

The John A. Hartford Foundation

Annual Report 1991





*"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.

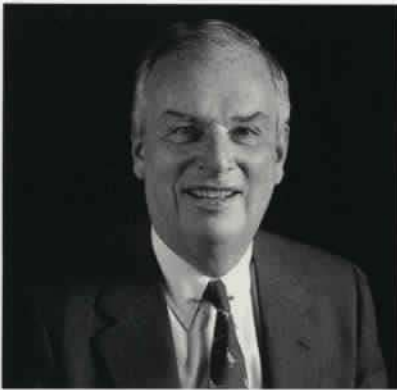
*"It is necessary to
carve from the
whole vast spectrum
of human needs one
small band that the
heart and mind
together tell you is
the area in which
you can make your
best contribution."*

Contents

5	REPORT OF THE CHAIRMAN
6	TRUSTEES AND STAFF
7	PROGRAMS
8	HEALTH CARE COST AND QUALITY
20	AGING AND HEALTH
34	FINANCIAL REPORTS AND SUMMARY OF ACTIVE GRANTS
36	INDEPENDENT AUDITOR'S REPORT
41	SUMMARY OF ACTIVE GRANTS IN 1991
50	APPLICATION PROCEDURES

Report of the Chairman

Our economic malaise is the greatest concern to our country today, but following closely thereon is our dilemma over health care. The Hartford Foundation has done pioneering work in this area for over a decade and these efforts are now coming together in the major thrust of the Health Care Cost and Quality component of our over-all grantmaking program. Last year, over a third of our total commitments of just over \$9.7 million was directed toward our Community Health Management Initiative. Let me stress *Community*, as we firmly believe success at the community level will result in models which can be replicated throughout the country. We intend to increase these efforts in 1992.



The other major component of our overall effort continues to be our work under our Aging and Health program. The grants made in 1988 to ten academic medical centers to strengthen geriatric training and research were all completed so successfully in 1991 that the Board voted follow-on grants to these ten and added three more. As the numbers of elderly grow, and the challenges of their care become greater, we are moving toward integrating many of the care-giving factors into what we might call a "continuum of care." Care which is designed to maintain elders' independence offers twin benefits of increased patient satisfaction and reduced use of services. We hope our grants in these areas will demonstrate ways to care more effectively for our increasing elderly population, and add medical manpower which is well-versed in geriatrics.

The activities of our Finance Committee resulted in a 17.7 percent increase in our assets from \$247.9 million to \$291.7 million. This is a satisfying performance in a year of severe economic strife.

At our annual meeting last year we were very fortunate to have Kathryn D. Wriston join our Board. Kathy brings a wealth of experience as an attorney and a director.

I am most appreciative of the efforts of our Trustees and staff. The challenges ahead are daunting, yet I am confident our Foundation will continue its cutting-edge work in its chosen fields.


James D. Farley

Trustees

James D. Farley
Chairman

Leonard Dalsemer
Chairman Emeritus

William Corbus
Vice Chairman

Charles E. Murphy, Jr.
Vice Chairman

Robert H. Mulreany
Secretary

Richard A. Cramer

Michael D. Dingman

Alexander M. Laughlin

Nuala Pell

Norman H. Volk

Matthew E. Welsh

Kathryn D. Wriston

Staff

Stephen C. Eyre
*Executive Director and
Treasurer*

Samuel R. Gische
*Finance Director and
Controller*

Richard S. Sharpe
Program Director

Diane C. Brewer
Administrative Officer

Donna I. Regenstreif
Senior Program Officer

Laura A. Robbins
Program Officer

Maureen Carroll
Receptionist

Mayra I. Figueroa
Administrative Assistant

Rita A. Henry
*Assistant to the Executive
Director*

Audrey S. Johnson
Accountant

Annette M. Totten
Program Assistant

Tara E. Washburn
Program Assistant

Health Care Cost and Quality



HARTFORD FOUNDATION TRUSTEES CHARLES E. MURPHY, JR. (*right*), KATHRYN D. WRISTON (*second right*), AND NUALA PELL (*third right*) AND STAFF MEET WITH REPRESENTATIVES OF THE FOUR PURCHASER GROUPS RECEIVING SUPPORT UNDER THE FOUNDATION'S COMMUNITY HEALTH MANAGEMENT INITIATIVE: CLEVELAND TOMORROW'S CLEVELAND HEALTH QUALITY CHOICE PROGRAM, THE HEALTH CARE PURCHASERS ASSOCIATION OF PUGET SOUND, THE HEALTH POLICY CORPORATION OF IOWA, AND THE MEMPHIS BUSINESS GROUP ON HEALTH.

In 1991 the Hartford Foundation found itself more than ever in the forefront of the movement to reform the U.S. health care system. It was a year of activism and political turmoil, with the reformers gaining in strength and purpose.

Much of the national debate focused on the growing number of uninsured Americans, estimated at 35 million. The question before us now is not if, but how we, as a country, should organize and share the cost of universal health insurance coverage.

No matter what kind of system is ultimately adopted in the U.S., there must be tough and effective measures to control costs. Those paying the bills are no longer willing to tolerate double-digit inflation in their health care costs. They will surely resist further escalation.

The Hartford Foundation, in its Health Care Cost and Quality Program, continues to make cost containment a top priority. Its approach is through market reform by rewarding health care providers for effectiveness, appropriateness, and efficiency. There is ample evidence that this can be achieved at the state and local level, and that community action is the key.

Community Health Management Initiative

U.S. companies are losing the war on health costs. In 1990 corporate medical bills soared an average 21.6 percent and health benefits amounted to 26 percent of corporate earnings. Under the Community Health Management Initiative, the Hartford Foundation is helping purchaser groups in Washington State, Iowa, Cleveland, and Memphis demonstrate that private sector purchasers can make a difference in containing local health care costs, without compromising quality or the health of the community.

For example, in Cleveland, with strong leadership by the city's chief corporate executives, the Greater Cleveland Health Quality Choice program of Cleveland Tomorrow has developed state-of-the-art measures to accurately compare the quality of the city's hospitals. Employers will offer their employees incentives to use the best hospitals.

And the Foundation in 1991 invested heavily in an even more revolutionary concept: the Community Health Management Information System, or CHMIS. The CHMIS combines computer-based transactions and a regional repository of data for all of a patient's encounters with the health care system. This means that states and communities will be able to unobtrusively monitor their local physicians and hospitals, to evaluate their effectiveness and reduce the cost of health care and claims processing.



WITH HARTFORD'S SUPPORT, THE HEALTH CARE PURCHASERS ASSOCIATION OF PUGET SOUND IS DEVELOPING A COMMUNITY HEALTH MANAGEMENT INFORMATION SYSTEM (CHMIS) TO REDUCE ADMINISTRATIVE COSTS AND MEET SHARED HEALTH CARE DATA NEEDS IN WASHINGTON STATE. RICHARD RUBIN, PROJECT MANAGER, *(left)* AND ANDREA CASTELL, EXECUTIVE DIRECTOR OF HCPA, *(right)* DISCUSS WITH BERT TOBIN, EXECUTIVE VICE PRESIDENT OF BENTON INTERNATIONAL, THE FUNCTIONAL SPECIFICATIONS FOR THE CHMIS, DEVELOPED UNDER CONTRACT TO THE FOUNDATION BY BENTON.



THE MEMPHIS BUSINESS GROUP ON HEALTH HAS SUCCEEDED IN CONTROLLING THE HEALTH CARE COSTS OF ITS MEMBERS THROUGH COLLECTIVELY PURCHASING FROM SELECTED HEALTH CARE PROVIDERS AND THROUGH A SHARED UTILIZATION REVIEW SERVICE. WITH HARTFORD'S SUPPORT, IT HOPES TO REDUCE ADMINISTRATIVE COSTS AND BETTER MONITOR THE QUALITY OF CARE BY ORGANIZING A COMMUNITY HEALTH MANAGEMENT INFORMATION SYSTEM (CHMIS) TO SERVE GREATER MEMPHIS. THESE INITIATIVES HAVE ATTRACTED WIDESPREAD MEDIA ATTENTION. HERE, BONNIE MCKEEVER, MANAGING DIRECTOR, EMPLOYEE BENEFITS, OF THE FEDERAL EXPRESS CORPORATION AND CHAIR OF THE MEMPHIS BUSINESS GROUP, IS INTERVIEWED BY THE CABLE NEWS NETWORK FOR ITS "PRIME TIME NEWS" REPORT ON THE GROUP'S WORK.

A Foundation-Administered Project was employed to develop the CHMIS through two contracts. Benton International, which designs and manages computer systems for the financial services industry, was contracted to develop specifications for the CHMIS, including a prototype of the software required for physicians' offices. Michael Pine, M.D., a widely recognized expert on health care quality measurement, was retained to advise on the data to be collected in the CHMIS, in consultation with an expert panel.

In 1991 the Foundation supported the efforts of the Health Care Purchasers Association of Puget Sound, the Health Policy Corporation of Iowa, and the Memphis Business Group on Health to organize and finance the CHMIS in their regions. The Foundation grants also helped these organizations develop and refine collective purchasing and utilization management activities.

Other grants were made in 1991 under the Community Health Management Initiative. The National Academy of Sciences Institute of Medicine will use its Hartford grant to help state and local groups anticipate resistance and overcome impediments to data repositories such as the CHMIS. The George Washington University's influential National Health Policy Forum will sponsor a series of meetings to bring to the attention of Washington policy makers the merits of collective health care purchasing and the Community Health Management Initiative. The InterStudy project will adapt, for use in the CHMIS, disease-specific data sets, already developed by expert teams, that describe and compare individual patients' diagnoses, therapies, and clinical outcomes.

The Foundation For Informed Medical Decision Making

In 1991 the Foundation awarded a major grant to finance the start-up activities of the Foundation for Informed Medical Decision Making. This organization was created by John E. Wennberg, M.D. and colleagues from Dartmouth Medical School and Massachusetts General Hospital to further their work in developing and disseminating interactive video discs to help patients choose among treatment alternatives for selected conditions. A prototype video disc to guide patients with non-cancerous enlargement of the prostate, developed under a previous Hartford Foundation grant to Dartmouth, has attracted widespread interest. With the 1991 grant, the Wennberg team expects to have ready for commercial distribution in 1992 video discs for breast cancer, hypertension, and low back pain, in addition to an updated version of the prostate prototype.

1991 Grant Commitments

The Hartford Foundation awarded seven grants and one Foundation-Administered Project under its Health Care Cost and Quality Program in 1991, for commitments totaling \$4,587,446.



UNDER ITS COMMUNITY HEALTH MANAGEMENT INITIATIVE, THE HARTFORD FOUNDATION IS HELPING LOCAL PURCHASER GROUPS TO DEVELOP MORE EFFECTIVE COMMUNITY-BASED APPROACHES TO CONTAINING HEALTH CARE COSTS WHILE MAINTAINING QUALITY CARE. HERE, TWO OF THE GROUPS RECEIVING SUPPORT UNDER THE INITIATIVE CONFER ON STRATEGY. FROM THE HEALTH POLICY CORPORATION OF IOWA ARE SAL BOGNANNI (*second left*) AND PAUL M. PIETZSCH (*right*). FROM CLEVELAND TOMORROW'S CLEVELAND HEALTH QUALITY CHOICE PROGRAM ARE DWAIN L. HARPER, D.O. (*left*), PATRICK J. CASEY, J.D. (*center*), AND DALE V. SHALLER (*second right*).

*Health Care Cost and
Quality Grants*

Foundation-Administered Project

Community Health Management Initiative

In 1990 the Hartford Foundation launched its Community Health Management Initiative, which seeks to help a few carefully selected communities develop and demonstrate an effective approach to local health problems. The Initiative emphasizes strong leadership by those in the private sector who pay for health care; concerted action which overcomes the fragmentation among both those purchasing services and those providing them; and organizational mechanisms for managing the use of, payment for, and quality of the community's health care services. Specifically, the Foundation will organize meetings, arrange for technical assistance, and contract for the development of tools and systems that can help communities pursue the goals of the Initiative. Most of the funds committed under this action will be devoted to designing the Community Health Management Information System (CHMIS) to enable communities to improve the efficiency of health care claims transactions and acquire data needed to identify cost-effective providers.

Grant Award: \$1,691,575; 1 year, 9 months
Starting Date: April 1, 1991

Health Policy Corporation of Iowa

Des Moines, IA
Sal Bognanni

Establishing a Community Health Management System in Des Moines/Central Iowa
Golden Circle

With previous Foundation support, Iowa's business leaders, through the Health Policy Corporation of Iowa, have led the nation in pursuing a market-based approach to containing health care costs. The current grant will allow the Corporation to organize a project in Central Iowa, involving the area's leading employers, to demonstrate how collective purchasing can be used to reward cost-effective providers, specifically in the area of cardiovascular illness. Another goal will be to plan a Community Health Management Information System (CHMIS) and pilot test one of its components, a free-standing mini-system that collects and processes patient information. This grant is part of the Foundation's Community Health Management Initiative.

Grant Award: \$201,248; 1 year
Starting Date: June 1, 1991

Health Care Purchasers Association of Puget Sound

Seattle, WA
Andrea B. Castell

The Community Health Management Initiative

With previous Foundation funding, the Health Care Purchasers Association of Puget Sound planned and launched the Community Health Management Initiative for Washington State. Under the Initiative, an alliance of purchasers, providers, and insurers hope to build a state-wide Community Health Management Information System (CHMIS) to improve the efficiency of health care financial transactions and monitor the effectiveness, appropriateness, and cost of providers. This project has the enthusiastic support of Governor Booth Gardner, who has expressed his conviction that this information system is central to reform of the State's health care system. Grant funds will also be used to create a collective purchasing organization to provide specialized services, possibly including a collective approach to utilization review and insurance for small and mid-sized enterprises.

Grant Award: \$400,000; 18 months
Starting Date: January 2, 1992

Memphis Business Group on Health, Inc.

Memphis, TN
Donna Miller, Ph.D.

Expansion and Strengthening of the Memphis Business Group on Health as a Community Health Management Organization

The Memphis Business Group on Health (MBGH) is comprised of some thirty health care purchasers representing approximately 20 percent of the non-federal health care dollars spent in the metropolitan Memphis area. In little more than five years, it has launched one of the country's most effective cost-containment programs by arranging "preferred provider" contracts at a deep discount with local health care institutions, and by instituting a utilization management program to reduce inappropriate services. The Foundation's grant will permit the MBGH to: study the feasibility of creating a common fee schedule, so that any provider could become a preferred provider to the MBGH if it were willing to bill at the scheduled rates and if it met certain standards of quality; plan a Community Health Management Information System (CHMIS) for greater Memphis; and explore the idea of replacing outside TPA's (third-party administrators) hired by many member companies with an MBGH-sponsored TPA that could more effectively scrutinize claims.

Grant Award: \$250,000; 18 months
Starting Date: October 1, 1991

*Health Care Cost and
Quality Grants*

**The George Washington University
National Health Policy Forum**

Washington, DC
Judith Miller Jones

National Health Policy Forum Meetings on Collective Health Care Purchasing and
Community Health Management

The National Health Policy Forum is an influential non-partisan organization that disseminates information on health care innovation and brings together those who can use this information to improve the U.S. health care system. Its audience ranges from the White House to state and local government and the private sector. With funding from the Foundation, the National Health Policy Forum will focus its efforts on collective health care purchasing and Community Health Management through a series of workshops and possibly a site visit. These activities will assist Washington-based health policy experts to explore the potential impact of these innovations on cost, quality, wellness, and access in the U.S. health care system.

Grant Award: \$257,642; 2 years
Starting Date: January 2, 1992

InterStudy

Excelsior, MN
Harry P. Wetzler, M.D.

Community Health Management Information System: TyPE Development Project

Under the Community Health Management Initiative, the Foundation has designed the Community Health Management Information System (CHMIS) to collect two kinds of data: first, a limited basic data set for all health encounters in a community, and second, more detailed data sets for certain diseases. InterStudy's Outcomes Management System focuses on this second kind of data. Experts have helped InterStudy to develop what it calls TyPE specifications for 16 medical conditions (e.g., angina, low back pain, stroke, diabetes, hypertension, etc.). These TyPE data sets contain the minimum information needed to describe and compare individual patients' diagnoses, therapies, and clinical outcomes. The Foundation's grant will enable InterStudy to adapt the TyPE specifications for purchaser groups in Washington State, Iowa, and Memphis and to provide these groups with ongoing technical assistance.

Grant Award: \$308,981; 18 months
Starting Date: October 14, 1991

National Academy of Sciences Institute of Medicine

Washington, DC

Kathleen N. Lohr, Ph.D.

Overcoming Impediments to Regional Data Repositories

The Community Health Management Information System (CHMIS) prototypes being planned for Memphis, Washington State, and Iowa will create and maintain regional data repositories to hold information regarding patient encounters with local health care providers. It is expected that those planning the CHMIS will encounter resistance in several quarters. They will have to deal with certain important issues: how to assure the confidentiality of patients' records; how to avoid misuse of data in legal actions; and how to develop reliable and valid methods for analyzing and interpreting data. With the Foundation's grant, the Institute of Medicine will establish an expert committee to make recommendations on these and other issues that may emerge. The committee's report will be published through the National Academy Press.

Grant Award: \$503,000; 22 months

Starting Date: January 1, 1992

Foundation for Informed Medical Decision Making

Hanover, NH

Joseph F. Kasper, Sc.D.

Development of Shared Decision-making Programs and Business Planning

With previous Foundation funding, John E. Wennberg, M.D. and colleagues at the Dartmouth Medical School developed an innovative method, using interactive video discs, that provides patients with information, tailored to their particular circumstances, on the risks and benefits of different treatment options. A prototype video, known as a Shared Decision-making Program, for patients with non-cancerous enlargement of the prostate, has been tested and enthusiastically received. In 1989 the Foundation for Informed Medical Decision Making was formed to develop, produce, and disseminate videos for a wide range of treatments. This grant will provide start-up funds for the new Foundation, permitting it to produce final, commercial-quality versions of four videos (for patients with low back pain, mild hypertension, breast cancer, and enlarged prostate) and to complete the process of organizing a viable non-profit enterprise.

Grant Award: \$975,000; 15 months

Starting Date: June 1, 1991

Aging and Health



THE FOUNDATION'S MEDICATIONS AND THE ELDERLY PROGRAM HAS BEEN SUPPORTING PROJECTS TO IMPROVE MEDICATION PRESCRIBING AND ADMINISTRATION IN VARIOUS SETTINGS. THE RESULTS TO DATE OF NINE STUDIES IN THE PROGRAM WERE PRESENTED IN A PANEL DISCUSSION AT THE 1991 ANNUAL MEETING OF THE GERONTOLOGICAL SOCIETY OF AMERICA, IN SAN FRANCISCO. HERE, (*left to right*) HELENE L. LIPTON, PH.D. (UNIVERSITY OF CALIFORNIA, SAN FRANCISCO) PRESENTS HER STUDY WHILE CO-PANELISTS, NORRIE A. THOMAS, PH.D. (UNIVERSITY OF MINNESOTA), CAROLE L. KIMBERLIN, PH.D. (UNIVERSITY OF FLORIDA), JOHN W. ROWE, M.D. (PANEL CHAIR AND CEO OF NEW YORK'S MOUNT SINAI MEDICAL CENTER), BRADLEY R. WILLIAMS, PHARM. D. (UNIVERSITY OF SOUTHERN CALIFORNIA), AND JERE E. GOYAN, PH.D. (DISCUSSANT AND DEAN, SCHOOL OF PHARMACY, UNIVERSITY OF CALIFORNIA, SAN FRANCISCO) LISTEN.

Many Americans regard 65 as the onset of “old age” and declining health, perhaps because it is then that we become eligible for Medicare-financed health care. In fact, it is those above the age of 75, and, in particular those over 85, who pose the greatest challenge to our nation’s health care system. Those above 85 will number some 5.6 million people by the year 2000, more than double their 1985 level. While fewer than one person in five under the age of 75 needs assistance with routine activities of daily living such as bathing or dressing, about half of those who are 85 or older require such aid.

The nation’s frail elders include people afflicted by dementia (including Alzheimer’s Disease), cancer, coronary or pulmonary disease, arthritis, and other medical diagnoses. Despite their biomedical differences, there are remarkable similarities in the resources required to enable such patients to live with dignity and maintain some degree of independence. Recognition of the fact that our nation’s health and personal care “system” (in reality, a non-system) is poorly prepared to deal with these needs adds urgency to the Foundation’s Aging and Health Program strategies detailed below.

Effective management of the needs of our most frail elders must be built on scientific advance, hence the Foundation’s strong commitment to academic geriatrics recruitment. The results of such academic research must, in turn, be translated into clinical practice in emergency departments, hospital inpatient units, nursing homes, physicians’ offices, and private homes, to name but a few. The Foundation’s Hospital Outcomes Program for the Elderly and the Medications and the Elderly Program respond to this need.

New knowledge and its successful application must be coupled with advances in financing to provide coverage for a broader range of needed services. The Foundation's efforts to develop an integrated, effective continuum of care for frail elders address all of these issues.

Academic Geriatrics

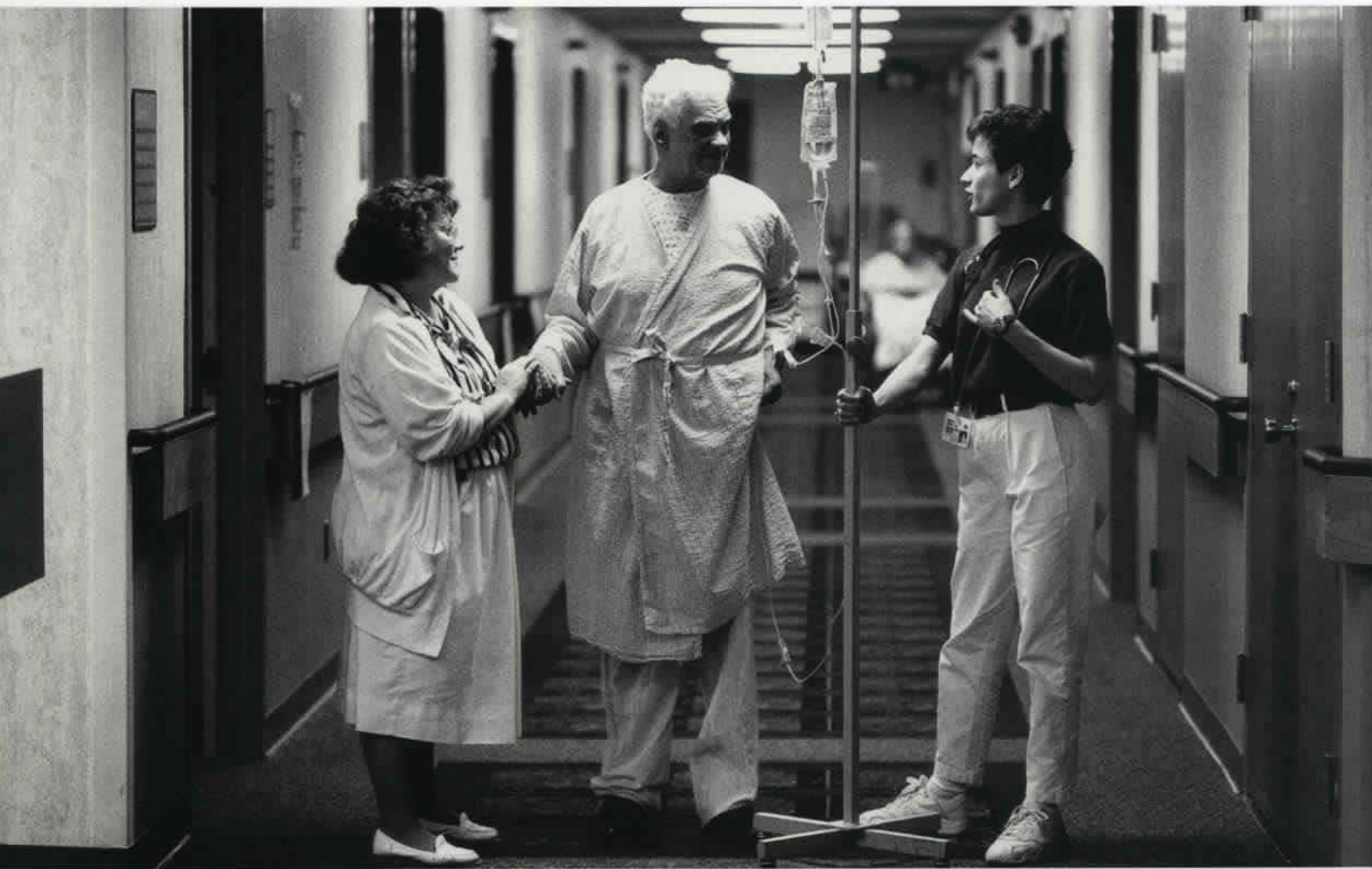
The Foundation has had a long-standing interest in enhancing the geriatric training capacity of the nation's medical schools, primarily by increasing the supply of academic geriatricians. This was viewed as a way to both increase the field's research and knowledge base, and insure that future physicians whose practices will be dominated by the elderly are more knowledgeable about their special care requirements.

The program began in 1988, with grants to ten academic medical "centers of excellence in geriatrics," all of which ended in 1991. During this time 231 potential academic geriatricians received training support, including 40 undergraduates, 102 medical students (of whom seven were M.D./Ph.D.s), four residents, and 85 advanced fellows, junior faculty, and others.

Each of these grants was renewed, and projects at three additional centers were funded as well. A program coordination grant was also made to support career development of the Hartford scholars through peer-group meetings and scientific sessions, and to monitor their subsequent career development.



UNDER THE FOUNDATION'S ACADEMIC GERIATRICS RECRUITMENT INITIATIVE, PHYSICIANS AT 13 "CENTERS OF EXCELLENCE" ARE ENCOURAGED TO PURSUE AGE-RELATED RESEARCH AND CLINICAL TRAINING WITH THE HOPE THAT THEY WILL BE ATTRACTED TO CAREERS IN ACADEMIC GERIATRICS. WITH HARTFORD'S SUPPORT, WILLIAM T. CEFALU, M.D., ASSISTANT PROFESSOR OF INTERNAL MEDICINE AND DIRECTOR OF THE DIABETES COMPREHENSIVE CARE AND RESEARCH PROGRAM AT THE BOWMAN GRAY SCHOOL OF MEDICINE AT WAKE FOREST UNIVERSITY, STUDIES THE RELATION OF DIABETES AND AGING. HERE, HE DISCUSSES BLOOD TEST RESULTS WITH AUDREY BELL-FARROW, SUPERVISOR OF THE DIABETES LABORATORY.



WITH HARTFORD'S SUPPORT, UNIVERSITY HOSPITALS OF CLEVELAND HOPES TO DETERMINE WHETHER THE ACE (ACUTE CARE OF THE ELDERLY) UNIT, WHICH MODIFIES THE HOSPITAL'S PHYSICAL AND THERAPEUTIC ENVIRONMENT, LEADS TO BETTER PATIENT OUTCOMES. HERE, DENISE KRESEVIC, R.N. (*left*) AND KARYN MARKEL, R.N. (*right*) ENCOURAGE ACE UNIT PATIENT PARIS HILL'S INDEPENDENCE WITH FREQUENT WALKS. THE ACE UNIT IS ONE OF SIX APPROACHES TO REDUCING FUNCTIONAL LOSS AMONG THE HOSPITALIZED ELDERLY BEING TESTED AS PART OF THE FOUNDATION'S HOSPITAL OUTCOMES PROGRAM FOR THE ELDERLY (HOPE).

Hospital Outcomes Program for the Elderly (HOPE)

HOPE, which focuses on preserving the functional abilities of patients despite illnesses which require hospitalization, consists of coordinated projects at six hospitals throughout the country. While there will be no further grants for this program until the final results of these projects are known, several meetings were held during 1991 to share promising new information and develop a strategy to be sure that successful approaches become a routine part of hospital care of the elderly in the future.

Integration of Care for the Elderly

During 1991, the Foundation's strategy broadened beyond its long-standing interest in the financing and service delivery aspects of long-term care. Each year there are more frail elders, who are living with both acute and chronic conditions over longer periods of time. They, their caretakers, and their health providers are increasingly frustrated with the lack of fit between our traditional health care structure and the reality of their changing care needs. The current fragmentation of financing (e.g., Medicare, Medigap, Medicaid, self-pay), providers (e.g., physicians, nurses, physical therapists, home health aides), and sites of care (e.g., hospital inpatient units, emergency departments, private homes, nursing homes, physician offices) leads to service which is often both unduly expensive and insensitive to personal needs and preferences.

Previous Hartford grants were designed to assess and improve some of the individual components of the current fragmented system. During 1991 three awards were made to assist in the development of a continuum of care. One supports the National Chronic Care Consortium, which consists of 14 providers (some of which are partnerships of hospitals and long-term care organizations) committed to creating community-based geriatric care networks. Their initial focus is on bridging acute and long-term care. A second award, to Huntington Memorial Hospital, supports the development of a model partnership between physicians and hospital-based care coordinators to more efficiently provide their frail and chronically ill patients with the kinds of care they need. The third grant is for a state-wide planning effort in Rhode Island to develop affordable service and financing choices which will be offered to the State's over-65-year-old population.

The Foundation also renewed a grant to On Lok, Inc. in support of the national replication of its model of integrated service delivery and financing.

1991 Grant Commitments

During 1991 the Hartford Foundation awarded 18 grants under its Aging and Health Program, for commitments totaling \$4,859,047.



THROUGH ITS COMMUNITY COALITION FOR LONG TERM CARE, THE COUNTY OF MONROE (THE ROCHESTER, NY METROPOLITAN AREA) IS USING HARTFORD FOUNDATION SUPPORT TO ORGANIZE AND EVALUATE COMPREHENSIVE SYSTEMS OF FINANCING AND SERVICE DELIVERY FOR THE ELDERLY. PICTURED IN THE FOREGROUND, PAMELA SULLIVAN GREETES REGISTRANT PEARL BASS AT ROCHESTER'S INDEPENDENT LIVING FOR SENIORS, INC. ADULT DAY CENTER, WHICH IS PART OF AN INTEGRATED MANAGED CARE SYSTEM FOR FRAIL ELDERLY WHO ARE NURSING HOME ELIGIBLE.

Aging and Health Grants:
Academic Geriatrics
Recruitment Initiative

Thirteen medical schools have been awarded grants for projects designed to enhance recruitment to academic careers in geriatrics. All of the schools are considered by the Hartford Foundation to be "centers of excellence in geriatrics;" ten have received previous Foundation support. A variety of approaches will be employed under the grants, including support of undergraduates, medical students, fellows, and both junior and mid-career faculty. Also, a grant to improve program synergy through trainee meetings and cross-site coordinating efforts was made to the University of Michigan Medical School.

Bowman Gray School of Medicine

Winston-Salem, NC
William R. Hazzard, M.D.

This grant prepares faculty (at the post-fellowship to mid-career level) for the examination for Certification for Added Qualification in Geriatrics of the American Boards of Internal Medicine and Family Practice. Trainees are provided with a year of advanced geriatric clinical and research training as well as support to initiate a research project upon which future career development can be built.

Grant Award: \$207,360; 3 years
Starting Date: July 1, 1991

Case Western Reserve University School of Medicine

Cleveland, OH
Jerome Kowal, M.D.

Case Western Reserve encourages medical students and residents to participate in geriatric research projects by means of stipends and geriatric interest groups. Also, the program provides clinical teaching appointments to minority physicians from the community, who receive additional training in geriatrics and serve as mentors for the medical school's relatively large proportion (14 percent) of minority undergraduates.

Grant Award: \$299,993; 3 years
Starting Date: July 1, 1991

Duke University Medical Center

Durham, NC
Harvey J. Cohen, M.D.

Duke University's project capitalizes on its existing research programs to attract physicians into geriatrics. The award supports undergraduate and medical student research as well as faculty seed research projects in a number of disciplines relevant to geriatrics (e.g., anesthesiology, gynecology, and cell biology). The grant also funds visiting scholars, curriculum development, and awards for medical student and resident manuscripts.

Grant Award: \$190,630; 3 years
Starting Date: July 1, 1991

Harvard Medical School

Boston, MA
Lewis A. Lipsitz, M.D.

The grant to Harvard offers scholarships to medical students for geriatric research and clinical exposure, research opportunities for residents, salary support for third-year fellows, and training for geriatric fellows interested in academic careers in health services research.

Grant Award: \$181,500; 3 years
Starting Date: July 1, 1991

The Johns Hopkins University School of Medicine

Baltimore, MD
John R. Burton, M.D.; Jesse Roth, M.D.

With its Hartford grant Johns Hopkins will select some two dozen medical students for a five-week training course in an acute geriatric inpatient unit. Salary support for residents in medicine will enable them all to do a one-month clinical rotation in geriatrics. Finally, funds for protected time and laboratory support will facilitate the fellow-to-faculty transition.

Grant Award: \$238,000; 3 years
Starting Date: July 1, 1991

Mount Sinai School of Medicine

New York, NY
Myron Miller, M.D.

This project provides geriatrics research fellowships to medical students and supports in-depth research training for senior fellows and M.D./Ph.D. candidates. Grant funds will nourish the growing student interest group and maintain a survey that tracks medical students' attitudes toward the elderly during their training.

Grant Award: \$193,600; 3 years
Starting Date: June 1, 1991

St. Louis University Medical Center

St. Louis, MO
John E. Morley, M.B., B.Ch.

This grant helps train medical students to identify frail homebound elders in need of services via a community-based assessment project. Research funds for residents and faculty are also available. In addition, support is provided to mid-career faculty in other clinical disciplines who are interested in focusing on geriatric aspects of their specialties.

Grant Award: \$299,488; 3 years
Starting Date: July 1, 1991

*Aging and Health Grants:
Academic Geriatrics
Recruitment Initiative*

Stanford University School of Medicine

Stanford, CA

Gerald M. Reaven, M.D.; Carol H. Winograd, M.D.

This recruitment initiative provides funds to medical students for up to a full year of research training related to geriatrics. The program also supports pilot research projects for geriatric fellows and enhanced research training for Stanford's geriatric clinical faculty.

Grant Award: \$296,140; 3 years

Starting Date: July 1, 1991

University of California, Los Angeles, School of Medicine

Los Angeles, CA

David B. Reuben, M.D., John C. Beck, M.D.

UCLA's recruitment strategy for academic geriatrics is broad and flexible. With this grant, UCLA selects and provides support to liberal arts undergraduates, medical students, medical residents, junior faculty, and faculty "converts" from other disciplines.

Grant Award: \$216,308; 2 years, 10 months

Starting Date: September 1, 1991

The University of Connecticut Health Center

Farmington, CT

Richard W. Besdine, M.D.

This project enables faculty scholars to pursue individualized geriatric studies. These faculty would support their parent departments' aging research and add to the research underpinnings of geriatric care. The grant also provides support to medical students for aging research projects.

Grant Award: \$211,794; 2 years, 9 months

Starting Date: November 1, 1991

University of Michigan Medical School

Ann Arbor, MI

Jeffrey B. Halter, M.D.

To foster recruitment to academic geriatrics, Michigan provides support for medical students and M.D./Ph.D. candidates to conduct aging research, and for non-geriatric junior faculty willing to shift their research and/or clinical focus towards geriatrics.

Grant Award: \$178,701; 2 years, 9 months

Starting Date: November 1, 1991

University of Michigan Medical School

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

This award supports the continuation of the Michigan Coordinating Center, which fosters coherence and communication among the 13 projects funded under the Foundation's Academic Geriatrics Recruitment Initiative. Through a series of meetings and a semi-annual newsletter, scholars are able to report on their research and find out more about the many career paths in academic geriatrics. Also, the center continues to monitor the careers of the program trainees through an annual questionnaire and data base.

Grant Award: \$299,549; 3 years
Starting Date: July 1, 1991

University Of Pennsylvania School of Medicine

Philadelphia, PA
Allan I. Pack, M.D., Ph.D.

This program supports medical students for up to a full year of aging research. Fellows and/or junior faculty, both those within geriatrics and others redirecting their research endeavors to aging, would receive stipends to assist their transition to independent investigators.

Grant Award: \$239,800; 3 years
Starting Date: July 1, 1991

University of Washington School of Medicine

Seattle, WA
Itamar B. Abrass, M.D.

Senior fellows and junior faculty are the focus of this project to develop geriatric faculty. They also hope that the availability of funds for presentations at a national scientific meeting will attract student researchers to geriatric projects. In addition, research support for aging projects is available to M.D./Ph.D. trainees.

Grant Award: \$246,636; 2 years, 6 months
Starting Date: January 1, 1992

**Huntington Memorial Hospital
(Pasadena Hospital Association, Ltd.)**

Pasadena, CA
W. June Simmons

Physicians and the Aging Network: A Chronic Care Partnership

Huntington Memorial Hospital, a member of the National Chronic Care Consortium (NCCC), is a nationally recognized leader in senior care innovation. Since the mid-1980's, its Senior Care Network has offered information, referral, coordination, and direct service to thousands of elders. Elders rely heavily on their physicians in areas beyond the strictly medical, but physicians receive little training regarding many non-medical services which may greatly benefit their patients. This grant will enable Huntington to develop a model partnership between physicians' offices and hospital-based care coordinators, implement it in several physicians' office practices, and oversee its testing at Huntington and three other NCCC member sites.

Grant Award: \$597,563; 2 years, 6 months
Starting Date: February 1, 1992

Interfaith Health Care Ministries, Inc.

Providence, RI
Ira C. Magaziner

Aging 2000: Systemic Change in Care for the Elderly in Rhode Island

Late in 1989, a small group of Rhode Islanders (now enlarged, and known as Aging 2000) initiated a study on the state's health care for the elderly. The Aging 2000 Report pointed to ways to improve elder health care while simultaneously slowing its rate of cost increase. It suggested three new options for service and financing: an "advocate" model, a "total care" model, and a "home care" model. Interfaith Health Care Ministries, Inc., the umbrella organization for Aging 2000, has obtained commitments from Blue Cross/Blue Shield, Ocean State Health Care HMO, and the Harvard Community Health Plan HMO to sponsor the model programs. It is hoped that Rhode Island elders would be able to choose from among these new insurance policies and integrated service systems by the end of the grant period.

Grant Award: \$500,000; 2 years
Starting Date: January 1, 1992

National Chronic Care Consortium

Bloomington, MN
Richard J. Bringewatt

Capacity Building in Geriatric Chronic Care

There is a compelling need to develop a continuum of both acute and chronic care for the elderly. Current fragmentation of services must be replaced with integrated systems of care and, ideally, financing. The National Chronic Care Consortium (NCCC) consists of 14 leading health care providers who are dedicated to fundamentally changing how chronic care services for elders are organized and managed. This grant will allow NCCC to develop "managed care" prototypes which coordinate the services provided by physicians, hospitals, nursing homes, and community-based long-term care providers. These prototypes will include financing options and information system support. The Retirement Research Foundation of Chicago is also participating in NCCC development.

Grant Award: \$285,340; 2 years
Starting Date: May 1, 1991

On Lok, Inc.

San Francisco, CA
John Shen, D.S.W.

Implementation of a Multi-Site Initiative for Risk-Based Long-Term Care

On Lok, Inc. has received national acclaim as a model for the care of the most frail elderly. This grant provides continued support for the replication of the On Lok model, which integrates community-based service and risk-based financing for acute and long-term care. The replication effort, known as PACE (Program of All-inclusive Care for the Elderly), received initial funding for technical assistance to six replication sites. With this grant, On Lok will continue to assemble and maintain a cross-site data base and evaluate its accuracy, completeness, and consistency. On Lok will also document the evolution of the model at the various sites and complete a replication manual to be used by future sites.

Grant Award: \$176,645; 1 year
Starting Date: May 23, 1991

Financial Summary

The annual financial statements, which have been audited by Owen J. Flanagan & Co., appear on pages 37 to 49.

On December 31, 1991, the Foundation's assets were \$291.7 million, an increase of \$43.8 million for the year after cash payments of \$13.6 million for grants, expenses and federal excise tax. Total return on the investments, income plus realized and unrealized capital gains, was 25.3 percent. In 1991 revenues totaled \$11.9 million, a yield of approximately 4 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. The changes in the asset mix during 1991 reflects continuing efforts to achieve the Foundation's goal. The stock and fixed income portfolios comprised 60 and 35 percent of the total investments at the end of 1991 compared with 50 and 45 percent, respectively, on December 31, 1990. The balance of the investments, venture capital partnerships, real estate pooled funds and other investments, totaled 5 percent at the end of 1991 and 1990.

As of December 31, 1991 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, and the Tullis-Dickerson Capital Focus Limited Partnership. Real estate investments consist of funds managed by TA Associates Realty and JMB Institutional Realty Corp. The Foundation is also an investor in three private placements of preferred stock and an equity mutual fund managed by Grantham, Mayo, Van Otterloo & Co. 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, 1991 and 1990 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 audits 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, 1991 and 1990 and the results of its operations and changes in 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 41 to 49, 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,



Owen J. Flanagan & Company
Certified Public Accountants
New York, New York

February 27, 1992

Exhibit A

The John A. Hartford Foundation, Inc.
Balance Sheet, December 31, 1991 and 1990

	1991	1990
Assets		
Cash in operating accounts	\$ 1,767	\$ 4,753
Interest and dividends receivable	1,995,827	1,714,567
Prepayments and deposits	40,061	41,382
	2,037,655	1,760,702
Investments , at market or adjusted cost (Notes 1 and 2)		
Short-term cash investments	19,234,429	29,955,259
Stocks	172,604,928	120,647,698
Long-term bonds	82,553,843	81,212,706
Venture capital partnerships	5,072,212	4,260,793
Real estate pooled funds	4,853,125	4,562,434
Other	2,701,627	2,654,327
Total Investments	287,020,164	243,293,217
Office condominium, furniture and equipment (net of accumulated depreciation of \$ 1,308,896 in 1991 and \$ 1,079,335 in 1990)	2,653,285	2,862,947
Total Assets	\$291,711,104	\$247,916,866
Liabilities and Fund Balance		
Liabilities:		
Grants payable (Note 1)		
Current	\$ 6,599,654	\$ 6,992,650
Non-current (Note 6)	3,658,595	4,962,368
Accounts payable	360,622	313,781
Deferred federal excise tax payable (Note 1)	423,927	67,780
Total Liabilities	11,042,798	12,336,579
Fund Balance (Exhibit B)	280,668,306	235,580,287
Total Liabilities and Fund Balance	\$291,711,104	\$247,916,866

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

Exhibit B

The John A. Hartford Foundation, Inc.
Statement of Revenues, Grants and Expenses and Changes in Fund Balance
Years Ended December 31, 1991 and 1990

	1991	1990
Revenues		
Dividends and partnership earnings	\$ 4,037,892	\$ 4,106,292
Long-term bond interest	6,708,096	6,376,168
Short-term investment earnings	1,192,951	2,058,634
Total Revenues	11,938,939	12,541,094
Grants and Expenses		
Grants awarded (less cancellations and refunds of \$97,439 in 1991 and \$16,158 in 1990)	8,104,815	5,861,536
Foundation-administered projects	718,251	45,998
Grant-related direct expenses	97,915	77,822
Federal excise tax on net investment income (Note 1)	106,553	112,568
Investment fees	1,201,805	1,102,930
Personnel salaries and benefits (Note 5)	946,845	877,432
Office and other expenses	571,904	544,454
Depreciation	229,561	248,294
Professional services	60,242	55,468
Total Grants and Expenses	12,037,891	8,926,502
Excess (deficiency) of revenues over grants and expenses	(98,952)	3,614,592
Net Realized and Increase (Decrease) in Unrealized Gain on Securities Transactions (Note 2).	45,186,971	(10,929,593)
Increase (Decrease) in Fund Balance	45,088,019	(7,315,001)
Fund Balance, beginning of year	235,580,287	242,895,288
Fund Balance, end of year (Exhibit A)	\$280,668,306	\$235,580,287

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

Exhibit C

The John A. Hartford Foundation, Inc.

Notes to Financial Statements, December 31, 1991 and 1990

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, health care industry and real estate partnerships or REIT's, are carried at cost adjusted annually for the Foundation's share of distributions and undistributed realized income or loss; cost is also adjusted for overall unrealized losses of any group of such entities. Convertible preferred stocks included in other investments are carried at the lower of cost, or estimated net realizable value. Realized gains and losses from the sale of marketable securities are recorded by comparison of proceeds to cost determined under the average cost method.

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 an excise tax on net investment income at either a 1 percent or 2 percent rate depending on the amount of qualifying distributions. For 1991 and 1990 the Foundation's rate was 1 percent.

Deferred Federal excise taxes payable are also recorded on the unrealized appreciation of investments using the current year's excise tax rate.

The Foundation intends to distribute at least \$12,737,528 of undistributed income in grants or qualifying expenditures by December 31, 1992 to comply with I.R.S. regulations.

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 1991 is summarized as follows:

	Cost	Quoted Market Price	Appreciation
Balance, December 31, 1991	\$244,627,480	\$287,020,164	\$42,392,684
Balance, December 31, 1990	\$236,515,216	\$243,293,217	\$6,778,001
Increase in unrealized appreciation during the year, net of increased deferred Federal excise tax of \$356,147			35,258,536
Realized gain, net of provision for Federal excise tax of \$100,285			9,928,435
Net realized and increase in unrealized gain on securities transactions			\$45,186,971

Receivables and payables on security sales and purchases pending settlement at December 31, 1991 and 1990 were as follows:

	1991	1990
Proceeds from sales	\$ 513,463	\$ 1,187,533
Payables from purchases	(68,000)	(967,482)
Net cash pending settlement	\$ 445,463	\$ 220,051

The net amounts have been included with short-term cash investments in the accompanying balance sheet.

The Foundation is a participant in four venture capital limited partnerships. As of December 31, 1991, \$7,800,000 had been invested in these partnerships and future commitments for additional investment aggregated \$200,000.

Real estate investments included one limited partnership and two real estate investment trusts. The Foundation had invested \$5,052,000 at December 31, 1991 and future commitments for additional investment aggregated \$1,648,000.

Other investments included \$660,000 invested in a limited partnership and \$2,300,003 invested in convertible preferred stocks of closely held companies. At December 31, 1991 the Foundation had a future commitment for additional investment in the limited partnership of \$340,000.

3. Foreign Currency Forward Contract Commitments

At December 31, 1991 the Foundation's foreign currency forward purchase and sale contracts totaled \$3,508,698.

4. Office Condominium, Furniture and Equipment

At December 31, 1991 and 1990 the fixed assets of the Foundation were as follows:

	1991	1990
Office condominium	\$ 3,616,815	\$ 3,596,916
Furniture and equipment	345,366	345,366
	3,962,181	3,942,282
Less: Accumulated depreciation	1,308,896	1,079,335
Office condominium, furniture and equipment, net	\$ 2,653,285	\$ 2,862,947

5. Pension Plan

The Foundation has a defined contribution retirement plan covering all eligible employees under which the Foundation contributes 14 percent of salary for employees with at least one year of service. Pension expense under the plan for 1991 and 1990 amounted to \$89,606 and \$76,008, respectively. The Foundation also incurred additional pension costs of approximately \$33,000 in 1991 and 1990, 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, 1991 will be disbursed as follows:

1993	\$ 2,933,890
1994	724,705
	\$ 3,658,595

The Board of Trustees has also authorized approximately \$1,000,000 to be spent during 1992 on the Community Health Management Initiative which is a Foundation-Administered Project.

Summary of Active Grants 1991

Health Care Cost and Quality	Balance due January 1, 1991	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1991
Beth Israel Hospital Boston, MA "Using a Computer-based, Patient Information System for Quality Assurance: A Research and Demonstration Program" Lisa I. Iezzoni, M.D., M.S.	\$ 343,823		\$ 196,008	\$ 147,815
Brigham & Women's Hospital Boston, MA "Development of Models for Predicting Adverse In-hospital and Post-discharge Outcomes and Conference" Barbara J. McNeil, M.D., Ph.D.	121,243		121,243	
Cleveland Tomorrow Cleveland, OH "Greater Cleveland Health Quality Choice" John C. Morley	300,000		100,000	200,000
Dartmouth Medical School Hanover, NH "Multi-Institutional Technology Assessment Consortium" Harold C. Sox, Jr., M.D.	36,156		36,156	
Foundation for Health Care Quality Seattle, WA "Health Care Effectiveness Information Utility— Obstetrics Quality and Access Demonstration Project" Keith L. McCandless	220,937		220,937	
Foundation for Informed Medical Decision Making, Inc. Hanover, NH "Development of Shared Decision-making Programs and Business Planning" Joseph F. Kasper, Sc.D.		\$ 975,000	585,581	389,419
The George Washington University National Health Policy Forum Washington, DC "National Health Policy Forum Meetings on Collective Health Care Purchasing and Community Health Management" Judith Miller Jones		257,642	51,145	206,497
Harvard Community Health Plan Brookline, MA "National Demonstration Project on Quality Improvement in Health Care" Donald M. Berwick, M.D.	100,173		100,173	

	Balance due January 1, 1991	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1991
Health Care Purchasers Association of Puget Sound Seattle, WA "The Community Health Management Initiative" Andrea B. Castell		\$ 400,000	\$ 153,600	\$ 246,400
Health Policy Corporation of Iowa Des Moines, IA "Establishing a Community Health Management System in Des Moines/Central Iowa Golden Circle" Sal Bognanni		201,248	201,248	
InterStudy Excelsior, MN "Community Health Management Information System: TyPE Development Project" Harry P. Wetzler, M.D.		308,981	103,154	205,827
Memphis Business Group on Health, Inc. Memphis, TN "Expansion and Strengthening of the Memphis Business Group on Health as a Community Health Management Organization" Donna Miller, Ph.D.		250,000	85,222	164,778
National Academy of Sciences Institute of Medicine Washington, DC "Design of a Structured Approach to Medical Practice Guidelines" Marilyn J. Field, Ph.D.	\$ 100,000		100,000	
National Academy of Sciences Institute of Medicine Washington, DC "Overcoming Impediments to Regional Data Repositories" Kathleen N. Lohr, Ph.D.		503,000	157,500	345,500
National Fund for Medical Education Boston, MA "Management Education Program for Physician Leaders" Norman S. Stearns, M.D.	436,491		160,348	276,143
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.	116,260		116,260	
New England Medical Center Hospitals Boston, MA "A National Resource Center for Health Care Assessment" John E. Ware, Jr., Ph.D.	373,088		205,087	168,001

	Balance due January 1, 1991	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1991
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.	\$ 662,032		\$ 280,591	\$ 381,441
The RAND Corporation Santa Monica, CA "Monitoring the Quality of Care in Capitated Systems of Health Care" Robert Brook, M.D.; Albert Siu, M.D.	343,800		207,869	135,931
Stanford University Stanford, CA "Management Education Program for Physician Leaders" Alain C. Enthoven, Ph.D.	129,474		81,864	47,610
University of California, San Francisco School of Medicine San Francisco, CA "Improving Provider and Consumer Information about Surgical Care" Harold S. Luft, Ph.D.	103,626		39,819	63,807
The University of Michigan Medical Center Ann Arbor, MI "Integrated Inpatient Management Model" Laurence F. McMahon, Jr., M.D., M.P.H.	79,996		79,996	
University of Pennsylvania Philadelphia, PA "Corporate Hospital Rating Project" Mark V. Pauly, Ph.D.	625,000		125,000	500,000
University of Rochester Rochester, NY "Development and Evaluation of a Cooperative Primary Care Physicians Network at the Community Level" Robert J. Panzer, M.D.; Edgar R. Black, M.D.	345,910		215,813	130,097
Subtotal	\$ 4,438,009	\$ 2,895,871	\$ 3,724,614	\$ 3,609,266
Aging and Health				
American Federation for Aging Research (AFAR), Inc. New York, NY "Geriatric Pharmacology Scholarships for Medical Students" Harold Epstein	\$ 448,250		\$ 164,653	\$ 283,597

	Balance due January 1, 1991	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1991
American Federation for Aging Research (AFAR), Inc. New York, NY "Gero-Physician-Scientist Development Program" Harold Epstein	\$ 532,950			\$ 532,950
Beth Israel Hospital Boston MA "Medications and Aging: Research and Education in Geriatric Pharmacology" Jerry L. Avorn, M.D.	175,056		\$ 175,056	
Bowman Gray School of Medicine Winston-Salem, NC "Academic Geriatrics Recruitment Initiative" William R. Hazzard, M.D.	43,200	\$ 207,360	77,760	172,800
Bowman Gray School of Medicine Winston-Salem, NC "HOPE Project Data Coordinating Center" Curt D. Furberg, M.D., Ph.D.	303,247		160,574	142,673
The Carter Center of Emory University Atlanta, GA "The Development of a Health Risk Appraisal for Older Americans" Edwin B. Hutchins, Ph.D.	133,959		128,959	5,000
Case Western Reserve University School of Medicine Cleveland, OH "Academic Geriatrics Recruitment Initiative" Jerome Kowal, M.D.		299,993	45,001	254,992
Cedars-Sinai Medical Center Los Angeles, CA "Physical Deconditioning: A Treatable Source of Functional Loss in Hospitalized Elderly Patients" Hilary Siebens, M.D.	269,769		167,062	102,707
County of Monroe Rochester, NY "Innovative Financing and Delivery Systems for Long-Term Care" Kenneth J. Naples	425,760		195,545	230,215
Duke University Medical Center Durham, NC "Academic Geriatrics Recruitment Initiative" Harvey J. Cohen, M.D.	48,675	190,630	86,570	152,735

	Balance due January 1, 1991	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1991
Harvard Medical School Boston, MA "Academic Geriatrics Recruitment Initiative" Lewis A. Lipsitz, M.D.	\$ 56,816	\$ 181,500	\$ 87,066	\$ 151,250
Huntington Memorial Hospital (Pasadena Hospital Association, Ltd.) Pasadena, CA "Physicians and the Aging Network: A Chronic Care Partnership" W. June Simmons		597,563	97,194	500,369
Indiana University Indianapolis, IN "Medication Use and Depressed Elderly Patients in Primary Care" W. Tierney, M.D.; C. Callahan, M.D.	508,923		210,221	298,702
Interfaith Health Care Ministries, Inc. Providence, RI "Aging 2000: Systemic Change in Care for the Elderly in Rhode Island" Ira C. Magaziner		500,000	125,000	375,000
The Johns Hopkins University School of Medicine Baltimore, MD "Academic Geriatrics Recruitment Initiative" J. R. Burton, M.D.; J. Roth, M.D.	99,000	238,000	144,000	193,000
Mount Sinai School of Medicine New York, NY "Academic Geriatrics Recruitment Initiative" Myron Miller, M.D.	41,625	193,600	74,425	160,800
National Chronic Care Consortium Bloomington, MN "Capacity Building in Geriatric Chronic Care" Richard J. Bringewatt		285,340	144,760	140,580
On Lok, Inc. San Francisco, CA "Implementation of a Multi-Site Initiative for Risk-based Long-Term Care" John Shen, D.S.W.	19,466	176,645	196,111	
St. Louis University Medical Center St. Louis, MO "Academic Geriatrics Recruitment Initiative" John E. Morley, M.B., B.Ch.		299,488	47,500	251,988

	Balance due January 1, 1991	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1991
St. Marys Hospital Medical Center Madison, WI "Reducing Functional Deterioration in the Hospitalized Elderly Patient" Mark A. Sager, M.D., M.P.H.	\$ 231,492		\$ 231,492	
San Diego Hospital Association (Sharp HealthCare) San Diego, CA "San Diego Senior Health Initiative" Bettina Experton, M.D., M.P.H.	406,951		205,700	\$ 201,251
Society for Academic Emergency Medicine (The Univ. Assoc. for Emergency Med.) Lansing, MI "Emergency Department Care of the Elderly" Arthur B. Sanders, M.D.	45,154		45,154	
Stanford University Stanford, CA "Reducing Functional Deterioration in the Hospitalized Elderly Patient" Carol H. Winograd, M.D.	296,327		199,004	97,323
Stanford University Stanford, CA "Academic Geriatrics Recruitment Initiative" G. M. Reaven, M.D.; C. H. Winograd, M.D.		\$ 296,140	44,593	251,547
University Hospitals of Cleveland Cleveland, OH "The Dysfunctional Syndrome: Characterization and Prevention" C. Landefeld, M.D.; R. Palmer, M.D., M.P.H.	190,035		190,035	
University of California, Los Angeles School of Medicine Los Angeles, CA "Academic Geriatrics Recruitment Initiative" D. B. Reuben, M.D.; J.C. Beck, M.D.	125,349	216,308	175,282	166,375
University of California, Los Angeles School of Medicine Los Angeles, CA "Improving the Appropriateness of Medication Prescribing in Nursing Homes" Mark H. Beers, M.D.	159,892		107,165	52,727
The University of Chicago Chicago, IL "Early Detection, Evaluation, and Treatment of Delirium in Hospitalized Elderly" Christine Cassel, M.D.; Peter Pompei, M.D.	116,611		116,611	

	Balance due January 1, 1991	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1991
The University of Connecticut Health Center Farmington, CT "Academic Geriatrics Recruitment Initiative" Richard W. Besdine, M.D.	\$ 54,943	\$ 211,794	\$ 90,968	\$ 175,769
University of Florida at Gainesville Gainesville, FL "Pharmacist Intervention with Physician Prescribing and Medication Use in Elderly Patients" Carole L. Kimberlin, Ph.D.	17,271		17,271	
University of Michigan Medical School Ann Arbor, MI "Academic Geriatrics Recruitment Initiative" Jeffrey B. Halter, M.D.	78,926	178,701	105,410	152,217
University of Michigan Medical School Ann Arbor, MI "Coordinating Center: Academic Geriatrics Recruitment Initiative" Jeffrey B. Halter, M.D.		299,549	45,472	254,077
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.	213,618		213,618	
University of North Carolina Chapel Hill, NC "A Geriatric Continuing Medical Education Program for Established Practitioners" Mark E. Williams, M.D.	193,086		193,086	
University of Pennsylvania School of Medicine Philadelphia, PA "Academic Geriatrics Recruitment Initiative" Allan I. Pack, M.D., Ph.D.	60,112	239,800	104,662	195,250
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.	184,915		130,737	54,178
University of Washington School of Medicine Seattle, WA "Academic Geriatrics Recruitment Initiative" Itamar B. Abrass, M.D.	79,315	246,636	136,783	189,168

	Balance due January 1, 1991	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1991
Vanderbilt University Nashville, TN "An Educational Intervention to Reduce Nursing Home Antipsychotic Drug Use" Wayne A. Ray, Ph.D.	\$ 439,560		\$ 238,657	\$ 200,903
Yale-New Haven Hospital New Haven, CT "Geriatric Care Program" L. Cooney, Jr., M.D.; S. Inouye, M.D., M.P.H.	151,221		151,221	
Subtotal	\$ 6,151,474	\$ 4,859,047	\$ 5,070,378	\$ 5,940,143
Development of Biomedical Technology				
University of Texas Southwestern Medical Center at Dallas Dallas, TX "Biotechnology Transfer Program" William B. Neaves, Ph.D.	\$ 1,258,840		\$ 600,000	\$ 658,840
Subtotal	\$ 1,258,840		\$ 600,000	\$ 658,840
New York Fund				
Children's Storefront Foundation New York, NY		\$ 10,000	\$ 10,000	
The Hospital for Special Surgery Fund, Inc. New York, NY		1,000	1,000	
Isabella Home Nursing Company New York, NY		5,000	5,000	
Just One Break, Inc. New York, NY		10,000	10,000	
Phoenix House Foundation, Inc. New York, NY		20,000	20,000	
Riverdale Senior Center, Inc. Bronx, NY		5,000	5,000	
United Hospital Fund of New York New York, NY		2,500	2,500	
Young Mens Christian Association of Greater New York New York, NY		12,000	12,000	
Subtotal		\$ 65,500	\$ 65,500	

	Balance due January 1, 1991	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1991
Other				
The Foundation Center New York, NY		\$ 7,000	\$ 7,000	
Grantmakers in Health New York, NY		5,000	5,000	
The Investment Fund for Foundations Washington, DC		50,000		\$ 50,000
National Foundation for Facial Reconstruction New York, NY	\$ 40,862		40,862	
New York Regional Association of Grantmakers New York, NY		7,125	7,125	
Matching Grants*		312,711	312,711	
Subtotal	\$ 40,862	\$ 381,836	\$ 372,698	\$ 50,000
Grants Cancelled or Refunded	65,833	(97,439)	(31,606)	
Total (All Grants)	\$11,955,018	\$ 8,104,815	\$ 9,801,584	\$10,258,249

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

Foundation-Administered Project

	Expenses Authorized, Not Incurred January 1, 1991	Projects Authorized During Year	Expenses Incurred During Year	Expenses Authorized, Not Incurred December 31, 1991
Health Care Cost and Quality				
"Community Health Management Initiative"	\$ 80,222	\$ 1,691,575	\$ 718,251	\$ 1,053,546
Amounts Cancelled	75,280	(75,280)		
Totals	\$ 155,502	\$ 1,616,295	\$ 718,251	\$ 1,053,546

Additional Active Projects

Center for Policy Studies Minneapolis, MN "Implementation of the 'Buy Right' Strategy" Walter D. McClure, Ph.D. 1989; \$400,000; 2 years, 5 months	American Geriatrics Society New York, NY "Academic Geriatrics Program Development Workshop" Linda Barondess 1989; \$84,907; 2 years
Midwest Business Group on Health Chicago, IL "Value-managed Health Care Purchasing Demonstration Project" James D. Mortimer 1989; \$399,000; 3 years, 11 months	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. 1989; \$97,850; 2 years

Application Procedures

Organizations seeking grant awards from the Foundation may submit proposals at any time. No formal application forms are required. Proposed projects should be consistent with the Foundation's interests and within the scale of other Foundation-supported activities, as described in this Report.

Within each program area, preference is given to projects that seek to demonstrate and evaluate specific innovative solutions to clearly defined problems. There also is a preference for 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. Foundation support rarely is provided for longer than three years.

Those seeking support should submit a brief letter describing the proposed project. However, if a project is adequately described in a prepared proposal, the Foundation will accept the proposal for review without further introduction.

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

The Foundation normally makes grants only to two types of organizations in the United States: those having tax exempt status under Section 501(c)(3) of the Internal Revenue Code which are not private foundations within the meaning of Section 509(a) of the Code, and States or political subdivisions thereof within the meaning of Section 170(c)(1) of the code, or state colleges or universities. 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. Those submitting proposals will be notified of the results of this review in approximately one month and may be asked to supply additional information.

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
Fax: (212) 593-4913

Credits

Virginia Peckham, *Editor*

Donald Battershall, *Designer*

Denny Tillman, *Photographer*

Reynolds DeWalt Printing Inc., *Printer*

Photo p.12 - © 1992 Cable News Network, Inc. All Rights Reserved