serve as a coordinating center for the program, providing information about training opportunities and candidates across the ten sites. The project staff will also plan and arrange a meeting of the trainees receiving Hartford support, particularly medical students and their mentors. This meeting will be held in conjunction with that of the American Geriatrics Society in May 1990.

Grant Award: \$99,850; 1 year
Starting Date: January 1, 1990

University of North Carolina

Chapel Hill, NC
Mark E. Williams, M.D.

A Geriatric Continuing Medical Education Program for Established Practitioners

The majority of the 160,000 primary care physicians in the U.S. received their training before recent improvements in the geriatric content of medical school curricula and residency training programs. This project will develop a "continuing medical education" (CME) prototype, consisting of a survey, course materials, and evaluation, to address the information needs of primary care physicians already in practice. This CME model is being developed with the input of North Carolina primary care physicians, on whom its impact will be tested. It is a learner-oriented, practice-related, problem-solving approach which, if successful, will be both portable and cost-effective.

Grant Award: \$396,479; 2 years
Starting Date: October 1, 1989

Vanderbilt University

Nashville, TN
Wayne A. Ray, Ph.D.

An Educational Intervention to Reduce Nursing Home Antipsychotic Drug Use

One-fourth to one-half of nursing home residents receive antipsychotic medications. This is true in spite of the drugs' toxic risks and their association with increased falls, which often result in hip fractures. Using a randomized, controlled trial, Vanderbilt will test the effectiveness of an education program for nursing home physicians and staff, including guidelines for antipsychotic drug use and patient management strategies which do not depend on medications. Evaluation of the training will include an analysis of its impact on the risk of falls.

Grant Award: \$587,510; 3 years
Starting Date: January 1, 1990

The annual financial statements, which have been audited by Owen J. Flanagan & Co., appear on pages 35 to 45.

On December 31, 1989, the Foundation's assets were \$259.3 million, an increase of \$35.9 million for the year, despite net withdrawals from the investment portfolio (in excess of additional assets received) of \$10.0 million for grants, expenses and federal excise tax. Total return on the investments, income plus realized and unrealized capital gains, was 22.4 percent. In 1989 revenues totalled \$12.1 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 continually seeks further diversification of its assets, either by asset class or investment management style. In 1989 the Foundation made an investment in a new venture capital partnership. The stock and fixed income portfolios comprised 55 and 41 percent of the total investments at the end of 1989, the same weighting as on December 31, 1988. The balance of the investments, venture capital partnerships, real estate pooled funds and other investments, totaled 4 percent at the end of both years.

As of December 31, 1989 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, William Blair & Co. and T. Rowe Price Associates. In addition, the Foundation is an investor in the Oak Investment Partners III, Brentwood Associates IV, Mayfield V and Middlewest Ventures II 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.

Independent Auditor's Report

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

Ladies and Gentlemen:

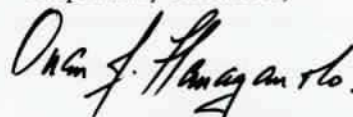
We have audited the balance sheet of The John A. Hartford Foundation, Inc. (a New York not-for-profit corporation) as of December 31, 1989 and the related statements of revenues, grants and expenses and changes in fund balance for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of The John A. Hartford Foundation as of December 31, 1988, were audited by other auditors whose report dated February 21, 1989, expressed an unqualified opinion on those statements.

We conducted our audit 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 audit provides 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, 1989 and the results of its operations and changes in fund balance for the year 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 45, 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.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Owen J. Flanagan & Co.", written in a cursive style.

Owen J. Flanagan & Company
Certified Public Accountants

New York, New York
March 2, 1990

The John A. Hartford Foundation, Inc.
Exhibit A
Balance Sheet, December 31, 1989

	1989	1988
Assets		
Cash in operating account	\$ 8,097	\$ 2,773
Interest and dividends receivable	1,492,969	1,587,715
Bequest receivable (Note 7)	–	50,000
Prepayments and deposits	41,440	28,069
	1,542,506	1,668,557
Investments, at market or adjusted cost		
(Notes 1 and 2)		
Short-term cash investments	30,432,415	25,699,257
Stocks	140,709,714	120,572,269
Long-term bonds	72,945,219	63,791,969
Venture capital partnerships	4,439,424	4,625,828
Real estate pooled funds	3,588,338	1,536,683
Other	2,566,038	2,217,030
Total Investments	254,681,148	218,443,036
Office condominium, furniture and equipment		
(net of accumulated depreciation of		
\$831,041 in 1989 and \$584,401 in 1988)	3,104,520	3,341,286
Total Assets	\$259,328,174	\$223,452,879
Liabilities and Fund Balance		
Liabilities:		
Grants payable (Note 1)		
Current	\$ 7,795,950	\$ 5,008,930
Non-current (Note 6)	7,894,948	7,412,973
Accounts payable	319,178	299,118
Federal excise tax payable (Note 1)		
Current	–	36,666
Deferred	422,810	165,203
Total Liabilities	16,432,886	12,922,890
Fund Balance (Exhibit B)	242,895,288	210,529,989
Total Liabilities and Fund Balance	\$259,328,174	\$223,452,879

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

The John A. Hartford Foundation, Inc.**Exhibit B****Statement of Revenues, Grants and Expenses and Changes in Fund Balance****Year Ended December 31, 1989**

	1989	1988
Revenues		
Dividends and partnership earnings	\$ 4,146,638	\$ 3,953,096
Long-term bond interest	5,821,318	5,415,803
Short-term investments	2,098,040	1,460,330
Total Revenues	12,065,996	10,829,229
Grants and Expenses		
Grants awarded (less cancellations and refunds of \$100,449 in 1989 and \$478,874 in 1988)	10,870,765	9,523,383
Foundation administered projects	126,664	—
Grant-related direct expenses	79,343	105,236
Federal excise tax on net investment income (Note 1)	220,474	197,372
Investment fees	1,025,369	879,884
Personnel salaries and benefits (Note 5)	893,604	849,345
Office and other expenses	538,709	532,788
Depreciation	246,640	244,058
Professional services	86,128	102,512
Total Grants and Expenses	14,087,696	12,434,578
Excess (deficiency) of revenues over grants and expenses	(2,021,700)	(1,605,349)
Net Realized and Change in Unrealized		
Gain on Securities Transactions (Note 2)	34,369,643	20,320,170
Bequest from Distribution of Trust (Note 7)	17,356	50,000
Increase in Fund Balance	32,365,299	18,764,821
Fund Balance, beginning of year	210,529,989	191,765,168
Fund Balance, End of Year (Exhibit A)	\$242,895,288	\$210,529,989

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

Notes to Financial Statements, December 31, 1989

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. Investments in venture capital partnerships and other investments are carried at cost adjusted for the Foundation's share of undistributed realized 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 also 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 1989 is summarized as follows:

	Cost	Quoted Market Price	Appreciation
Balance, December 31, 1989	\$233,540,601	\$254,681,148	\$21,140,547
Balance, December 31, 1988	\$210,182,862	\$218,443,036	\$ 8,260,174
Increase in unrealized appreciation during the year, net of increase in deferred Federal excise tax of \$257,607			12,622,766
Realized gain, net of provision for Federal excise tax of \$443,813			21,746,877
Net realized and change in unrealized gain on securities transactions			\$34,369,643

Receivables and payables on security sales and purchases pending settlement at December 31, 1989 were as follows:

	1989	1988
Proceeds from sales	\$ 2,297,456	\$ 518,822
Payables from purchases	(1,913,945)	(683,279)
Net cash pending settlement	\$ 383,511	\$(164,457)

The net amount has been included with short-term cash investments in the accompanying balance sheet. In the prior year the receivables and payables were shown as separate assets and liabilities.

The Foundation is a participant in four venture capital limited partnerships. As of December 31, 1989, \$6,137,817 had been invested in these partnerships and future commitments for additional investment aggregated \$1,862,183.

Real Estate investments included one limited partnership and one real estate investment trust. The Foundation had invested \$3,500,200 at December 31, 1989 and future commitments for additional investment aggregated \$1,499,800.

Other investments included \$400,000 invested in a limited partnership and \$2,253,003 invested in convertible preferred stocks of closely held companies. At December 31, 1989 the Foundation had a future commitment for additional investment in the limited partnership of \$600,000.

3. Foreign Currency Purchase Commitments

At December 31, 1989 the Foundation's foreign currency forward purchase and sale contracts totaled \$2,459,397. The difference between the contract rate and the spot exchange rate at December 31, 1989, \$56,135, was recorded as a reduction of short-term income.

4. Office Condominium, Furniture and Equipment

At December 31, 1989 and 1988 the fixed assets of the Foundation were as follows:

	1989	1988
Office condominium	\$3,596,916	\$3,596,916
Furniture and equipment	338,644	328,771
	3,935,560	3,925,687
Less: Accumulated depreciation	831,041	584,401
Office condominium, furniture and equipment, net	\$3,104,519	\$3,341,286

5. Pension Plan

The Foundation has a defined contribution retirement plan covering all eligible employees. Pension expense under the plan for 1989 and 1988 amounted to \$80,358 and \$72,048, 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 1989 and 1988, for payments to certain retirees who began employment with the Foundation prior to the initiation of the formal retirement plan.

6. Grants Payable

The Foundation estimates that the non-current grants payable as of December 31, 1989 will be disbursed as follows:

1991	\$5,368,994
1992	2,446,374
1993	79,580
	\$7,894,948

7. 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 \$2,442,356 had been received from the trust up to December 31, 1989 and no additional distributions are anticipated.

Summary of Active Grants 1989

Health Care Cost and Quality	Grants			
	Balance Due January 1, 1989	Authorized During Year	Amount Paid During Year	Balance Due December 31, 1989
Beth Israel Hospital Boston, MA "Using a Computer-based, Patient Information System for Quality Assurance: A Research and Demonstration Program" David R. Calkins, M.D.		\$ 599,979	\$ 97,342	\$ 502,637
Brigham & Women's Hospital Boston, MA "Creation of a Product Cost Accounting System for Hospital Management" Barbara J. McNeil, M.D., Ph.D.	\$ 39,745		39,745	
Brigham & Women's Hospital Boston, MA "Development of Models for Predicting Adverse In-hospital and Post-discharge Outcomes" Barbara J. McNeil, M.D., Ph.D.		491,826	116,205	375,621
The Center for Health Policy Development Washington, DC "Medicaid Managed Care: Advancing the State of the Art" Patricia A. Riley		117,799	58,899	58,900
Center for Policy Studies Minneapolis, MN "Implementation of the 'Buy Right' Strategy" Walter McClure, Ph.D.		400,000	200,000	200,000
Council of Medical Specialty Societies Lake Forest, IL "Project to Advance the Development of Practice Policies by Medical Specialty Societies" Richard S. Wilbur, M.D.		173,530	86,765	86,765
Dartmouth Medical School Hanover, NH "A Demonstration of Patient Informed Decision Making: Patients with Benign Hypertrophy of the Prostate" John E. Wennberg, M.D.	214,975		214,975	
Dartmouth Medical School Hanover, NH "Product Development Activities of the Foundation for Informed Medical Decision Making" John E. Wennberg, M.D.		493,944	246,972	246,972
Dartmouth Medical School Hanover, NH "Multi-Institutional Technology Assessment Consortium" Harold C. Sox, Jr., M.D.	253,919		127,760	126,159
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.	147,481		147,481	
The George Washington University Medical Center Washington, DC "Development of Prototype to Aid Physicians' Intensive Care Decisions" William A. Knaus, M.D.	307,036		188,973	118,063

	Balance Due January 1, 1989	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1989
Harvard Community Health Plan Brookline, MA "National Demonstration Project on Quality Improvement in Health Care" Donald M. Berwick, M.D.	\$ 499,837		\$ 199,753	\$ 300,084
Health Policy Corporation of Iowa Des Moines, IA "Development and Application of the Next Generation of Quality of Care Measurement Technology" Sal Bognanni		\$ 295,089	103,577	191,512
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		98,760	98,760
Midwest Business Group on Health Chicago, IL "Value-Managed Health Care Purchasing Demonstration Project" James D. Mortimer	295,225		159,500	135,725
Minnesota Coalition on Health St. Paul, MN "Voluntary Health Care Information Project in the Twin Cities" Patricia Drury	398,728		82,664	316,064
National Academy of Sciences Institute of Medicine Washington, DC "Critical Evaluation of Utilization Management" Marilyn J. Field, Ph.D.	61,595		61,595	
National Academy of Sciences Institute of Medicine Washington, DC "Study on Improving the Patient Record in Response to Increasing Functional Requirements and Technological Advances" Richard S. Dick, Ph.D.		100,000	50,000	50,000
National Fund for Medical Education Boston, MA "Management Education Program for Physician Leaders" Norman S. Stearns, M.D.	530,301		21,200	509,101
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.	460,621		165,531	295,090
New England Medical Center Hospitals Boston, MA "A National Resource Center for Health Care Assessment" John E. Ware, Jr., Ph.D.		598,967	112,940	486,027
The RAND Corporation Santa Monica, CA "Development of Academic Medical Centers/RAND Consortium to Improve Quality and Appropriateness of Care" R. Brook, M.D., L. Leape, M.D., D. Solomon, M.D.	102,600		102,600	

	Balance Due January 1, 1989	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1989
The RAND Corporation Santa Monica, CA "Developing Criteria of Appropriateness of Use for Operations and Procedures" R. Brook, M.D., L. Leape, M.D., D. Solomon, M.D.		\$ 975,000	\$ 162,500	\$ 812,500
The RAND Corporation Santa Monica, CA "Developing a Quality Assessment System in Prepaid Health Plans" Robert H. Brook, M.D., Albert L. Siu, M.D.		699,850	150,217	549,633
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 J. Panzer, M.D.	\$ 324,664		196,233	128,431
Stanford University Stanford, CA "Management Education Program for Physician Leaders" Alain C. Enthoven, Ph.D.	296,825		53,553	243,272
The University of Michigan Medical Center Ann Arbor, MI "Integrated Inpatient Management Model" Laurence F. McMahon, Jr., M.D., M.P.H.	296,722		97,937	198,785
University of Pennsylvania Philadelphia, PA "Development of a Community Hospital Quality Index" Mark V. Pauly, Ph.D.	338,619		196,179	142,440
University of Rochester Rochester, NY "Research and Demonstration Project to Improve the Cost- effectiveness of Outpatient Care: Further Development and Dissemination of Findings" Robert J. Panzer, M.D., Edgar R. Black, M.D.		598,918	97,821	501,097
Subtotal	\$4,766,413	\$5,544,902	\$3,637,677	\$6,673,638
Aging and Health				
The American Geriatrics Society New York, NY "Academic Geriatrics Program Development Workshop" Linda Barondess	\$ 24,907			\$ 24,907
Beth Israel Hospital Boston, MA "Medications and Aging: Research and Education in Geriatric Pharmacology" Jerome L. Avorn, M.D.	395,635		\$ 174,327	221,308
Bowman Gray School of Medicine Winston-Salem, NC "Academic Geriatrics Recruitment Initiative" William R. Hazzard, M.D.	216,000		86,400	129,600
Bowman Gray School of Medicine Winston-Salem, NC "Prehab' Project Data Coordinating Center" Curt D. Furberg, M.D., Ph.D.		\$ 624,637	149,084	475,553
Brandeis University Waltham, MA "Development of a National Strategy for Strengthening Long-Term Care for the Elderly" Walter N. Leutz, Ph.D.	95,500		47,750	47,750

	Balance Due January 1, 1989	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1989
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 "The Development of a Health Risk Appraisal for Older Americans" Edwin B. Hutchins, Ph.D.	313,069		58,642	\$ 254,427
Cedars-Sinai Medical Center Los Angeles, CA "Physical Deconditioning: A Treatable Source of Functional Loss in Hospitalized Elderly Patients" Hilary Siebens, M.D.		\$ 485,884	76,669	409,215
Community Care Organization of Milwaukee County, Inc. Milwaukee, WI "The Living-at-Home Program" Kirby G. Shoaf	53,500		53,500	
County of Monroe Rochester, NY "Financing Strategy for Long-Term Care for the Elderly in Monroe County" Kenneth Naples	119,876		49,312	70,564
Duke University Medical Center Durham, NC "Academic Geriatrics Recruitment Initiative" Harvey J. Cohen, M.D.	243,375		97,350	146,025
Foundation-Administered Project "Improving the Fit Between Health Services for the Elderly and Their Housing Environments"		83,310	83,310	
Foundation-Administered Project "Efforts to Increase Synergy Across 'Prehab' Program Projects"		43,354	43,354	
Harvard Medical School Boston, MA "Academic Geriatrics Recruitment Initiative" Lewis A. Lipsitz, M.D.	284,077		100,285	183,792
The Johns Hopkins University School of Medicine Baltimore, MD "Academic Geriatrics Recruitment Initiative" John R. Burton, M.D.	247,500		99,000	148,500
Mount Sinai School of Medicine New York, NY "Academic Geriatrics Recruitment Initiative" Myron Miller, M.D.	208,125		83,250	124,875
New York Community Trust/ New York Center for Policy on Aging New York, NY "Study of Changing Lifestyles, Quality of Life, and Quality of Care of New York City Elders" James R. Dumpson, Ph.D.		97,850	31,963	65,887

	Balance Due January 1, 1989	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1989
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	\$ 209,506		\$ 209,506	
People-to-People Health Foundation, Inc. Project HOPE Millwood, VA "Special Issue of <i>Health Affairs</i> Devoted to Policy Issues in the Field of Medications and the Elderly" John K. Iglehart		\$ 75,493	37,747	\$ 37,746
St. Marys Hospital Medical Center Madison, WI "Reducing Functional Deterioration in the Hospitalized Elderly Patient" Mark A. Sager, M.D.		460,418	71,390	389,028
Stanford University Stanford, CA "Reducing Functional Deterioration in the Hospitalized Elderly Patient" Carol H. Winograd, M.D.		496,421	78,251	418,170
United Seniors Health Cooperative Washington, DC "Standards of Excellence for Long-Term Care Insurance" James P. Firman, Ed.D.		146,520	73,260	73,260
University Hospitals of Cleveland Cleveland, OH "The Dysfunctional Syndrome: Characterization and Prevention" C. Landefeld, M.D., R. Palmer, M.D., M.P. H.		484,998	94,240	390,758
University of California, Los Angeles School of Medicine Los Angeles, CA "Academic Geriatrics Recruitment Initiative" John C. Beck, M.D.	279,950		78,683	201,267
University of California, Los Angeles Los Angeles, CA "Improving the Appropriateness of Medication Prescribing in Nursing Homes" Mark H. Beers, M.D.		250,995	45,552	205,443
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.	97,707		75,633	22,074
The University of Chicago Chicago, IL "Early Detection, Evaluation, and Treatment of Delirium in Hospitalized Elderly" Christine K. Cassel, M.D., Peter Pompei, M.D.		307,406	62,206	245,200
The University of Connecticut Health Center Farmington, CT "Academic Geriatrics Recruitment Initiative" Richard W. Besdine, M.D.	218,532		70,248	148,284
University of Florida at Gainesville Gainesville, FL "Pharmacist Intervention with Physician Prescribing and Medication Use in Elderly Patients" Carole L. Kimberlin, Ph.D.	102,302		64,935	37,367

	Balance Due January 1, 1989	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1989
University of Michigan Medical School Ann Arbor, MI "Academic Geriatrics Recruitment Initiative" Jeffrey B. Halter, M.D.	\$ 297,835		\$ 103,249	\$ 194,586
University of Michigan Medical School Ann Arbor, MI "Coordinating Center: Academic Geriatrics Recruitment Program" Jeffrey B. Halter, M.D.		\$ 99,850	49,925	49,925
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.	43,205		43,205	
University of North Carolina Chapel Hill, NC "Strengthening the Links in the Drug Therapy Management Cycle in Rest Homes" Abraham G. Hartzema, Ph.D., M.S.P.H.	481,200		41,816	439,384
University of North Carolina Chapel Hill, NC "A Geriatric Continuing Medical Education Program for Established Practitioners" Mark E. Williams, M.D.		396,479	101,697	294,782
University of Pennsylvania School of Medicine Philadelphia, PA "Academic Geriatrics Recruitment Initiative" Allan I. Pack, M.D., Ch.B., Ph.D.	261,250		73,720	187,530
University of Southern California Los Angeles, CA "The Impact of Clinical Pharmacist Services on Drug Use in Residential Care Facilities for the Elderly" Bradley R. Williams, Pharm.D.	419,361		57,065	362,296
University of Washington School of Medicine Seattle, WA "Academic Geriatrics Recruitment Initiative" Itamar B. Abrass, M.D.	256,915		56,253	200,662
Vanderbilt University Nashville, TN "An Educational Intervention to Reduce Nursing Home Antipsychotic Drug Use" Wayne A. Ray, Ph.D.		587,510	73,975	513,535
Yale-New Haven Hospital New Haven, CT "Geriatric Care Program" L. Cooney, Jr., M.D., S. Inouye, M.D., M.P.H.		448,668	99,334	349,334
Subtotal	\$5,008,031	\$5,089,793	\$3,034,790	\$7,063,034
Development of Biomedical Technology				
University of Texas Southwestern Medical Center at Dallas Dallas, TX "Biotechnology Transfer Program" William B. Neaves, Ph.D.	\$2,458,840		\$ 600,000	\$1,858,840
Subtotal	\$2,458,840		\$ 600,000	\$1,858,840

	Balance Due January 1, 1989	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1989
New York Fund				
Central Park Conservancy New York, NY		\$ 5,000	\$ 5,000	
United Hospital Fund New York, NY		1,000	1,000	
Subtotal		\$ 6,000	\$ 6,000	
Other				
American Institute of Medical Preventics Albany, CA	\$ 75,000		\$ 40,000	\$ 35,000
American Red Cross Disaster Relief Fund Washington, DC		\$ 20,000	20,000	
The Foundation Center New York, NY		57,000	57,000	
Grantmakers in Health New York, NY		5,000	5,000	
National Foundation for Facial Reconstruction New York, NY	35,135	79,910	54,659	60,386
New York Regional Association of Grantmakers New York, NY		7,125	7,125	
Matching Grants		288,148	288,148	
Subtotal	\$ 110,135	\$ 457,183	\$ 471,932	\$ 95,386
Grants Cancelled or Refunded	78,484	(100,449)	(21,965)	
Total (All Grants)	\$12,421,903	\$10,997,429	\$ 7,728,434	\$15,690,898

Additional Active Projects	
Health Care Cost and Quality	Aging and Health
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 1988; \$134,879; 2 years	Dartmouth Medical School Hanover, NH Development of the MEDS system to strengthen the physician's role in reducing medications problems in the elderly John H. Wasson, M.D. 1986; \$416,997; 3 years
Mayo Foundation Rochester, MN Benchmarks for more cost-effective care Iqbal Krishan, M.D. 1985; \$487,932; 3 years	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
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. 1988; \$205,481; 1 year	
Washington Business Group on Health National Association of Health Data Organizations Washington, DC A project to foster a more rational and uniform approach to data collection among state health care data agencies and others Marlene Larks 1988; \$250,000; 1 year	

Application Procedures

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 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:

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