

THE JOHN A. HARTFORD FOUNDATION

"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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REPORT OF THE CHAIRMAN



DURING 1992 THE FOUNDATION pressed forward in its two principal areas of grantmaking. In our Health Care Cost and Quality Program over 70 percent of our commitments were devoted to Community Health Reform, a true grass roots movement by which local employers seek to improve their communities' health. Key to the concept of Community Health Reform is rewarding those systems that provide the best value for the dollar plus meeting shared information needs in health care. With a generous Hartford grant, the National Business Coalition Forum on Health, based in Washington, D.C., is helping communities across the country to join this growing movement. These cost containment initiatives are timely in view of the Clinton administration's focus on health care expenditures.

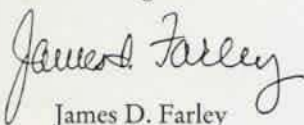
Aging and Health is the other sector of our work. Our principal effort in 1992 was an initiative to enhance the capacity of generalist physicians to better meet elders' need for a continuum of care. The Trustees approved a plan to commit roughly \$7 million over a five-year period for this work, which is described more fully in this Report. Six grants were made in 1992 under this new program.

The Foundation ended the year with assets of just over \$300 million, an increase of \$12.4 million from a year ago. This is the first time since 1968 that we have been at this level. These results were very gratifying.

After fifteen years of dedicated service, our Trustee William Corbus reached retirement age and did not stand for reelection. Bill attended every meeting of the Board during these years. He is the last senior member of the management of The Great Atlantic and Pacific Tea Company to serve on our Board. We will miss him very much. At our 1992 Annual Meeting, we elected Thomas A. Reynolds, Jr. to our Board. Mr. Reynolds has been the Managing Partner of Winston & Strawn, one of Chicago's principal law firms, for many years.

Sadly, I must report the deaths of two dear friends in 1992. Josephine Hartford Bryce, a former Trustee and mother of our present Trustee, Nuala Pell, passed away on June 8. Our Chairman Emeritus, Leonard Dalsemer, died on July 8. Each of these Trustees provided leadership to our Foundation. Each will be remembered with deep affection and gratitude.

Our Trustees and staff have been excellent stewards for our Foundation. We are living in challenging times, and I am confident the work of our Foundation will help in addressing the enormous problems of our health care agenda.


James D. Farley

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Chairman

LEONARD DALSEMER*
Chairman Emeritus

WILLIAM CORBUS**
Vice Chairman

CHARLES E. MURPHY, JR.
Vice Chairman

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*Vice Chairman****

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NUALA PELL

THOMAS A. REYNOLDS, JR.

MATTHEW E. WELSH

KATHRYN D. WRISTON

*deceased July 8, 1992

**retired May 15, 1992

***as of May 15, 1992

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PROGRAMS





**Community
Health Reform**

With a major grant from the Hartford Foundation in 1992, the National Business Coalition Forum on Health launched the Community Health Reform movement. Guiding that effort were the Forum's Chairman, James B. Kenney, Ph.D., President of the Greater Detroit Area Health Council, on the right, and Sean Sullivan, the Forum's President. Hartford's grant has positioned the Forum to lead its almost fifty members in demonstrating how local, purchaser-led initiatives can contribute to the reform of the U.S. health care system.

EVEN AS A NEW ADMINISTRATION struggles to formulate its health care policy, a vigorous grassroots reform movement is taking shape across the country. Employers are banding together to transform their local health care systems into what might be called "rational markets"—where their buying power keeps costs under control and where timely, accurate information assures high quality care.

It started in 1989, when a dozen business groups from around the nation formed the National Business Coalition Forum on Health. An affiliate of the Washington Business Group on Health, its purpose was to help people undertake purchaser-led health care reform in their own communities. By 1992 the number of participating groups had grown to nearly fifty, and the Forum decided to incorporate as a freestanding, nonprofit organization. Aided by a major Hartford Foundation grant, the Forum then officially launched the Community Health Reform movement.

The Community Health Reform movement, by organizing and mobilizing local employers, seeks to improve the health of the *whole* community. Its strategy is "value-based purchasing," which means buying health care services from providers that deliver high quality care at reasonable cost. This creates incentives for providers to improve their performance, and consumers gain incentives from their employers to use these high-value providers.



ISSUES

- CONNECTING PEOPLE TO
THEir OWN VISION/PRINT
- EXTRA TIME FOR DISCUSSION
- INTERRELATIONSHIP OF FORMAL
+ INFORMAL STRUCTURE
- INTEGRATING OF OI & OA
- 15 - WITHOUT DOMINATION
- WITHOUT DEVALUING
- PRESENTATION - HOW OI & OA?
3 PAPER + JOURNAL
- 2 REVISION OF THE SOURCE ORG
E3

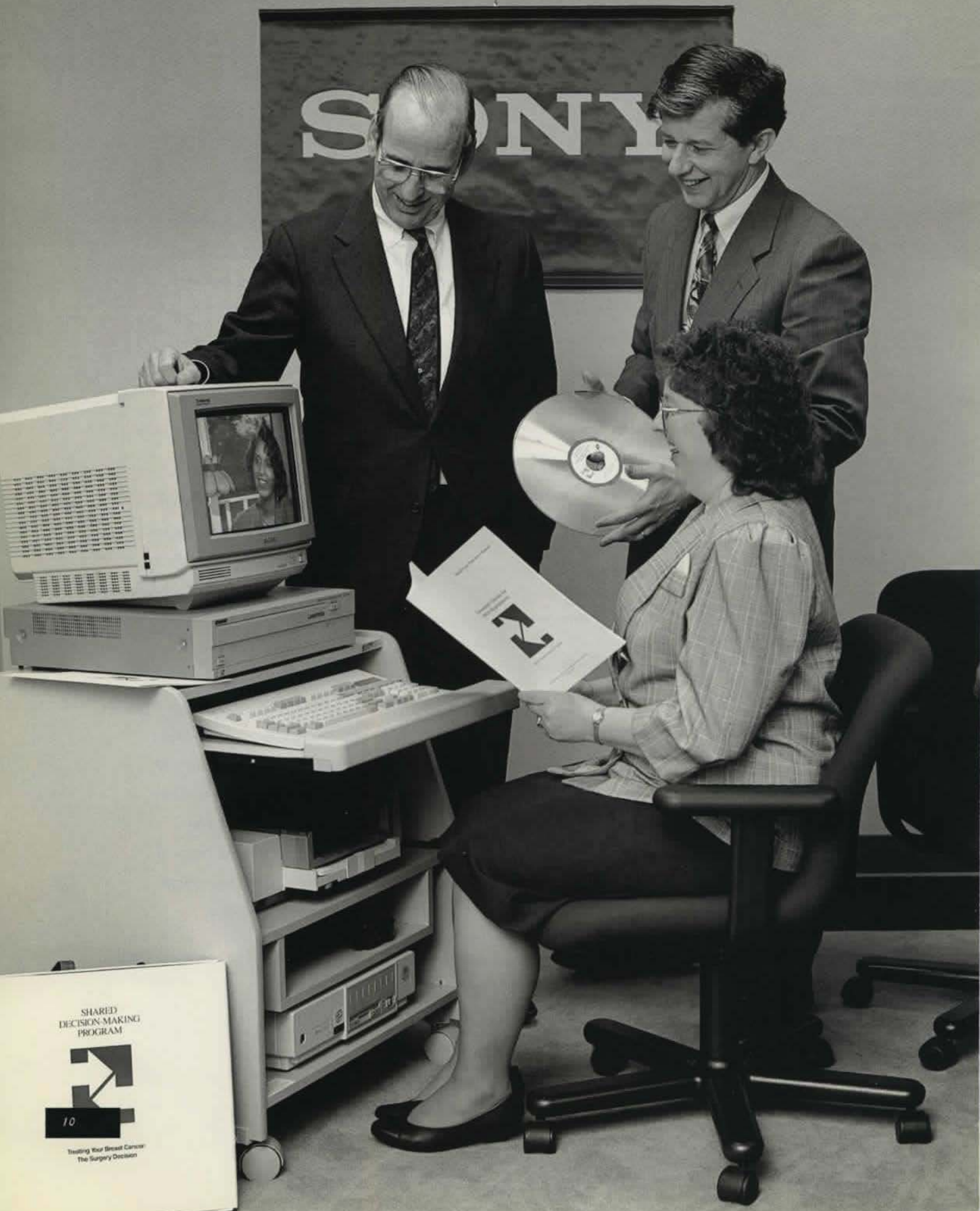
- HOW MUCH AT ONE TIME
E3 - eg # of PROJECTS
- PRIORITIZING
- HOW TO BUILD INITIAL
SUCCESS - SIGNATURE CASE
- PERSISTENT "BAD APPLES"
V3
- POTENTIAL FOR PARADOXICAL
EFFECTS OF TIME
E3
- GETTING MORE INVOLVED
- NON-LEGISLATIVE WAY TO GET DATA



The Foundation is providing direct support to four leaders of the Community Health Reform movement: Washington State's Health Care Purchasers Association of Puget Sound, the Health Policy Corporation of Iowa, the Memphis Business Group on Health, and Cleveland Tomorrow's Greater Cleveland Health Quality Choice Program. Support for the Health Policy Corporation of Iowa was renewed in 1992.

The Institute for Healthcare Improvement is using a generous Hartford grant to help hospitals and health plans across the nation adopt the concepts and methods of total quality management. Shown here teaching one of the Institute's courses on quality management is Donald M. Berwick, M.D., its President, who has played a key role in introducing one of the most dynamic concepts in private industry to health care. Its goal is continuous improvement in quality. The Institute will expand upon the activities begun in 1987, with Foundation support, at the Harvard Community Health Plan under the National Demonstration Project on Quality Improvement in Health Care.

Also under the rubric of Community Health Reform, the Institute for Health Policy Solutions, based in Washington, D.C., received a Hartford grant in 1992 to help small employers develop collective purchasing arrangements. A grant to the American Enterprise Institute supported the exploration of possible new ways to contract for health care and health care insurance. And a Foundation-Administered Project was employed for a broad range of activities to help communities organize purchaser-led initiatives.



SHARED
DECISION-MAKING
PROGRAM



Treating Your Breast Cancer
The Surgery Decision

**The Community
Health Management
Information System—
CHMIS**

With a combination of grant and loan support from Hartford, the nonprofit Foundation for Informed Medical Decision Making is employing interactive video disc technology to help patients make better-informed choices among treatment options. Five Shared Decision-making Programs (SDPs) are now ready for mass distribution by Sony Medical Systems. Here, Joseph F. Kasper, Sc.D., FIMD's President, on the right, and Charles A. Steinberg, President of Sony's Business and Professional Group, are shown demonstrating the SDP for patients with breast cancer to Faye M. Jorgensen, R.N., representing Denver's Kaiser Permanente HMO, which has served as one of FIMD's first test sites.

Value-based purchasing can work best if community-wide information systems are in place, using reliable measures of cost and quality.

The principal use of Foundation-Administered Project funds in 1992 was for continued development of the Community Health Management Information System, or CHMIS, and for technical assistance to state and local groups organizing their versions of CHMIS.

The CHMIS, which draws on the same computer-based technology used for processing credit card and ATM charges, has two goals:

- 1) to facilitate the acquisition and analysis of health care data, and
- 2) to improve the efficiency of claims processing and other financial transactions associated with health care.

Working under a Foundation contract, Benton International, a private consulting firm best known for designing and managing computer systems in the financial services industry, completed development and publication of the CHMIS design in 1992. Benton also provided technical assistance to the Community Health Reform groups in Washington State, Iowa, and Memphis that have received grant support for organizing CHMIS variations. Late in 1992, the Ohio Corporation for Health Information and the Vermont Health Care Information Consortium were awarded Hartford grants to plan their own CHMIS variations.

Also approved in 1992 was a grant to Indiana University supporting efforts to standardize computer-based health care information systems among hospitals, HMOs, and other providers. Several groups which have been working separately on this compatibility problem have agreed

**Institute for
Healthcare
Improvement**

to collaborate under the auspices of the American National Standards Institute. Indiana will use the Hartford grant for staff support of that effort. Such standardization could enhance the efficiency of the CHMIS and its local variations.

The Foundation's Trustees approved a major grant in 1992 providing general support of the Institute for Healthcare Improvement, which seeks to promote and accelerate the adoption of "total quality management" techniques among hospitals and health plans. Led by Donald M. Berwick, M.D., the newly formed Institute expands upon the work of the National Demonstration Project, initiated in 1987 with Hartford's support, at the Harvard Community Health Plan.

**Foundation for
Informed Medical
Decision Making**

With major support from Hartford since the mid-1980s, John E. Wennberg, M.D., of Dartmouth Medical School, and colleagues have pioneered the use of interactive video discs to help patients choose among medical treatments. A Program-Related Investment was awarded in 1992 to the Foundation for Informed Medical Decision Making to expand production of these discs, called Shared Decision-making Programs (SDPs), which are distributed through Sony Medical Systems. SDPs are already available to aid patients with breast cancer, non-cancerous enlargement of the prostate, mild hypertension, and low back pain.

1992 Commitments

The Hartford Foundation awarded eight grants, one Program-Related Investment and one Foundation-Administered Project under its Health Care Cost and Quality Program in 1992, for commitments totaling \$7,951,575.

**Health Care Cost and
Quality Grants**

AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH

Washington, DC

Robert B. Helms, Ph.D.

"New Ways of Contracting for Health Care and Health Care Financing"

This grant supports the first phase of an effort to improve health care contracts. One of the country's leading experts in health law, Clark C. Havighurst, Professor of Law at Duke University, argues that the progress of market-based health reforms has been hampered by weak and poorly conceived private contracts. Working with other legal experts and local business groups devoted to reform, Prof. Havighurst hopes to demonstrate how contracts can be written to assign more clearly, and delineate more precisely, the responsibilities of payors, providers, and patients.

Grant Award: \$110,660; 1 year

Starting Date: October 1, 1992

FOUNDATION FOR INFORMED MEDICAL DECISION MAKING, INC.

Hanover, NH

Joseph F. Kasper, Sc.D.

"Program-Related Investment"

Under previous Hartford grants to the Dartmouth Medical School, John E. Wennberg, M.D., and his colleagues pioneered the use of interactive video disc technology to help patients decide among treatment options. Using this technology, patients can input information about their age and relevant medical history, and get a personalized explanation of their condition and the likely benefits and risks of the various choices available to them.

The Wennberg team developed a prototype, for patients with non-cancerous enlargement of the prostate, of what came to be called a Shared Decision-making Program (SDP). The response to the prototype was so enthusiastic that in 1989 the nonprofit Foundation for Informed Medical Decision Making was formed, with Hartford's support, to continue the development, production, and distribution of SDPs.

Five SDPs have been completed and are now ready for mass distribution by Sony Medical Systems. With this Program-Related Investment Hartford will provide working capital in the form of a loan so that the organization can create new SDPs over the next 30 months. The loan will be repaid with royalties from sales.

Loan Amount: \$650,000; 30 months

Starting Date: December 30, 1992

**Health Care Cost and
Quality Grants**

HEALTH POLICY CORPORATION OF IOWA

Des Moines, IA
Paul M. Pietzsch

"Strengthening Community Health Reform in Iowa"

The Community Health Reform movement began, in many ways, in Iowa. Since 1980 that state's leading employers, through the nonprofit Health Policy Corporation of Iowa, have moved to contain costs using a market-based approach to purchasing health care and medical insurance. Renewal support under this grant will permit continued development of the Central Iowa Purchasing Demonstration, which thus far has focused on selecting preferred providers for cardiovascular care. The scope of the demonstration will be expanded to encompass a full integrated system, with emphasis on primary care, wellness and prevention.

The grant also supports the continuing collaboration among purchasers, providers, insurers, and government to plan a CHMIS for Iowa, which will help meet the shared information needs of the state and improve the efficiency of health care financial transactions.

These funds will also be used to explore ways to provide insurance and health care to rural Iowans and small employers.

Grant Award: \$570,190; 18 months
Starting Date: October 1, 1992

INDIANA UNIVERSITY

Indianapolis, IN
Clement J. McDonald, M.D.

**"Coordination of a Unified Set of Standards for Health Care
Information Messages"**

The computer-based information systems used within hospitals, HMOs and other health care organizations typically cannot interface with one another or with external systems. This creates a fragmentation of the information needed for patient care and for associated transactions and record-keeping. Unified standards are urgently needed. Several groups which have been working on separate standards have agreed to work together, under the auspices of the American National Standards Institute's Healthcare Informatics Standards Planning Panel. This grant permits Clement J. McDonald, M.D., Distinguished Professor of Medicine at Indiana University and Chief of the Computer Science Research Group at the Regenstrief Institute for Health Care, to chair the panel's Message Standards Developers Subcommittee and covers other subcommittee expenses through Indiana University.

Grant Award: \$355,138; 3 years
Starting Date: October 1, 1992

THE INSTITUTE FOR HEALTHCARE IMPROVEMENT

Brookline, MA

Donald M. Berwick, M.D.

"Core Support"

One of the most dynamic concepts in private industry, total quality management, holds great promise for revolutionizing our health care delivery system. The Institute for Healthcare Improvement (IHI) was created in 1992 to apply the concepts and methods of total quality management to health care. The Institute will expand upon the activities begun in 1987, with Foundation support, at the Harvard Community Health Plan under the National Demonstration Project on Quality Improvement in Health Care. The primary emphasis of the Institute will be on training, including courses on quality management and an annual conference, the Forum on Quality Improvement in Health Care. This grant will provide core support during the initial organizational phase of IHI, and will supplement the revenue to be generated by training activities.

Grant Award: \$1,196,968; 3 years

Starting Date: May 1, 1992

INSTITUTE FOR HEALTH POLICY SOLUTIONS

Washington, DC

Elizabeth W. Hoy

"Assisting the Development of Collective Purchasing Arrangements for Small Employers"

A significant number of Americans lack health insurance because they work for small businesses that cannot afford to insure them. Under this grant, experts formerly associated with the Health Insurance Association of America will help local business groups develop collective purchasing arrangements through which small employers could obtain health insurance. In addition to providing hands-on assistance to as many as seven demonstration sites, the Institute for Health Policy Solutions will develop a resource manual and will make information available for other business groups interested in such purchasing arrangements.

Grant Award: \$395,709; 1 year

Starting Date: May 18, 1992

**Health Care Cost and
Quality Grants**

NATIONAL BUSINESS COALITION FORUM ON HEALTH, INC.

Washington, DC
Sean Sullivan

"Expanding the Community Health Reform Movement"

In 1989 twelve community-based business groups formed the National Business Coalition Forum on Health under the auspices of the Washington Business Group on Health. Its purpose was to foster and bring together organizations engaged in purchaser-led, community-oriented health care reform. There are now almost fifty member groups and the Forum was recently incorporated as a freestanding, nonprofit organization.

Foundation funds will be used to launch an ambitious program, including a variety of meetings, a guide explaining how to start up a Business Group on Health, a media campaign to promote Community Health Reform, a clearinghouse for information, and a newsletter. The Hartford Foundation's grant will position the Forum to lead its members in demonstrating how local, market-based initiatives can contribute to the reform of the U.S. health care system.

Grant Award: \$2,250,205; 3 years
Starting Date: June 1, 1992

OHIO CORPORATION FOR HEALTH INFORMATION

Columbus, OH
Dale V. Shaller

"Designing a Statewide Health Management Information System to Support Community-based Reform Efforts in the State of Ohio"

Purchaser groups in several Ohio communities, including Cleveland, Dayton, and Cincinnati, as well as the Ohio Department of Health, have programs to collect and analyze health care data. However, these efforts have been impeded by the difficulty and high cost of data acquisition. The Ohio Business Task Force on Health Care Reform, organized by the Ohio Manufacturers' Association, has proposed the creation of an Ohio Health Management Information System (OHMIS) modeled on the Foundation's CHMIS concept. To this purpose, the task force has joined with other interested groups to create the nonprofit Ohio Corporation for Health Information. This grant will support the development of a comprehensive business plan for the OHMIS and related consensus-building activities.

Grant Award: \$326,600; 1 year
Starting Date: January 1, 1993

VERMONT HEALTH CARE INFORMATION CONSORTIUM, INC.

Burlington, VT

James Taylor

"Planning and Development of a Vermont Health Management Information System and a Vermont Lifetime Patient Record"

The Vermont State Legislature in 1992 passed one of the nation's most far-reaching health care reform bills. That bill created the Vermont Health Care Authority to manage a complex process of change, aimed at providing universal access, cost containment, and better integration of care.

One of the authority's responsibilities is to develop a unified, state-wide health care data base. Virtually all of those who promoted the reform have agreed to assist the authority in this effort, and to that end have organized the nonprofit Vermont Health Care Information Consortium. The consortium will use this Hartford Foundation grant to plan a Vermont Health Management Information System (VHMIS), modeled on the Foundation's CHMIS. The VHMIS will meet shared information needs while achieving more efficient financial transactions through computer-based technology. The feasibility of developing a lifetime patient record system, tied to the VHMIS, for all Vermonters will also be explored under the grant.

Grant Award: \$735,500; 2 years

Starting Date: January 4, 1993

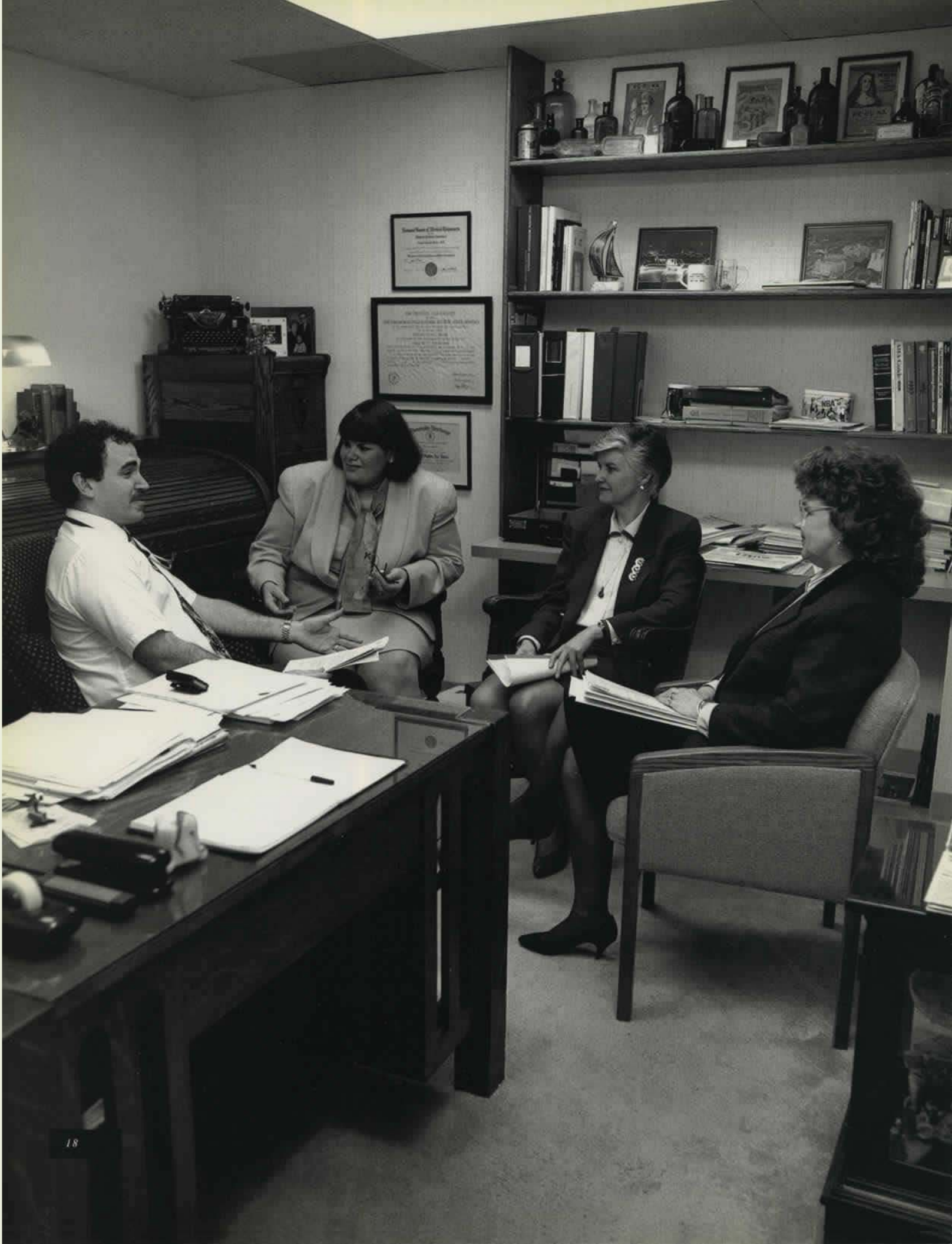
FOUNDATION-ADMINISTERED PROJECT

"Community Health Management Initiative"

This project permits the Foundation to continue to support and track the progress of Community Health Reform, a growing grassroots movement of purchaser-led initiatives, in different locations across the country. Local businesses are encouraged to use their collective clout to get the best quality health care at the best price (value-based purchasing), and to enable the smaller employers in the community to purchase health insurance for their workers. To this end, meetings and technical assistance are supported under this project.

Special emphasis has been given to the Community Health Management Information System (CHMIS), which provides communities with essential health care data to be shared by purchasers and providers and reduces administrative costs by computerizing financial transactions. Project funds help Benton International adapt the CHMIS for the special needs and conditions of each community.

Amount: \$1,360,605; 22 months



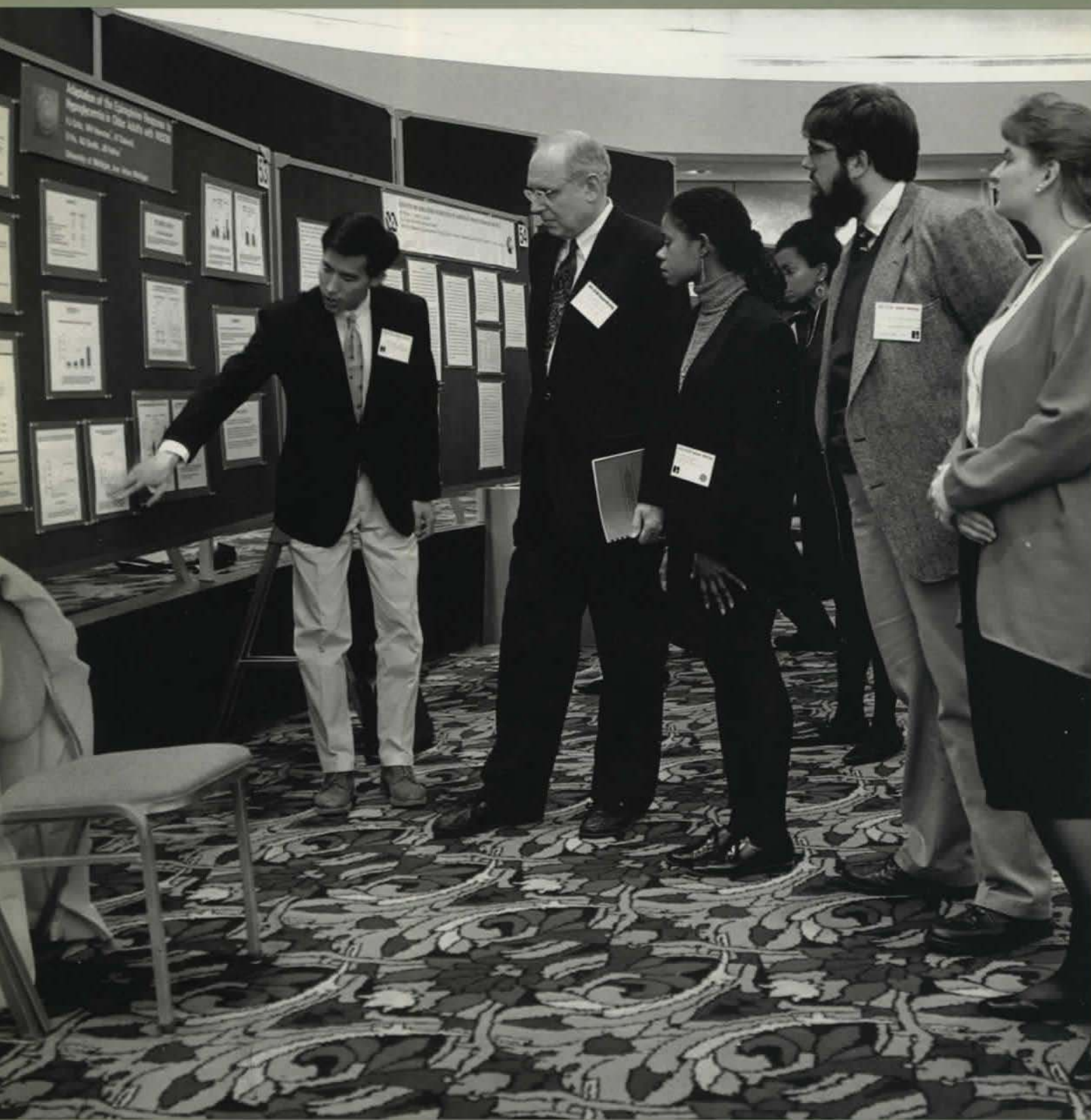
**Generalist Physician
Initiative**

United Health Services, Inc., (UHS) in Binghamton, NY, received one of six 1992 Foundation awards to improve the integration of care for elders through the offices of their generalist physicians. Here, Alan V. Miller, M.D., Medical Director of United Medical Associates (UMA), an affiliate of UHS, discusses the introduction of "Patient Care Coordinators" to enhance the capacity of his generalist physician colleagues in meeting their older patients' needs. Other participants are (right to left) Patricia Lester, UMA office manager; Linda Battaglini, M.S., UHS Corporate Planner and Project Director; and Judy Czerenda, M.S., C.N.S., F.N.P., Project Manager.

HOW CAN WE IN THE U.S. better care for our burgeoning elderly population? Our fragmented health care delivery system is not a sane solution. With the rapid growth in the number of frail elderly, it is essential to integrate medical care with non-medical social and supportive services. The challenge is to be able to deliver a seamless continuum of individualized care, oriented to prevention and follow-up as well as appropriate and effective treatment.

Generalist physicians—primary care physicians such as family practitioners and general internists—are the first line of defense for elderly patients. Most seniors look to their primary care physicians for guidance on matters of prevention as well as treatment. And it is the generalist who should coordinate follow-up therapies and continuing care, even non-medical services, for these vulnerable patients.

In 1992 the Foundation's Trustees approved a new program initiative based on the premise that the generalist physician should play the central role in integrating care for the elderly. It is intended to help these physicians, working closely with nursing and social work professionals as well as medical specialists, assume responsibility for the broad range of services that are integral to their patients' health.





The effective integration of care would make primary care practice far more satisfying, both professionally and financially. The models to be developed under the Generalist Physician Initiative will include increased teamwork, new roles for nurses, social workers, and allied health personnel, and care plans which go beyond the biomedical to include a broad range of community services.

Under its Academic Geriatrics Recruitment Initiative, the Foundation supports diverse strategies at thirteen "centers of excellence in geriatrics," seeking to attract more talent to the field. One such effort involves grants for student geriatric research, including stipends for travel to a national meeting to present project results. Here, Dean Hu, a medical student from the University of Michigan, explains his work to students and faculty from other schools, during a session at the November meeting of the Gerontological Society of America.

The major portion of the Aging and Health Program's commitments during 1992 was devoted to the Generalist Physician Initiative. Six grants were made to diverse sites across the country, to develop and test innovative ways to integrate care for the elderly within the physician's office. The grants vary in the types of caregivers, the patients targeted for care, screening and monitoring systems, and expected long-term financing. Each grantee will conduct an internal evaluation of its project's effectiveness and produce documentation for dissemination. A Foundation-Administered Project will foster synergy among the projects and consider a possible program-wide evaluation.



Other Grants

With Hartford's support, Cedars Sinai Medical Center in Los Angeles, CA developed and tested a program of exercise to prevent functional decline for hospitalized elders. Here, project staff member Lisa Lakotas helps Lewis Gomavitz follow instructions in his Exercise Companion, which patients take home and use to follow their exercise protocols after discharge. The Cedars project is one of six approaches to reducing functional loss that were tested as part of the Foundation's Hospital Outcomes Program for the Elderly (HOPE).

During 1992, several projects received renewal support from the Foundation. A grant to the Society for Academic Emergency Medicine will help it carry out the recommendations it developed in 1991, with Hartford support, for improving emergency services to the elderly through training, new treatment guidelines, and other innovative projects.

A grant to the University of California, Los Angeles, supports the ongoing development of an instrument to identify and address behaviors in elderly people that may needlessly increase the risk of disease and disability. This Elder Health Risk Appraisal project draws on work initiated at Emory University's Carter Center with Hartford's support.

Two awards approved in 1992 support refining and disseminating the key findings of HOPE (the Foundation's Hospital Outcomes Program for the Elderly). The HOPE projects have clearly demonstrated that it is possible to reduce the functional decline that so often accompanies hospitalization of the elderly. With Hartford's support, Columbia University's School of Nursing will draw on the results of HOPE and other projects to offer workshops on geriatric nursing, assemble an expert panel to develop geriatric nursing protocols, and provide technical assistance to four hospitals. The Bowman Gray School of Medicine will coordinate continued analysis and dissemination of HOPE results for key audiences, particularly hospital administrators.



Sharp Healthcare, a major provider of health services to San Diego senior citizens, received Foundation support to assess the impact of enriched home care in achieving improved health outcomes and economy. With information generated by this trial, benefits and costs for possible future long-term care insurance products could be calculated. Here, project home health nurse Lucille Bub, R.N., on the right, discusses medications with Anna B. Monahan, an enrollee in the experimental program. This project is part of the Foundation's program to improve the integration of health service delivery and financing.

Through a grant to Brigham and Women's Hospital, a blue-ribbon panel of experts will assess recent efforts, including Foundation-supported projects, to reduce medication problems among the elderly. The panel will recommend areas for further research, possible public policy initiatives, and new roles for consumers and providers.

Under the Foundation's Academic Geriatrics program, thirteen "centers of excellence in geriatrics" continued previously approved projects to strengthen and expand the geriatric training capacity of the nation's medical schools. A 1992 grant to the American Geriatrics Society supports a project to educate medical specialists about the particular needs of elderly patients.

1992 Commitments In 1992 the Hartford Foundation Trustees approved twelve grants and one Foundation-Administered Project under the Aging and Health Program, for commitments totaling \$6,587,761.

**Aging and Health Grants:
Generalist Physician
Initiative**

Elderly patients rely on their generalist physicians for guidance on all aspects of their care — prevention, treatment, follow-up, and even non-medical services.

The Foundation's Generalist Physician Initiative seeks to foster the integration of medical treatment and social support services for the elderly through a team approach, coordinated by the primary care, or generalist, physician.

The Foundation is convinced that such an approach can enhance both patient care and physician satisfaction.

In 1992, six sites received grants to implement and evaluate the Generalist Physician Initiative. These sites vary in terms of geography, care team makeup, and intervention strategies. Cross-site communication and the sharing of technical expertise will be encouraged and facilitated by the Foundation. Descriptions of the individual projects follow.

CALIFORNIA PACIFIC MEDICAL CENTER

San Francisco, CA

Janeane Randolph, M.S.W.

"Senior Care Connections"

The California Pacific Medical Center will develop and test a program to minimize the further deterioration of elders with chronic illnesses. Generalist physicians, registered nurses, and social workers will collaborate to develop prevention-oriented management strategies emphasizing active patient participation. This model, aimed at integrating acute and long-term care with supportive services, will be compared with physician practices providing usual care.

Grant Award: \$809,099; 3 years

Starting Date: July 1, 1992

CARLE FOUNDATION HOSPITAL

Urbana, IL

Cheryl D. Schraeder, R.N., Ph.D.

"A Generalist Physician Model for Geriatric Collaborative Practice"

Under this grant, the Carle Foundation Hospital will develop and test a physician-nurse collaborative practice model for geriatric care. Selected Carle general internists and family physicians together with nurses and case assistants will develop care plans with the participation of the patients and their families. Implementation of these plans will be monitored by the nurses and case assistants. The outcomes for patients of the physicians using the collaborative practice model will be compared with a control group of similar patients at Carle. Collaborative practice protocols will be designed and incorporated into training for both nurses and physicians.

Grant Award: \$756,466; 3 years

Starting Date: November 1, 1992

DARTMOUTH MEDICAL SCHOOL

Hanover, NH

John H. Wasson, M.D.

"Community Centers of Excellence in Aging"

The Center for Aging at Dartmouth Medical School has developed several management tools to improve primary care for the elderly by drawing on local social and supportive services, and principles of "continuous quality improvement." Under this project, a Dartmouth team will help generalist physicians and their office staffs to use these tools to develop and monitor plans for "at risk" elders. Outcomes of these patients will be compared with those receiving usual care. There will also be a comparison of physician satisfaction and office productivity.

Grant Award: \$731,046; 3 years

Starting Date: February 15, 1993

**Aging and Health Grants:
Generalist Physician
Initiative**

ST. JOSEPH HEALTHCARE SYSTEM

Albuquerque, NM
Lynne Anker, M.S.W.

"Coordinated Care Partnership"

The St. Joseph Healthcare System will use Foundation support to develop an integrated case management model for Medicare HMO enrollees between the ages of 65 and 80 with selected diagnoses. This "Coordinated Care Partnership" will organize teams of nurses, case managers, and primary care physicians and their office staffs to provide comprehensive care for HMO patients found to be at risk. Under a subcontract, Arizona State University in Tempe will evaluate the project's impact.

Grant Award: \$700,450; 3 years
Starting Date: January 4, 1993

UNITED HEALTH SERVICES, INC.

Binghamton, NY
Linda J. Battaglini, M.S.

"System Case Management"

United Health Services will use Foundation funds to introduce a new kind of medical professional, the patient care coordinator, to the generalist physician's office. The coordinator will serve as a liaison between the patient and the physician's office; link patients to appropriate community-based services and agencies; provide information about good health practices and treatment options; and assist in health care-related financial planning and resource management. Project evaluation will be subcontracted to Cornell University's Sloan Program in Health Services Administration.

Grant Award: \$750,000; 3 years
Starting Date: January 1, 1993

UNIVERSITY HOSPITALS OF CLEVELAND

Cleveland, OH

Philip A. Anderson, M.D.

"Senior Care"

University Hospitals of Cleveland will develop a model of geriatric care, based in urban community health centers, which uses physician assistants to supplement the activities of generalist physicians. The model will be implemented in partnership with Cleveland Neighborhood Health Services, Inc. (CNHS).

A patient survey will identify unmet needs and barriers to timely care and preventive services. Physician assistants, specially trained in geriatrics, will then be assigned to two of the four CNHS clinic sites participating in the study. They will provide preventive services, monitor patient's medical and psychosocial problems, and coordinate care for patients after hospital discharge. The health status and care utilization of 500 patients at the two participating clinics will be compared with that of 500 similar patients at the two other CNHS sites.

Grant Award: \$749,606; 3 years

Starting Date: February 1, 1993

FOUNDATION-ADMINISTERED PROJECT**"Generalist Physician Initiative"**

This award will support technical assistance and meetings for those participating in the Foundation's Generalist Physician Initiative. The meetings will provide opportunities for cross-site learning and collaboration. Technical assistance will help the participants change the structure of primary care delivery for elderly patient populations to make it more comprehensive. A program-wide evaluation will also be considered.

Amount: \$152,180; 15 months

**Aging and Health
Grants**

THE AMERICAN GERIATRICS SOCIETY, INC.

New York, NY

Dennis W. Jahnigen, M.D.

"Increasing Geriatric Expertise in Non-Primary Care Specialties"

The goal of this project is to improve the attitudes, knowledge, and skills of non-primary care medical and surgical specialists who care for large numbers of older patients. A committee consisting of leaders and educators from both geriatrics and various medical specialties will review the kinds of geriatric training, if any, that such specialists currently receive and will recommend ways to adapt geriatric training for these specialists.

Grant Award: \$44,049; 6 months

Starting Date: May 1, 1992

BOWMAN GRAY SCHOOL OF MEDICINE

Winston-Salem, NC

Timothy M. Morgan, Ph.D.

"HOPE Data Analysis and Dissemination"

HOPE, the Foundation's Hospital Outcomes Program for the Elderly, is aimed at preserving the functional abilities of elderly patients despite illnesses that require hospitalization. In September 1989 the Bowman Gray School of Medicine received a grant to create a data coordinating center to pool the data from the six HOPE sites, and to design and maintain a data base. This renewal grant will support the continuing analysis of this comprehensive data, and the results will be disseminated to hospital administrators and others.

Grant Award: \$303,420; 18 months

Starting Date: January 1, 1993

BRIGHAM & WOMEN'S HOSPITAL

Boston, MA

Jerry L. Avorn, M.D.

"Improving Medication Use Among the Nation's Elderly: Defining the Problem and Identifying Solutions"

The goal of this grant is to document common problems in geriatric pharmacotherapy and find ways to improve drug treatment for the elderly. A panel of experts, with the benefit of specially commissioned analyses of relevant data bases, will recommend an agenda for action, including needed research and demonstrations; regulatory initiatives regarding drug development, testing, and monitoring; and roles for consumers and providers.

Grant Award: \$223,028; 1 year

Starting Date: June 1, 1992

COLUMBIA UNIVERSITY SCHOOL OF NURSING

New York, NY

Terry T. Fulmer, R.N., Ph.D.

"Building on HOPE Projects to Improve Geriatric Nursing Care"

In three HOPE projects, emphasis was placed on the role that nursing could play in reducing functional decline in the hospitalized elderly and achieving better patient outcomes. Drawing on the HOPE projects, activities supported by this grant will include: workshops on geriatric nursing to be held at the annual meetings of four key nursing organizations; the development of "best geriatric nursing practice" protocols by an expert panel; and the provision of technical assistance to four hospitals, to be selected competitively, which will help them assess their geriatric care, identify opportunities for improvement, and implement specific changes. This model for organizational change could be widely replicated in additional hospitals.

Grant Award: \$300,470; 18 months

Starting Date: October 1, 1992

**Aging and Health
Grants**

SOCIETY FOR ACADEMIC EMERGENCY MEDICINE

(The University Association for Emergency Medicine)

Lansing, MI

Arthur B. Sanders, M.D.

In 1990 the Society for Academic Emergency Medicine received a Foundation grant to assess the state of emergency care for the elderly through surveys of physicians, patients, and emergency medicine program directors. A Geriatric Emergency Medicine Task Force was created to identify ways to help hospital emergency departments better serve an increasingly old and frail population. The task force's findings and recommendations were published in the *Annals of Emergency Medicine*. This renewal grant will allow the Society to act upon these recommendations, including the creation of a geriatric emergency medicine curriculum for widespread use; the development of clinical practice guidelines for the treatment of fall-related injuries, which could then be replicated for other syndromes; and financial support for innovative projects.

Grant Award: \$861,552; 3 years

Starting Date: January 1, 1993

UNIVERSITY OF CALIFORNIA, LOS ANGELES

School of Public Health

Los Angeles, CA

Lester Breslow, M.D., M.P.H.

"Development of an Elder Health Risk Appraisal"

With this award UCLA will continue to develop an Elder Health Risk Appraisal (EHRA) instrument, building on the work begun under a Foundation grant to the Carter Center at Emory University in 1990. Such an instrument, designed for both patients and physicians, would identify behaviors that can increase the risk of disease and disability among the elderly. As a preventive measure, an EHRA could simultaneously reduce individual morbidity and act as a brake on rising health care costs. Under this grant, further refinement of the information upon which the assessment is based, and of the content of the recommendations provided to physicians and patients, will lead to a precise blueprint for the construction of an operational EHRA.

Grant Award: \$206,395; 1 year

Starting Date: December 1, 1992

FINANCIAL SUMMARY

THE ANNUAL FINANCIAL statements, which have been audited by Owen J. Flanagan & Co., appear on pages 37 to 49.

On December 31, 1992, the Foundation's assets were \$304.1 million, an increase of \$12.4 million for the year after cash payments of \$13.9 million for grants, expenses and federal excise tax. Total return on the investments, income plus realized and unrealized capital gains, was 10.0 percent. In 1992 revenues totaled \$9.7 million, a yield of approximately 3.4 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 1992 reflect continuing efforts to achieve the Foundation's goal. The stock and fixed income portfolios comprised 68 and 27 percent of the total investments at the end of 1992 compared with 60 and 35 percent, respectively, on December 31, 1991. The balance of the investments, venture capital partnerships, real estate pooled funds and other investments, totaled 5 percent at the end of 1992 and 1991. Part of the increase in the percent of the portfolio invested in stock reflects an allocation to stock of small capitalization emerging growth companies to seek opportunities to add value from this asset class.

As of December 31, 1992 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 Auditors'
Report**

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

Ladies and Gentlemen:

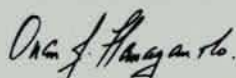
We have audited the balance sheets of The John A. Hartford Foundation, Inc. (a New York not-for-profit corporation) as of December 31, 1992 and 1991 and the related statements of revenues, grants and expenses and changes in fund balance for the years then ended. These financial statements are the responsibility 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The John A. Hartford Foundation, Inc. as of December 31, 1992 and 1991 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
March 1, 1993

Exhibit A
The John A. Hartford Foundation, Inc.
Balance Sheets, December 31, 1992 and 1991

	1992	1991
ASSETS		
Cash in operating accounts	\$ 6,744	\$ 1,767
Interest and dividends receivable	1,521,645	1,995,827
Prepayments and deposits	23,280	40,061
	1,551,669	2,037,655
Investments, at market or adjusted cost		
(Notes 1 and 2)		
Short-term cash investments	15,112,628	19,234,429
Stocks	204,895,680	172,604,928
Long-term bonds	67,390,840	82,553,843
Venture capital partnerships	4,254,247	5,072,212
Real estate pooled funds	4,628,505	4,853,125
Other	3,160,367	2,701,627
Total Investments	299,442,267	287,020,164
Program loan receivable (Note 7)	650,000	—
Office condominium, furniture and equipment		
(net of accumulated depreciation of \$1,508,518 in 1992 and \$1,308,896 in 1991)	2,462,147	2,653,285
Total Assets	\$304,106,083	\$291,711,104
LIABILITIES AND FUND BALANCE		
Liabilities:		
Grants payable (Note 1)		
Current	\$ 7,091,682	\$ 6,599,654
Non-current (Note 6)	6,290,672	3,658,595
Accounts payable	444,262	360,622
Federal excise tax payable		
Current	13,025	—
Deferred (Note 1)	396,442	423,927
Total Liabilities	14,236,083	11,042,798
Fund Balance (Exhibit B)	289,870,000	280,668,306
Total Liabilities and Fund Balance	\$304,106,083	\$291,711,104

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, 1992 and 1991**

1992

1991

REVENUES		
Dividends and partnership earnings	\$ 4,021,647	\$ 4,037,892
Long-term bond interest	5,225,092	6,708,096
Short-term investment earnings	484,788	1,192,951
Total Revenues	9,731,527	11,938,939
GRANTS AND EXPENSES		
Grants awarded (less cancellations and refunds of \$11,997 in 1992 and \$97,439 in 1991)	12,794,781	8,104,815
Foundation administered projects	967,810	718,251
Grant-related direct expenses	100,384	97,915
Federal excise tax on net investment income (Note 1)	82,964	106,553
Investment fees	1,349,839	1,201,805
Personnel salaries and benefits (Note 5)	1,048,669	946,845
Office and other expenses	534,829	571,904
Depreciation	199,622	229,561
Professional services	62,200	60,242
Total Grants and Expenses	17,141,098	12,037,891
Excess (deficiency) of revenues over grants and expenses	(7,409,571)	(98,952)
NET REALIZED AND CHANGE IN UNREALIZED GAIN ON SECURITIES TRANSACTIONS (Note 2)		
Increase in Fund Balance	9,201,694	45,088,019
FUND BALANCE, beginning of year	280,668,306	235,580,287
FUND BALANCE, end of year (Exhibit A)	\$289,870,000	\$280,668,306

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, 1992 and 1991

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% or 2% rate depending on the amount of qualifying distributions. For 1992 and 1991 the Foundation's rate was 1%.

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 \$13,718,367 of undistributed income in grants or qualifying expenditures by December 31, 1993 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 1992 is summarized as follows:

	Cost	Quoted Market Price	Appreciation
Balance, December 31, 1992	\$259,798,060	\$299,442,267	\$ 39,644,207
Balance, December 31, 1991	\$244,627,480	\$287,020,164	\$ 42,392,684
Decrease in unrealized appreciation during the year, net of decreased deferred Federal excise tax of \$27,485			\$ (2,720,992)
Realized gain, net of provision for Federal excise tax of \$195,275			19,332,257
Net realized and change in unrealized gain on securities transactions			\$ 16,611,265

Receivables and payables on security sales and purchases pending settlement at December 31, 1992 and 1991 were as follows:

	1992	1991
Proceeds from sales and distributions	\$ 1,223,859	\$ 513,463
Payables for purchases	(1,992,205)	(68,000)
Net cash pending settlement	\$ (768,346)	\$ 445,463

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, 1992, \$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 \$5,534,000 at December 31, 1992 and future commitments for additional investment aggregated \$1,466,000.

Other investments included \$880,000 invested in a limited partnership and \$2,624,018 invested in convertible preferred stocks of closely held companies. At December 31, 1992 the Foundation had a future commitment for additional investment in the limited partnership of \$120,000.

3. FOREIGN CURRENCY FORWARD CONTRACT COMMITMENTS

At December 31, 1992 the Foundation's foreign currency forward purchase and sale contracts totaled \$11,936,399.

4. OFFICE CONDOMINIUM, FURNITURE AND EQUIPMENT

At December 31, 1992 and 1991 the fixed assets of the Foundation were as follows:

	1992	1991
Office condominium	\$3,616,815	\$3,616,815
Furniture and equipment	353,850	345,366
	<u>3,970,665</u>	<u>3,962,181</u>
Less: Accumulated depreciation	1,508,518	1,308,896
Office condominium, furniture and equipment, net	<u>\$2,462,147</u>	<u>\$2,653,285</u>

5. PENSION PLAN

The Foundation has a defined contribution retirement plan covering all eligible employees under which the Foundation contributes 14% of salary for employees with at least one year of service. Pension expense under the plan for 1992 and 1991 amounted to \$94,918 and \$89,606, respectively. The Foundation also incurred additional pension costs of approximately \$35,000 in 1992 and \$32,000 in 1991, 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, 1992 will be disbursed as follows:

1994	\$4,702,035
1995	1,588,637
	<u>\$6,290,672</u>

The Board of Trustees has also authorized the following amounts to be spent on Foundation Administered Projects in 1993:

Community Health Management Initiative	\$ 1,170,000
Generalist Physician Initiative	\$ 152,180

7. PROGRAM LOAN RECEIVABLE

On December 28, 1992 the Foundation loaned \$650,000 to a non-profit organization to provide working capital for a new program. The note is due June 30, 1995 and bears interest, payable semi-annually at the prime rate less 3%.

SUMMARY OF ACTIVE GRANTS 1992

	<i>Balance due January 1, 1992</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1992</i>
HEALTH CARE COST AND QUALITY				
American Enterprise Institute for Public Policy Research Washington, DC "New Ways of Contracting for Health Care and Health Care Financing" Robert B. Helms, Ph.D.		\$ 110,660	\$ 55,330	\$ 55,330
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.	\$ 147,815		147,815	
Cleveland Tomorrow Cleveland, OH "Greater Cleveland Health Quality Choice" John C. Morley	200,000		200,000	
Foundation for Informed Medical Decision Making, Inc. Hanover, NH "Development of Shared Decision-making Programs and Business Planning" Joseph F. Kasper, Sc.D.	389,419		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	206,497		51,145	155,352
Health Care Purchasers Association of Puget Sound Seattle, WA "The Community Health Management Initiative" Andrea B. Castell	246,400		153,600	92,800
Health Policy Corporation of Iowa Des Moines, IA "Strengthening Community Health Reform in Iowa" Paul M. Pietzsch		570,190	231,405	338,785
Indiana University Indianapolis, IN "Coordination of a Unified Set of Standards for Health Care Information Messages" Clement J. McDonald, M.D.		355,138	57,009	298,129

	<i>Balance due January 1, 1992</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1992</i>
Institute for Healthcare Improvement Boston, MA Core support Donald M. Berwick, M.D.		\$ 1,196,968	\$ 389,976	\$ 806,992
Institute for Health Policy Solutions Washington, DC "Assisting the Development of Collective Purchasing Arrangements for Small Employers" Elizabeth W. Hoy		395,709	395,709	
InterStudy Excelsior, MN "Community Health Management Information System: TyPE Development Project" Harry P. Wetzler, M.D.	\$ 205,827		154,491	51,336
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.	164,778		164,778	
National Academy of Sciences Institute of Medicine Washington, DC "Overcoming Impediments to Regional Data Repositories" Kathleen N. Lohr, Ph.D.	345,500		157,500	188,000
National Business Coalition Forum on Health, Inc. Washington, DC "Expanding the Community Health Reform Movement" Sean Sullivan		2,250,205	362,328	1,887,877
National Fund for Medical Education Knoxville, TN "Management Education Program for Physician Leaders" Diane M. Hare	276,143		165,619	110,524
New England Medical Center Hospitals Boston, MA "A National Resource Center for Health Care Assessment" John E. Ware, Jr., Ph.D.	168,001		168,001	
Ohio Corporation for Health Information Columbus, OH "Designing a Statewide Health Management Information System to Support Community-based Reform Efforts in the State of Ohio" Dale V. Shaller		326,600	163,300	163,300

	<i>Balance due January 1, 1992</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1992</i>
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.	\$ 381,441		\$ 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.	135,931		135,931	
Stanford University Stanford, CA "Management Education Program for Physician Leaders" Alain C. Enthoven, Ph.D.	47,610		47,610	
University of California, San Francisco School of Medicine San Francisco, CA "Project to Explore the Feasibility of a Community Health Management Information System for the State of California" Harold S. Luft, Ph.D.	63,807		63,807	
University of Pennsylvania Philadelphia, PA "Corporate Hospital Rating Project" Mark V. Pauly, Ph.D.	500,000		250,000	\$ 250,000
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.	130,097		130,097	
Vermont Health Care Information Consortium, Inc. Burlington, VT "Planning and Development of a Vermont Health Management Information System and a Vermont Lifetime Patient Record" James Taylor		\$ 735,500	183,875	551,625
Subtotal	\$ 3,609,266	\$ 5,940,970	\$ 4,600,186	\$ 4,950,050
AGING AND HEALTH				
American Federation for Aging Research (AFAR), Inc. New York, NY "Geriatric Pharmacology Scholarships for Medical Students" Stephanie Lederman	\$ 283,597		\$ 157,006	\$ 126,591
American Federation for Aging Research (AFAR), Inc. New York, NY "Gero-Physician-Scientist Development Program" Stephanie Lederman	532,950		74,370	458,580

	<i>Balance due January 1, 1992</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1992</i>
The American Geriatrics Society, Inc. New York, NY "Increasing Geriatric Expertise in Non-Primary Care Specialties" Dennis W. Jahnigen, M.D.		\$ 44,049	\$ 44,049	
Bowman Gray School of Medicine Winston-Salem, NC "Academic Geriatrics Recruitment Initiative" William R. Hazzard, M.D.	\$ 172,800		69,120	\$ 103,680
Bowman Gray School of Medicine Winston-Salem, NC "HOPE Data Analysis and Dissemination" Timothy M. Morgan, Ph.D.	142,673	303,420	245,952	200,141
Brigham & Women's Hospital Boston, MA "Improving Medication Use Among the Nation's Elderly: Defining the Problem and Identifying Solutions" Jerry L. Avorn, M.D.		223,028	111,514	111,514
California Pacific Medical Center San Francisco, CA "Senior Care Connections" Janeane Randolph, M.S.W.		809,099	169,383	639,716
Carle Foundation Hospital Urbana, IL "A Generalist Physician Model for Geriatric Collaborative Practice" Cheryl D. Schraeder, R.N., Ph.D.		756,466	131,626	624,840
The Carter Center of Emory University Atlanta, GA "The Development of a Health Risk Appraisal for Older Americans" Edwin B. Hutchins, Ph.D.	5,000		5,000	
Case Western Reserve University School of Medicine Cleveland, OH "Academic Geriatrics Recruitment Initiative" Jerome Kowal, M.D.	254,992		95,949	159,043
Cedars-Sinai Medical Center Los Angeles, CA "Physical Deconditioning: A Treatable Source of Functional Loss in Hospitalized Elderly Patients" Hilary Siebens, M.D.	102,707		102,707	
Columbia University School of Nursing New York, NY "Building on HOPE Projects to Improve Geriatric Nursing Care" Terry T. Fulmer, R.N., Ph.D.		300,470	91,712	208,758

	<i>Balance due January 1, 1992</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1992</i>
County of Monroe Rochester, NY "Innovative Financing and Delivery Systems for Long-Term Care" Kenneth J. Naples	\$ 230,215		\$ 115,108	\$ 115,107
Dartmouth Medical School Hanover, NH "Community Centers of Excellence in Aging" John H. Wasson, M.D.		\$ 731,046	120,532	610,514
Duke University Medical Center Durham, NC "Academic Geriatrics Recruitment Initiative" Harvey J. Cohen, M.D.	152,735		70,675	82,060
Harvard Medical School Boston, MA "Academic Geriatrics Recruitment Initiative" Lewis A. Lipsitz, M.D.	151,250		60,500	90,750
Huntington Memorial Hospital (Pasadena Hospital Association, Ltd.) Pasadena, CA "Physicians and the Aging Network: A Chronic Care Partnership" W. June Simmons, M.S.W.	500,369		97,193	403,176
Indiana University Indianapolis, IN "Medication Use and Depressed Elderly Patients in Primary Care" W. Tierney, M.D.; C. Callahan, M.D.	298,702		202,538	96,164
Interfaith Health Care Ministries, Inc. Providence, RI "Aging 2000: Systemic Change in Care for the Elderly in Rhode Island" James W. Thomas	375,000		125,000	250,000
The Johns Hopkins University School of Medicine Baltimore, MD "Academic Geriatrics Recruitment Initiative" J. Burton, M.D.; J. Roth, M.D.	193,000		84,501	108,499
Mount Sinai School of Medicine New York, NY "Academic Geriatrics Recruitment Initiative" Myron Miller, M.D.	160,800		65,100	95,700
National Chronic Care Consortium Bloomington, MN "Capacity Building in Geriatric Chronic Care" Richard J. Bringewatt	140,580		140,580	
San Diego Hospital Association (Sharp HealthCare) San Diego, CA "San Diego Senior Health Initiative" Bettina Experton, M.D., M.P.H.	201,251		131,626	69,625

	<i>Balance due January 1, 1992</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1992</i>
Society for Academic Emergency Medicine (The Univ. Assoc. for Emergency Med.) Lansing, MI "Emergency Care of the Elderly: Meeting the Needs" Arthur B. Sanders, M.D.		\$ 861,552	\$ 134,962	\$ 726,590
Stanford University Stanford, CA "Reducing Functional Deterioration in the Hospitalized Elderly Patient" Carol H. Winograd, M.D.	\$ 97,323		97,323	
Stanford University Stanford, CA "Academic Geriatrics Recruitment Initiative" Gerald M. Reaven, M.D.	251,547		82,336	169,211
St. Joseph Healthcare System Albuquerque, NM "Coordinated Care Partnership" Lynne Anker, M.S.W.		700,450	104,850	595,600
St. Louis University Medical Center St. Louis, MO "Academic Geriatrics Recruitment Initiative" John E. Morley, M.B., B.Ch.	251,988		97,375	154,613
United Health Services, Inc. Binghamton, NY "System Case Management" Linda J. Battaglini, M.S.		750,000	114,802	635,198
University Hospitals of Cleveland Cleveland, OH "Senior Care" Philip A. Anderson, M.D.		749,606	134,824	614,782
University of California, Los Angeles School of Medicine Los Angeles, CA "Academic Geriatrics Recruitment Initiative" David B. Reuben, M.D.	166,375		43,987	122,388
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.	52,727			52,727
University of California, Los Angeles School of Public Health Los Angeles, CA "Development of an Elder Health Risk Appraisal" Lester Breslow, M.D., M.P.H.		206,395	103,198	103,197

	<i>Balance due January 1, 1992</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1992</i>
The University of Connecticut Health Center	\$ 175,769		\$ 71,390	\$ 104,379
Farmington, CT "Academic Geriatrics Recruitment Initiative" Richard W. Besdine, M.D.				
University of Michigan Medical School	152,217		26,483	125,734
Ann Arbor, MI "Academic Geriatrics Recruitment Initiative" Jeffrey B. Halter, M.D.				
University of Michigan Medical School	254,077		97,123	156,954
Ann Arbor, MI "Coordinating Center: Academic Geriatrics Recruitment Initiative" Jeffrey B. Halter, M.D.				
University of Pennsylvania School of Medicine	195,250		77,945	117,305
Philadelphia, PA "Academic Geriatrics Recruitment Initiative" Allan I. Pack, M.D., Ph.D.				
University of Southern California	54,178		54,178	
Los Angeles, CA "The Impact of Clinical Pharmacist Services on Drug Use in Residential Care Facilities for the Elderly" Bradley R. Williams, Pharm.D.				
University of Washington School of Medicine	189,168		20,000	169,168
Seattle, WA "Academic Geriatrics Recruitment Initiative" Itamar B. Abrass, M.D.				
Vanderbilt University	200,903		200,903	
Nashville, TN "An Educational Intervention to Reduce Nursing Home Antipsychotic Drug Use" Wayne A. Ray, Ph.D.				
Subtotal	\$ 5,940,143	\$ 6,435,581	\$ 3,973,420	\$ 8,402,304
DEVELOPMENT OF BIOMEDICAL TECHNOLOGY				
The People-to-People Health Foundation, Inc. (Project HOPE)		\$ 60,000	\$ 30,000	\$ 30,000
Millwood, VA "Health Affairs Thematic Issue on Medical Innovation" John K. Iglehart				
University of Texas Southwestern Medical Center at Dallas	\$ 658,840		658,840	
Dallas, TX "Biotechnology Transfer Program" William B. Neves, Ph.D.				
Subtotal	\$ 658,840	\$ 60,000	\$ 688,840	\$ 30,000

	<i>Balance due January 1, 1992</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1992</i>
NEW YORK FUND				
Adult Retardates Center, Inc. Brooklyn, NY		\$ 6,500	\$ 6,500	
Covenant House New York, NY		5,000	5,000	
The Hospital for Special Surgery Fund, Inc. New York, NY		1,000	1,000	
Lighthouse, Inc. New York, NY		15,000	15,000	
New York City School Volunteer Program, Inc. New York, NY		10,000	10,000	
Parkside School New York, NY		15,000	15,000	
United Hospital Fund New York, NY		2,500	2,500	
YMCA of Greater New York New York, NY		8,000	8,000	
Subtotal		\$ 63,000	\$ 63,000	
OTHER				
The Foundation Center New York, NY		\$ 7,000	\$ 7,000	
Grantmakers In Health Washington, DC		5,000	5,000	
The Investment Fund for Foundations Washington, DC	\$ 50,000		50,000	
New York Regional Association of Grantmakers, Inc. New York, NY		7,125	7,125	
St. Francis Hospital Foundation Santa Barbara, CA		25,000	25,000	
Matching Grants		263,102*	263,102*	
Subtotal	\$ 50,000	\$ 307,227	\$ 357,227	
Grants Cancelled or Refunded		(11,997)	(11,997)	
Total (All Grants)	\$ 10,258,249	\$ 12,794,781	\$ 9,670,676	\$ 13,382,354

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

FOUNDATION-ADMINISTERED PROJECTS

	<i>Expenses Authorized, Not Incurred January 1, 1992</i>	<i>Projects Authorized During Year</i>	<i>Expenses Incurred During Year</i>	<i>Expenses Authorized, Not Incurred December 31, 1992</i>
Health Care Cost and Quality				
"Community Health Management Initiative"	\$ 777,205	\$ 1,360,605	\$ 967,810	\$ 1,170,000
Aging and Health				
"Generalist Physician Initiative"		152,180		152,180
Amounts Cancelled	276,341	(276,341)		
Totals	\$ 1,053,546	\$ 1,236,444	\$ 967,810	\$ 1,322,180

	Authorized, Not Issued January 1, 1992	Loans Authorized 1992	Loans Issued 1992	Authorized, Not Issued December 31, 1992
PROGRAM-RELATED INVESTMENTS				
Health Care Cost and Quality				
Foundation for Informed Medical Decision Making, Inc. Hanover, NH A loan supporting development of Shared Decision-making Programs to help patients make informed choices among treatment options. Joseph F. Kasper, Sc.D.		\$ 650,000	\$ 650,000	
Total		\$ 650,000	\$ 650,000	
ADDITIONAL ACTIVE GRANTS				
Health Care Cost and Quality				
Dartmouth Medical School				
Hanover, NH "Multi-Institutional Technology Assessment Consortium" Harold C. Sox, Jr., M.D. 1988; \$335,530; 3 years, 7 months				
Foundation for Health Care Quality				
Seattle, WA "Health Care Effectiveness Information Utility: Obstetrics Quality and Access Demonstration Project" David Friedman 1990; \$331,000; 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				
Aging and Health				
Beth Israel Hospital				
Boston, MA "Medications and Aging: Research and Education in Geriatric Pharmacology" Jerry L. Avorn, M.D. 1988; \$495,845; 3 years, 3 months				
On Lok, Inc.				
San Francisco, CA "Implementation of a Multi-Site Initiative for Risk-based Long-Term Care" John Shen, D.S.W. 1991; \$176,645; 1 year				
St. Marys Hospital Medical Center				
Madison, WI "Reducing Functional Deterioration in the Hospitalized Elderly Patient" Mark A. Sager, M.D., M.P.H. 1989; \$460,418; 3 years, 6 months				
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. 1989; \$565,456; 3 years, 6 months				
Yale-New Haven Hospital				
New Haven, CT "Geriatric Care Program" Leo M. Cooney, Jr., M.D.; Sharon K. Inouye, M.D., M.P.H. 1989; \$448,668; 3 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.

**Program-Related
Investments**

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.

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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