

**The John A. Hartford  
Foundation**

**1994 Annual Report**



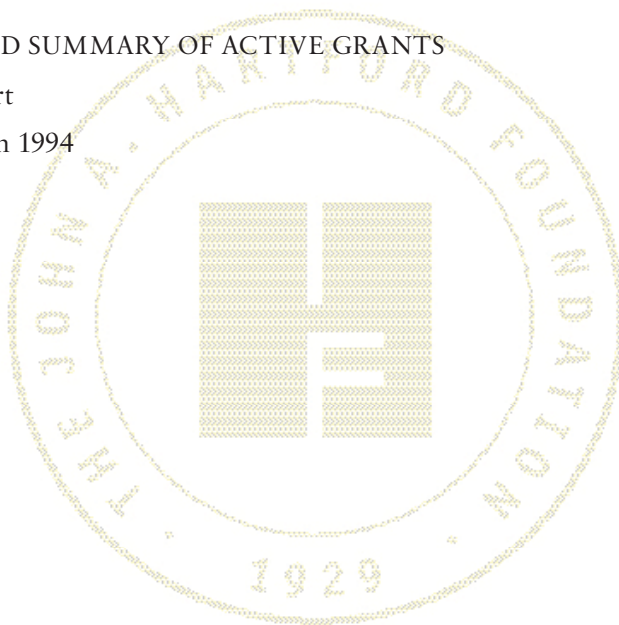
“IT IS NECESSARY TO CARVE  
FROM THE WHOLE VAST SPECTRUM  
OF HUMAN NEEDS ONE SMALL BAND  
THAT THE HEART AND MIND  
TOGETHER TELL YOU IS THE AREA  
IN WHICH YOU CAN MAKE  
YOUR BEST CONTRIBUTION.”

THIS HAS BEEN THE GUIDING PHILOSOPHY  
OF THE HARTFORD FOUNDATION SINCE ITS ESTABLISHMENT  
IN 1929. WITH FUNDS FROM THE BEQUESTS OF ITS FOUNDER,  
JOHN A. HARTFORD AND HIS BROTHER GEORGE L. HARTFORD,  
BOTH FORMER CHIEF EXECUTIVES OF THE GREAT ATLANTIC  
AND PACIFIC TEA COMPANY, THE HARTFORD FOUNDATION  
SEEKS TO MAKE ITS BEST CONTRIBUTION BY SUPPORTING  
EFFORTS TO IMPROVE HEALTH CARE IN AMERICA.



## Contents

4	REPORT OF THE CHAIRMAN
6	TRUSTEES AND STAFF
7	PROGRAMS
8	Aging and Health
11	Academic Geriatrics and Training
15	Integrating and Improving Services for Elders
17	Other Grants
24	Health Care Cost and Quality
26	Community Health Reform
28	Community Health Management Information System
32	FINANCIAL REPORTS AND SUMMARY OF ACTIVE GRANTS
34	Independent Auditors' Report
39	Summary of Active Grants in 1994
50	APPLICATION PROCEDURES



## Report of the Chairman

**N**ineteen ninety four was a benchmark year for the John A. Hartford Foundation: We saw accelerated and dramatic change in the organization and financing of health care while experiencing a frustrating lack of consensus in health reform.

The Foundation Trustees decided to curtail new grants in the area of Health Care Cost and Quality. We will continue to nurture and finance the viable Community Health Management Information System (CHMIS) sites and sustain the work of several grantees who are helping employers organize efficient health care in local markets.

The Trustees also expanded the Aging and Health program area, committing up to 80 percent of the Foundation's funds to initiatives involving the elderly population. This expansion was reflected in a \$7.9 million commitment last spring to the training of academic geriatricians. Our new Beeson Scholars program, launched in cooperation with The Commonwealth Fund and the Alliance for Aging Research, will provide young medical-school faculty physicians with up to \$150,000 per year, over three years, to do research projects targeted to geriatrically-related illness. The Foundation's commitment to this program marks the largest single grant in its history.

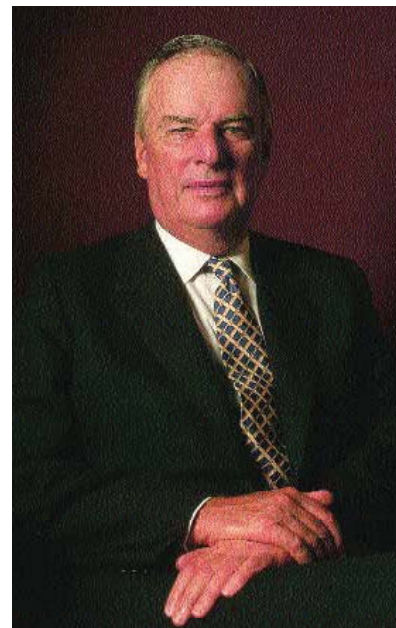
Since 1981, we have evaluated our grants, and we have a Trustee committee which works with the staff members and outside experts to ensure that each grant is proceeding in an appropriate manner. This process of grant review is important to the work of the Foundation, and much effort is put into periodic reviews of our grants.

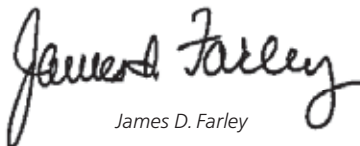
In 1994, we had a positive return of 1.3 percent from our investment portfolio.

Our investment managers continue to perform well relative to traditional investment benchmarks. After disbursements in excess of \$17.5 million during the year, our assets are \$325.8 million as of December 31, 1994.

We are sorry to report that one of our honorary Trustees, Dr. Perry Gresham, died on September 10, 1994. Perry served as a Trustee from 1973 until his retirement in 1990. Perry was a great educator, a prolific writer, an exalted toastmaster, a valued Trustee, and a wonderful person. We shall miss his wit and wisdom. Richard Sharpe tendered his resignation as Program Director in December, 1994; he will assist the Executive Director as a consultant in 1995.

I close by thanking our dedicated Board of Trustees and our talented staff for their meritorious service during a difficult year. In the age of re-engineering, the Foundation continues to adapt to change and to satisfy the goals of its founders in a complex medical environment.



  
James D. Farley

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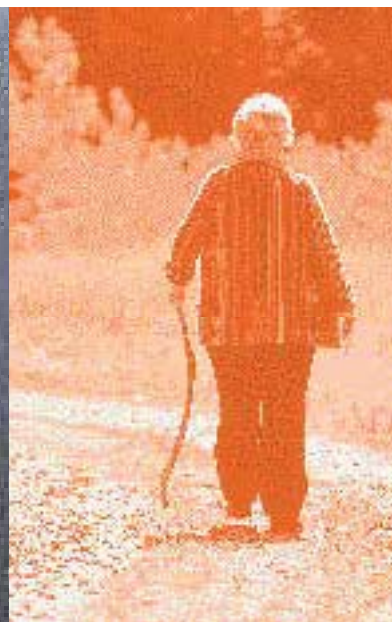
## Aging and Health







**A**lthough 1994 was a turbulent year for health care in the United States, one constant was the continued growth of the older population. Yet the Hartford Foundation is one of the few national foundations with its major focus on the field of aging. Over the past decade Hartford has committed a total of \$53 million, about half its grants, to aging research. Significant and unique contributions have been made and a great deal has been accomplished with Foundation support.



**But much work remains to be done.** The demographics of the aging population are startling. There are now nearly four million Americans over the age of 85, and this figure should quadruple by the middle of the next century. Beyond the year 2000, most doctors can expect to spend at least 50 percent of their time caring for geriatric patients. Yet the supply of physicians trained and skilled in geriatric care is appallingly low.

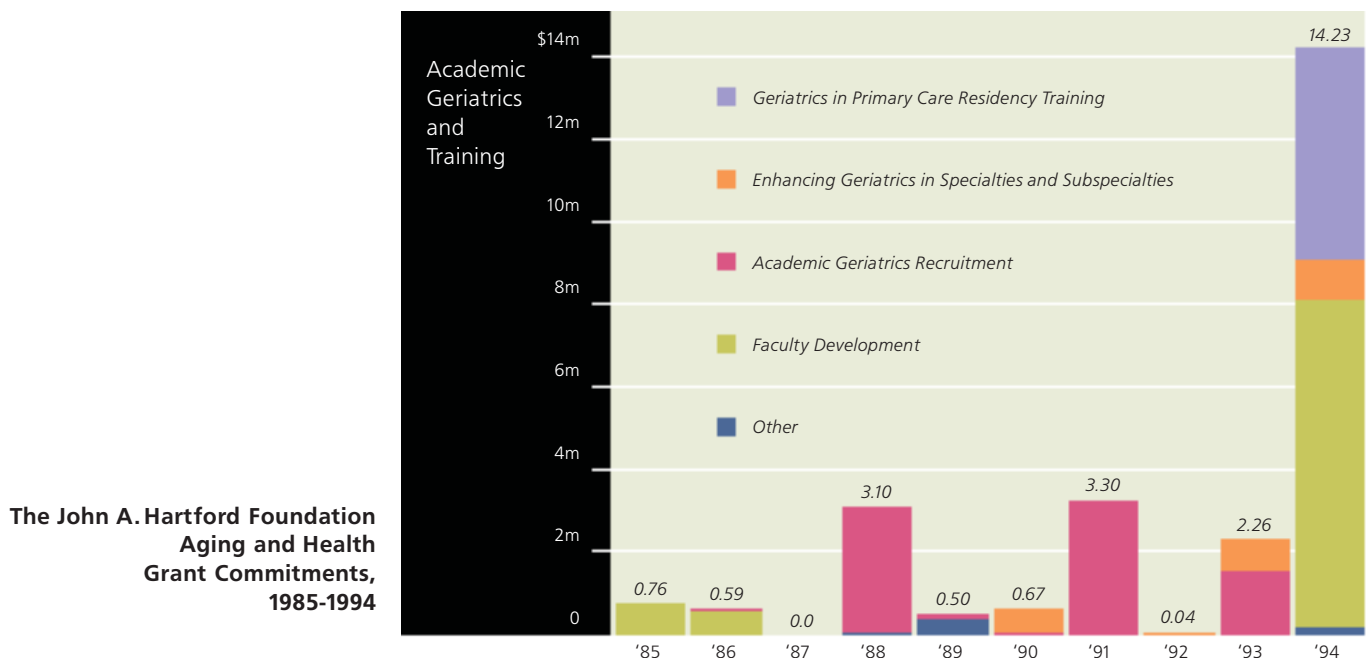
Moreover, the health care system for the elderly is fragmented, inefficient, and expensive. The rising costs of elder care will be borne by a combination of public programs (Medicare, Medicaid), private insurance, and elders themselves. The demand from all of these sectors for improved outcomes and cost effectiveness lends urgency to the Foundation's efforts.

Therefore, the Hartford Trustees have decided to substantially augment Foundation giving in the Aging and Health area over the next several years, to up to about 80 percent of the grants budget.



## Academic Geriatrics and Training

Hartford has already begun to dramatically increase spending in its Academic Geriatrics and Training program. This initiative began in 1983 with a program to encourage mid-career faculty to pursue advanced training in geriatric medicine. In 1988 Hartford, at the suggestion of a Foundation-supported study by the Institute of Medicine, supported ten “centers of excellence” at ten medical schools to attract outstanding individuals to careers in academic geriatrics. By 1991 the program had been so successful that a further commitment was made for grants to 13 such centers. In 1993 the Institute of Medicine recommended special attention to geriatrics in primary care training and in the training of medical and surgical specialists, as well as continuing faculty fellowship support. Thus, over the past decade, the Foundation’s Academic Geriatrics and Training program has diversified and grown, with more than \$14 million in grants awarded in 1994.



**Midway through 1994 the Foundation's Trustees asked a small group** of national geriatric and gerontologic leaders to review Hartford's current program initiatives and brainstorm about possible future opportunities for enhancing health services for elders. One of their conclusions was that the Foundation, by focusing solely on physician training, had failed to address the need to better prepare other health professionals to care effectively for the elderly. Indeed, the concept of the "interdisciplinary team" – close cooperation between doctors and other professionals such as nurses, nurse practitioners, home health workers, and social workers – is widely praised but little utilized in most training programs. So the Trustees funded a Foundation-Administered Project to explore the training needs of elder caregiving teams and identify opportunities for strengthening this training.



**The Foundation also expanded its efforts in academic geriatrics** in 1994 with major commitments to aging research, geriatric faculty development, and geriatric training in a range of disciplines. These initiatives were stimulated by the 1993 recommendations of the Institute of Medicine's Committee on Strengthening the Geriatric Content of Medical Training.

Hartford has joined with other funders to create what is now the Paul Beeson Physician Faculty Scholars in Aging Research Program. Named for the distinguished clinician, scientist, and teacher who profoundly influenced many of the young physicians now leaders in geriatric medicine, this project awards stipends to help outstanding junior faculty conduct research and develop careers in academic geriatrics, under the guidance of a faculty mentor. The funds are sufficient to protect three-quarters of the Beeson Scholars' time for research-related activities for three years.





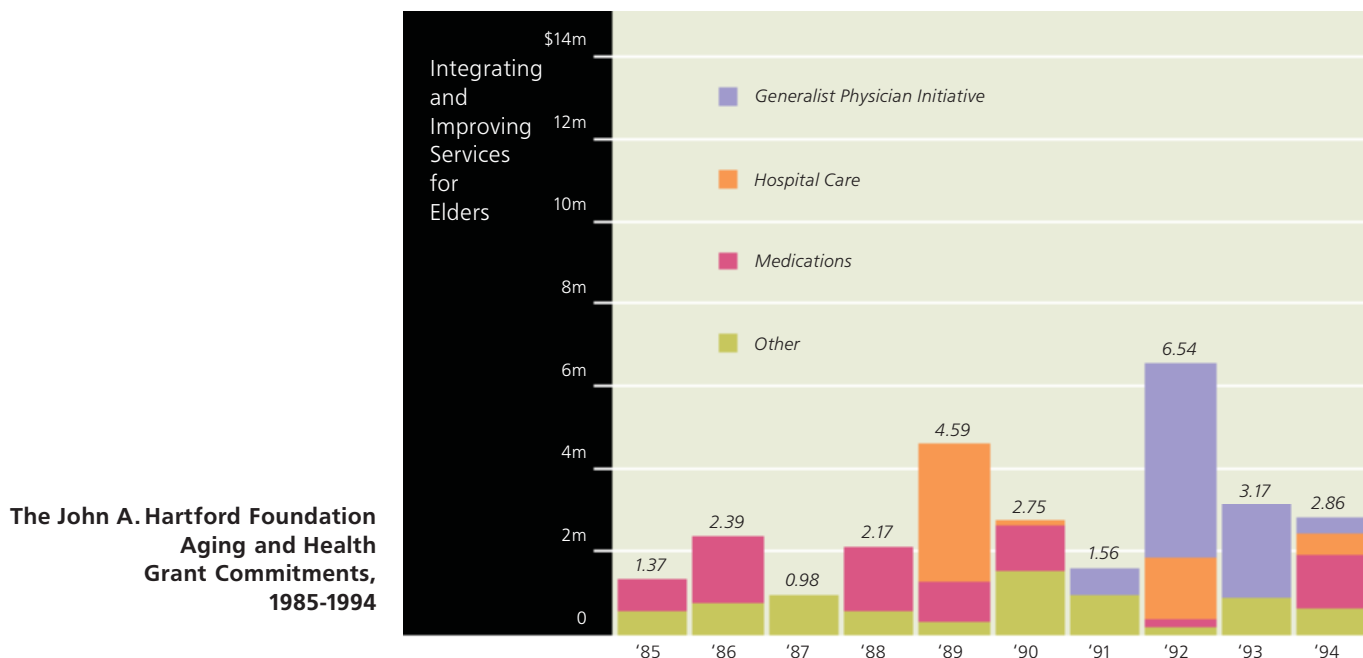
**A second major initiative seeks** to develop models to strengthen the geriatric content of residency programs in internal medicine and family medicine. Commitments totaling \$5.1 million were made in 1994 to nine institutions. Seven academic medical centers will develop innovative primary care training models that will explicitly include elder health care. A Hartford Foundation grant to the American Academy of Family Physicians Foundation will assist community-based family medicine residencies to improve their geriatric content. Finally, the Foundation will support the creation of a resource and coordinating center at Stanford University to facilitate information exchange and evaluation and to disseminate successful innovations.

There is a need to better integrate geriatrics into the subspecialties of internal medicine, such as oncology, cardiology, and endocrinology, because subspecialists often assume ongoing clinical responsibility for elderly patients with serious medical conditions. A 1994 award to the American Geriatrics Society will bring together subspecialists, general internists, and geriatricians, along with representatives from subspecialty and certifying organizations, at a series of retreats and meetings. The grant will also support publications and further educational activities.

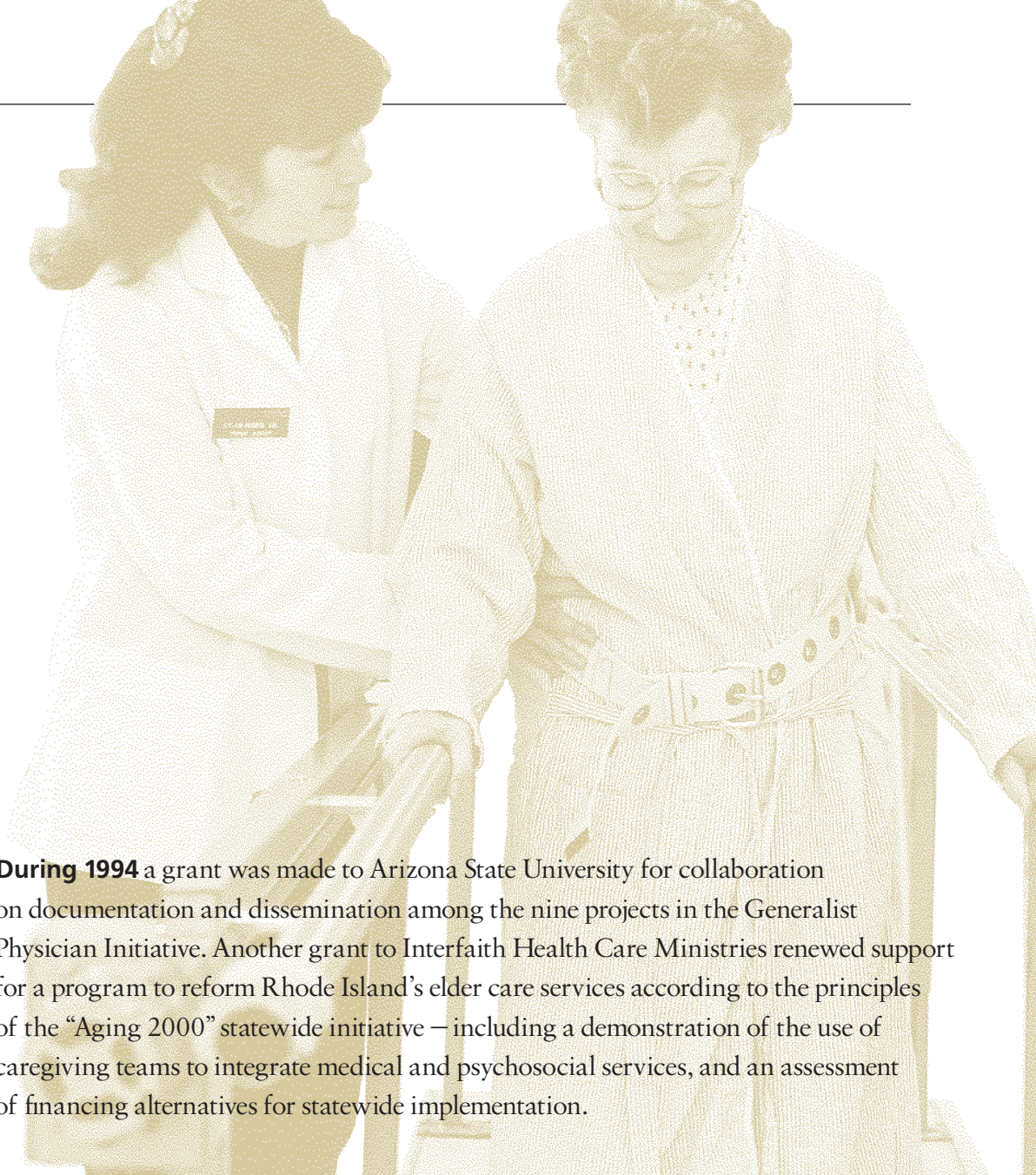


## Integrating and Improving Services for Elders

The Foundation's efforts to integrate and improve services for elders date from 1983, with its support for the On Lok project in San Francisco, which utilizes prepaid funds from Medicaid and Medicare to deliver fully integrated medical and social services to frail older people who might otherwise be in nursing homes. Other grants in the 1980s likewise helped organizations in Milwaukee and Rochester coordinate services to provide and finance long-term care for frail and indigent elders. In the past ten years Hartford has supported projects addressing the inappropriate use of medications, and has made grants to test the effectiveness of different strategies for reducing the functional deterioration associated with the hospitalization of elders. And in 1992 the Trustees approved the Generalist Physician Initiative – model projects that foster teamwork among physicians and other health and social services personnel, and that develop care plans which integrate clinical and community-based social and supportive services.





A large, faded photograph in the background shows a woman in a white lab coat, likely a healthcare professional, assisting an elderly woman. The elderly woman is wearing a light-colored cardigan over a patterned blouse and a wide belt, and is using a walker. They are both looking down at something in the walker.

**During 1994** a grant was made to Arizona State University for collaboration on documentation and dissemination among the nine projects in the Generalist Physician Initiative. Another grant to Interfaith Health Care Ministries renewed support for a program to reform Rhode Island's elder care services according to the principles of the "Aging 2000" statewide initiative — including a demonstration of the use of caregiving teams to integrate medical and psychosocial services, and an assessment of financing alternatives for statewide implementation.





## Other Grants

**Renewal grants in 1994 from Hartford and the California Wellness Foundation jointly support a University of California, Los Angeles-based team in the process of developing an automated health risk appraisal to help seniors maintain their health and independence.**

Two awards were made in 1994 in support of unfinished business from previous initiatives. One, following up on the Foundation's Hospital Outcomes Program for the Elderly initiative that addressed and documented the hazards of hospitalization for frail elders, helps Johns Hopkins clinical and health services researchers explore the feasibility of developing community-based acute care systems to enable some of these patients to avoid hospitalization entirely. A grant to Vanderbilt University supports an intervention by the visiting nurse services in New York City and Los Angeles to improve medications usage among patients receiving home care services, drawing on lessons learned from a UCLA project previously funded under the Foundation's Medications and the Elderly Program, that markedly improved pharmacotherapy in nursing homes.

**In all, the Hartford Foundation** awarded 17 grants in 1994 under its Aging and Health Program, with commitments totaling \$17,086,353.



## Aging and Health Grants

### Academic Geriatrics and Training

#### American Federation for Aging Research, Inc. (AFAR)

New York, NY

Stephanie Lederman

#### The Paul Beeson Physician Faculty Scholars in Aging Research Program

The American Federation for Aging Research (AFAR) is the leading private organization in the U.S. that supports basic aging research. AFAR's Paul Beeson Physician Faculty Scholars in Aging Research Program, a multi-funder effort, offers faculty development awards to outstanding junior faculty committed to academic careers in aging-related research, teaching, and practice. With help from Hartford and two other funders, the program will award three-year stipends to each Beeson Scholar, providing salary and benefits to protect a minimum of 75 percent of the scholar's time for research, as well as funds for research support. A senior faculty member at the scholar's institution will be selected to serve as a mentor to help guide the scholar's research and career development. Annual meetings of scholars and mentors will be organized by the Washington, D.C.-based Alliance for Aging Research, a leading advocacy group for research to improve the health and independence of the elderly.

**Grant Award: \$7,940,029; 6 years**

**Starting Date: July 1, 1994**

#### The American Geriatrics Society, Inc.

New York, NY

William R. Hazzard, M.D.

#### Integrating Geriatrics into the Subspecialties of Internal Medicine

Elders' medical care often involves subspecialists – internists who specialize in, for example, oncology, cardiology, or endocrinology. The aim of this project is to strengthen geriatrics training in at least six such subspecialties and to foster collaboration among subspecialists, general internists, and geriatricians. Working with key internal medicine organizations, the American Geriatrics Society will offer weeklong retreats for subspecialty faculty to broaden their knowledge of geriatrics and to develop geriatric curriculum materials that could be used in fellowship programs. The grant will also support meetings, publications, and educational activities to further focus attention on, and foster greater commitment to, geriatrics in subspecialty training.

**Grant Award: \$940,134; 3 years**

**Starting Date: October 1, 1994**

### Foundation-Administered Project

#### Strengthening the Training of Non-Physician Professionals Who Care for the Elderly

This project is designed to explore ways to strengthen interdisciplinary training for health professionals who typically belong to elder caregiving teams, such as nurses, nurse practitioners, home health workers, and social workers. The grant will support the documentation of current requirements and funding sources for elder care team training and identify opportunities for strengthening this training, perhaps through practicums in integrated care settings.

**Grant Award: \$200,000; 1 year**

**Starting Date: June 6, 1994**

#### Increasing the Geriatric Content of Primary Care Residency Training

More and more medical students are choosing family practice and internal medicine residencies that are oriented to primary care rather than subspecialties. The Foundation awarded seven grants to academic medical centers to develop primary care training models that will explicitly include elder care. Foundation support will be directed toward developing curriculum and teaching methods emphasizing geriatrics, as well as training faculty to implement the curriculum and supervise residents in non-hospital settings, such as nursing homes, community clinics, and adult day care centers.

Two other grants were awarded, one for a resource and coordinating center for the initiative, and one to enhance geriatric training at family medicine residency programs based in community hospitals with limited academic resources. A list of awardees follows.

#### Baylor College of Medicine

Houston, TX

Robert J. Luchi, M.D.

Competency-Based Curriculum in Geriatrics  
for Residency Training in Internal Medicine  
and Family Medicine

**Grant Award: \$500,000; 3 years**

**Starting Date: January 1, 1995**

#### Harvard Medical School

Boston, MA

Thomas S. Inui, Sc.M., M.D.

Hartford Primary Care/Geriatrics Initiative

**Grant Award: \$500,000; 3 years**

**Starting Date: January 1, 1995**

## Academic Geriatrics and Training

### Increasing the Geriatric Content of Primary Care Residency Training

The Johns Hopkins University School  
of Medicine  
Baltimore, MD  
John R. Burton, M.D.

Geriatrics in Primary Care Training Initiative  
at Johns Hopkins

**Grant Award: \$499,312; 3 years**  
**Starting Date: January 1, 1995**

University of California, Los Angeles  
School of Medicine  
Los Angeles, CA  
Alan M. Fogelman, M.D.

Increasing Geriatrics Training for Primary  
Care Residents

**Grant Award: \$500,000; 3 years**  
**Starting Date: January 1, 1995**

The University of Chicago  
Chicago, IL  
Greg Sachs, M.D.

Geriatrics in Primary Care Training

**Grant Award: \$500,000; 3 years**  
**Starting Date: January 1, 1995**

The University of Connecticut Health Center  
Farmington, CT  
Richard W. Besdine, M.D.

Geriatrics in Primary Care Training Initiative

**Grant Award: \$499,997; 3 years**  
**Starting Date: January 1, 1995**

University of Rochester School  
of Medicine and Dentistry  
Rochester, NY  
William J. Hall, M.D.

A Program to Improve the Geriatric Content  
of Generalist Physician Residency Programs

**Grant Award: \$499,915; 3 years**  
**Starting Date: January 1, 1995**

The American Academy of Family Physicians  
Foundation  
Kansas City, KS  
Gregg Warshaw, M.D.

Improving Geriatric Medicine Education in  
Community Hospital Family Practice Residency  
Programs

**Grant Award: \$500,060; 3 years**  
**Starting Date: February 1, 1995**

Stanford University  
Stanford, CA  
Kelley M. Skeff, M.D., Ph.D.

Geriatric Educational Resource and  
Dissemination Center

**Grant Award: \$1,147,143; 3 years**  
**Starting Date: January 1, 1995**

## **Integrating and Improving Services for Elders**

### **Arizona State University**

Tempe, AZ

Frank G. Williams, Ph.D.

#### **Enhancing Generalist Physician Project Implementation**

In 1992 the Hartford Trustees authorized the implementation of the Generalist Physician Initiative to demonstrate ways to improve the integration of health-related services for the elderly through primary care physicians' office practices. Since then nine awards have been made to participating sites. This grant provides technical assistance and supports the documentation and dissemination efforts of the nine projects in the initiative. Project activities will include periodic meetings, site visits, and collaboration on documentation and dissemination.

**Grant Award: \$405,648; 2 years, 9 months**

**Starting Date: April 1, 1994**

### **Interfaith Health Care Ministries**

Providence, RI

Robert DiCenso

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

This renews support for a program to reform services for Rhode Island's elderly citizens according to the "Aging 2000" principles. The key demonstration, with the United Health Care Medicare HMO, will establish caregiving teams made up of primary care physicians, other local providers, and specially trained patient advocates. These teams will integrate medical and psychosocial services through care plans, the use of community services and volunteers, and improved work organization. The grant will also support the development of other demonstrations involving additional insurance companies and HMOs, as well as assess long-term financing alternatives for statewide implementation.

**Grant Award: \$352,600; 1 year**

**Starting Date: September 1, 1994**

## Other Grants

### Johns Hopkins Bayview Medical Center, Inc.

Baltimore, MD

John R. Burton, M.D.

#### Community-based Acute Care

The hazards of hospitalization for frail elders was amply documented by the Hartford Foundation's Hospital Outcomes Program for the Elderly. This project explores the feasibility of providing care in community settings for elderly patients suffering from selected acute medical conditions — such as congestive heart failure and chronic obstructive pulmonary disease — for which hospitalization would be the expected treatment option. A panel of Hopkins practitioners will develop criteria for admitting such patients to community-based acute care (CAC) and will produce a CAC diagnostic, treatment, and discharge plan. The likely costs and benefits of CAC versus hospital and post-hospital care will be examined, as well as its acceptability to providers and patients. A CAC protocol will be tested for one of the medical conditions. If successful, broader replication may be considered.

**Grant Award: \$531,461; 18 months**

**Starting Date: May 1, 1994**

### University of California, Los Angeles

Los Angeles, CA

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

#### Development of an Elder Health Risk Appraisal

This continues an effort to develop and test an automated tool, the Health Risk Appraisal for Elders (HRA-E), to help people over the age of 55 prevent future health problems and maintain their independence. The project will refine and field test the HRA-E, and develop a plan to organize and finance its large-scale use as well as evaluate its impact. The HRA-E will be customized for use in both clinical and community settings. The project is also receiving substantial support from the California Wellness Foundation.

**Grant Award: \$297,595; 18 months**

**Starting Date: August 1, 1994**

**Vanderbilt University**

Nashville, TN

Wayne A. Ray, Ph.D.

**Improving Pharmacotherapy in Home Health Patients**

Unlike nursing homes, most home health agencies have no systematic mandated procedures for the review of patient drug use. This project will test whether a model that was successful in improving medications usage among nursing home residents can be successfully adapted to vulnerable elders receiving home care services. In collaboration with the visiting nurse services in New York City and Los Angeles, a set of procedures will be designed which can be incorporated into the routine operation of home care providers. Nurses and drug utilization review coordinators will be trained to address potential medication problems which have been identified through expert panel consensus. Randomized controlled trials will test the effectiveness of this system in improving medication use.

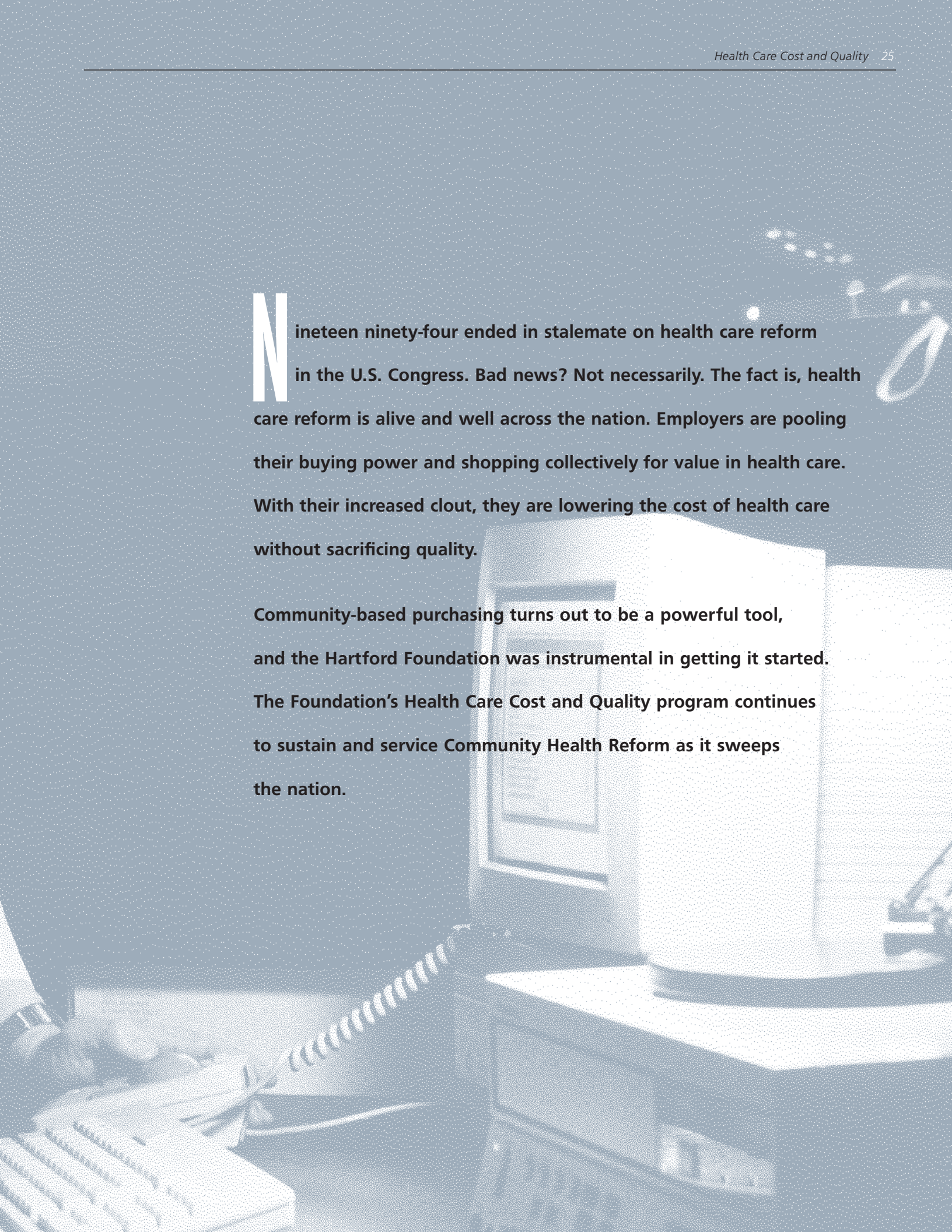
**Grant Award: \$1,272,459; 3 years****Starting Date: December 1, 1994**



## Health Care Cost and Quality







**N**ineteen ninety-four ended in stalemate on health care reform in the U.S. Congress. Bad news? Not necessarily. The fact is, health care reform is alive and well across the nation. Employers are pooling their buying power and shopping collectively for value in health care. With their increased clout, they are lowering the cost of health care without sacrificing quality.

Community-based purchasing turns out to be a powerful tool, and the Hartford Foundation was instrumental in getting it started. The Foundation's Health Care Cost and Quality program continues to sustain and service Community Health Reform as it sweeps the nation.




## Community Health Reform

Community Health Reform is based on four principles: (1) purchasing the highest quality health care at the most reasonable cost; (2) measuring the comparative quality and efficiency of hospitals and physicians in the community to find the best value; (3) creating incentives to provide better value through integration of service delivery and continuous improvement of quality; and (4) improving the overall health of the community as well as the health care delivery system. Community-based reform is now a full-fledged movement taking place in more than 100 cities across the country.

**In 1989 a dozen business groups** from around the country formed the National Business Coalition Forum on Health, to help people undertake health care purchasing reform in their communities. By 1992 the number of participants had grown to nearly fifty, and the organization decided to incorporate, eventually becoming the National Business Coalition on Health. Aided by a major grant from the Hartford Foundation, the coalition has become the national leader in Community Health Reform. As of year-end 1994, the coalition had almost 90 member groups representing 7,000 employers, who are responsible for 30 million employees and families.



The background of the page features a collage of documents and a pill blister pack. One document prominently displays the word 'CONTROL' in large, bold, sans-serif capital letters. Another document shows the logo for 'The Alliance' with the tagline 'IMPROVING SYSTEMS & QUALITY CARE'. A third document has the heading 'MEMBERSHIP BUSINESS GROUPS ON HEALTH' and mentions 'A Non-Profit Organization'. A pill blister pack with several white, oval-shaped pills is visible in the upper right quadrant.

**Thus far community-based collective purchasing** has been done primarily by coalitions of larger employers in the community. But the many small businesses that employ millions of Americans hold an even more important stake in health care reform. The Institute for Health Policy Solutions, with Foundation support in 1992 that was renewed in 1993, is helping smaller employers in a dozen states reap the benefits of value-based purchasing in tandem with their big brothers in the community.

While larger companies can often afford to self-insure, small ones are forced to buy insurance and are often subject to punishingly high premiums because they cannot spread their risk over a large pool of employees. With an ongoing Foundation grant given in 1993, the Colorado Health Care Purchasing Alliance has made progress in planning new ways in which both large and small business can work together in the health care marketplace.



## Community Health Management Information System – CHMIS

A critical ingredient of Community Health Reform is information to meet the shared needs of health care stakeholders. Since 1991 the Hartford Foundation has invested more than \$14 million in its Community Health Management Information System (CHMIS) initiative. CHMIS draws on technology already used in the financial services industry and combines two goals: (1) facilitating the acquisition and analysis of data needed by all health care stakeholders, and (2) improving the efficiency of the financial and administrative transactions associated with health care.

**With Hartford's support,** seven states are developing variations on the CHMIS concept: Iowa, Tennessee (limited to the metropolitan Memphis area), Minnesota, New York, Ohio, Vermont, and Washington.

As the CHMIS prototype has matured, the scale and scope of the CHMIS initiative have grown dramatically. So in 1993 and 1994 Hartford made a series of grants to develop special resource centers to meet the CHMIS needs.





The Foundation for Health Care Quality in Seattle received Hartford support to build the National CHMIS Resource Center, which will organize an information clearinghouse, technical assistance, educational programs, and external relations activities. Another grant, to the Electronic Frontier Foundation, supports a team to help the CHMIS sites and others formulate privacy and confidentiality policies. (The project was shifted to the Center for Democracy and Technology in December 1994.) The Rand Corporation is using a 1993 grant to develop a written guide on data acquisition, analysis, and reporting for the CHMIS sites. And 1994 Foundation support will permit the Columbia-Presbyterian Medical Center to adapt and extend its fully integrated patient-management information system for possible CHMIS use, beginning with a pilot demonstration in northern Manhattan.

Finally, new funding in 1994 went to the Ohio Corporation for Health Information to demonstrate how the CHMIS mission can be achieved by linking existing health information networks and drawing data from those networks to meet a community's information needs.

**In 1994 the Hartford Foundation awarded** four grants under its Health Care Cost and Quality Program, with commitments totaling \$5,042,305.



## Health Care Cost and Quality Grants

### Columbia University

New York, NY

Paul D. Clayton, Ph.D.

The Washington Heights-Inwood Community Health Information System (WHICHIS):  
A Demonstration Project

Columbia-Presbyterian Medical Center has built one of the most advanced, fully integrated patient management information systems in the country. It provides an electronic record of encounters, prescriptions, and laboratory tests for the Center's patients, offers useful information and guidance for physicians, and can be directly linked to the financial information system used by the center and its associated physicians. The Hartford Foundation's grant to Columbia University will permit adapting and extending the existing information systems at the Medical Center to serve as a pilot CHMIS demonstration for northern Manhattan. Participating in the demonstration will be 15 of the area's independent, community-based physicians, blending their records with those of the center.

**Grant Award: \$1,049,500; 3 years**

**Starting Date: July 1, 1994**

### Electronic Frontier Foundation, Inc.

Washington, DC

Janlori Goldman, J.D.

Legal and Technical Assistance to CHMIS Sites on Personal Privacy Protection

One of the leading challenges in implementing an electronic health information system such as CHMIS is the protection of personal privacy, especially with regard to sensitive health information. Prior to this grant, Hartford addressed privacy questions through a Foundation-Administered Project, drawing on the services of Janlori Goldman, J.D., one of the country's leading privacy experts, at the American Civil Liberties Union Privacy and Technology Project. The need for assistance has intensified and therefore a grant has been made to the Electronic Frontier Foundation (EFF), where Ms. Goldman relocated, to assist the CHMIS sites on personal privacy protection. Project activities will include ongoing consulting services to the various sites and preparation of a written guide. Due to internal reorganization at EFF, the project was shifted to the Center for Democracy and Technology in December of 1994.

**Grant Award: \$462,935; 2 years**

**Starting Date: June 6, 1994**

**Foundation for Health Care Quality**

Seattle, WA

Richard D. Rubin

**Community Health Management Information System (CHMIS) National Resource Center**

Having grown in size, scope, and complexity, the CHMIS movement requires a level of professional staff support which can no longer be managed directly by the Hartford Foundation. The Foundation for Health Care Quality was selected as the optimal site for the CHMIS National Resource Center because of its critical role in advancing the Washington State CHMIS, under the leadership of President Richard D. Rubin. Many activities previously administered by the Hartford Foundation — including coordination of technical assistance in the areas of privacy and confidentiality, information exchange and periodic CHMIS meetings, and liaison with vendors, the media, and public policy makers — will become the responsibility of this new resource center.

**Grant Award: \$2,885,250; 3 years****Starting Date: April 1, 1994****Ohio Corporation for Health Information**

Columbus, OH

John Richards

**The Ohio CHMIS Demonstration Project**

Through a previous grant from the Hartford Foundation, the Ohio Corporation for Health Information created a comprehensive business plan to build an Ohio Health Management Information System (OHMIS), modeled on the Foundation's CHMIS concept. Support for the corporation has been renewed for a pilot project that will demonstrate the usefulness of OHMIS and develop and test technical solutions to potential problems. The project will employ OHMIS as a central utility for multiple information networks that are already in place. It will link the networks and access their data for aggregation and analysis in order to meet the shared information needs of all health care stakeholders. With additional support from the state of Ohio and the project's contractors, Hartford funds will be used primarily for project management, technical consulting, and modest payments to facilitate provider participation.

**Grant Award: \$644,620; 2 years****Starting Date: December 19, 1994**



## Financial Reports



## Financial Summary

The annual financial statements, which have been audited by Owen J. Flanagan & Co., appear on pages 35 to 48.

On December 31, 1994, the Foundation's assets were \$325.8 million, a decrease of \$13.5 million for the year after cash payments of \$17.6 million for grants, expenses and Federal excise tax. Total return on the investments, income plus realized and unrealized capital gains, was 1.3 percent. In 1994 revenues totaled \$10.1 million, a yield of approximately 3.0 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.

Recognizing that this goal is becoming increasingly harder to achieve through investment in the traditional domestic asset classes, in 1994 the Foundation increased the percentage of its portfolio invested with a global perspective and approved additional commitments to venture capital funds. At the end of 1994 the Foundation's asset mix was 71 percent equities, 25 percent fixed income and a combined 4 percent in venture capital and real estate funds.

As of December 31, 1994 the Foundation's investments were 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 and VI, Brentwood Associates IV and VI, Mayfield V, Midwest Ventures II and Tullis-Dickerson venture capital limited partnerships. Real estate investments consist of funds managed by TA Associates Realty and Heitman/JMB Advisory Corporation. 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, 1994 and 1993 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, 1994 and 1993 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 39 to 48, 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 2, 1995

## Exhibit A

The John A. Hartford Foundation, Inc.  
Balance Sheets December 31, 1994 and 1993

	1994	1993
<b>Assets</b>		
Cash in operating accounts	\$ 7,712	\$ 5,870
Interest and dividends receivable	1,566,031	1,648,619
Prepayments and deposits	26,741	100,301
	1,600,484	1,754,790
<b>Investments, at market or adjusted cost</b>		
(Notes 1 and 2)		
Short-term cash investments	18,273,859	18,022,321
Stocks	227,646,380	232,606,166
Long-term bonds	61,997,415	73,008,310
Venture capital partnerships	5,788,823	4,749,457
Real estate pooled funds	7,758,089	6,197,414
Total Investments	321,464,566	334,583,668
<b>Program loan receivable (Note 7)</b>	625,657	648,305
<b>Office condominium, furniture and equipment</b>		
(net of accumulated depreciation of		
\$1,895,590 in 1994 and \$1,700,461 in 1993)	2,132,773	2,314,590
<b>Total Assets</b>	<b>\$325,823,480</b>	<b>\$339,301,353</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
<b>Grants payable (Note 1)</b>		
Current	\$ 7,188,164	\$ 7,205,372
Non-current (Note 6)	14,808,457	5,972,529
<b>Accounts payable</b>	416,873	649,812
<b>Federal excise tax payable</b>		
Current	—	10,421
Deferred (Note 1)	239,388	500,666
<b>Total Liabilities</b>	<b>22,652,882</b>	<b>14,338,800</b>
<b>Fund Balance (Exhibit B)</b>	<b>303,170,598</b>	<b>324,962,553</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$325,823,480</b>	<b>\$339,301,353</b>

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

## Exhibit B

The John A. Hartford Foundation, Inc.  
**Statements of Revenues, Grants and Expenses and Changes in Fund Balance**  
**Years Ended December 31, 1994 and 1993**

	1994	1993
<b>Revenues</b>		
Dividends and partnership earnings	\$ 4,087,292	\$ 4,145,705
Long-term bond interest	4,810,010	4,938,163
Short-term investment earnings	1,177,707	735,472
Total Revenues	10,075,009	9,819,340
<b>Grants and Expenses</b>		
Grants awarded (less cancellations and refunds of \$365,216 in 1994 and \$5,822 in 1993)	22,247,307	10,896,891
Foundation-administered projects	317,254	975,810
Grant-related direct expenses	82,217	86,581
Federal excise tax on net investment income (Note 1)	84,105	81,703
Investment fees	1,577,084	1,553,131
Personnel salaries and benefits (Note 5)	1,078,248	1,063,831
Office and other expenses	547,248	586,188
Depreciation	195,129	191,943
Professional services	88,392	72,968
Total Grants and Expenses	26,216,984	15,509,046
Excess (deficiency) of revenues over grants and expenses	(16,141,975)	(5,689,706)
<b>Net Realized and Change in Unrealized</b>		
Gain on Securities Transactions (Note 2)	(5,649,980)	40,782,259
Increase (Decrease) in Fund Balance	(21,791,955)	35,092,553
Fund Balance, beginning of year	324,962,553	289,870,000
Fund Balance, End of Year (Exhibit A)	\$303,170,598	\$324,962,553

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, 1994 and 1993

**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 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. 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 1994 and 1993 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 \$15,807,244 of undistributed income in grants or qualifying expenditures by December 31, 1995 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 1994 is summarized as follows:

	<i>Cost</i>	<i>Quoted Market Price</i>	<i>Appreciation</i>
Balance, December 31, 1994	\$297,525,816	\$321,464,566	\$23,938,750
Balance, December 31, 1993	\$284,517,050	\$334,583,668	\$50,066,618
Decrease in unrealized appreciation during the year, net of decreased deferred Federal excise tax of \$261,278			\$(25,866,589)
Realized gain, net of provision for Federal excise tax of \$204,208			20,216,609
Net realized and change in unrealized gain on securities transactions			\$ (5,649,980)

Receivables and payables on security sales and purchases pending settlement at December 31, 1994 and 1993 were as follows:

	<i>1994</i>	<i>1993</i>
Proceeds from sales and distributions	\$ 705,940	\$ 1,438,201
Payables from purchases	(8,863,276)	(1,477,062)
Net cash pending settlement	\$ (8,157,336)	\$ (38,861)

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

The Foundation is a participant in seven venture capital limited partnerships. As of December 31, 1994 \$10,600,000 had been invested in these partnerships and future commitments for additional investment aggregated \$4,200,000.

Real Estate investments included one limited partnership and three real estate investment trusts. The Foundation had invested \$8,446,000 at December 31, 1994 and future commitments for additional investment aggregated \$554,000.

## Exhibit C

The John A. Hartford Foundation, Inc.  
Notes to Financial Statements December 31, 1994 and 1993

**3. Foreign Currency Forward Contract Commitments**

The Foundation uses foreign currency forward contracts as a hedge against currency fluctuations in foreign denominated investments. At December 31, 1994 the Foundation's foreign currency forward sale and purchase contracts totaled \$6,312,035. Total foreign denominated investments at the same date were \$39,574,867.

**4. Office Condominium, Furniture and Equipment**

At December 31, 1994 and 1993 the fixed assets of the Foundation were as follows:

	1994	1993
Office condominium	\$3,616,815	\$3,616,815
Furniture and equipment	411,548	398,236
	4,028,363	4,015,051
Less: Accumulated depreciation	1,895,590	1,700,461
Office condominium, furniture and equipment, net	\$2,132,773	\$2,314,590

**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 1994 and 1993 amounted to \$102,951 and \$96,759 respectively. The Foundation also incurred additional pension costs of approximately \$35,000 in 1994 and 1993, 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, 1994 will be disbursed as follows:

1996	\$ 6,941,785
1997	5,147,055
1998	1,718,327
1999	917,428
2000	83,862
	\$14,808,457

During 1994 the Foundation conducted two Foundation-administered projects. At the end of the year, the following amounts previously authorized had not been expended and are being carried over to 1995.

Community Health Management Initiative	\$ 30,766
Strengthen the Elder Care Giving Team	147,991
	\$178,757

**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%. During 1994 and 1993 principal payments of \$22,648 and \$1,695, respectively, were made on the loan.

## Summary of Active Grants

	<i>Balance Due January 1, 1994</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1994</i>
<b>Aging and Health</b>				
<b>Academic Geriatrics and Training</b>				
<b>The American Academy of Family Physicians Foundation</b> Kansas City, MO "Improving Geriatric Medicine Education in Community Hospital Family Practice Residency Programs" Gregg Warshaw, M.D.		\$ 500,060	\$ 67,540	\$ 432,520
<b>American Federation for Aging Research (AFAR), Inc.</b> New York, NY "Gero-Physician-Scientist Development Program" Stephanie Lederman	\$ 224,997		195,800	29,197
<b>American Federation for Aging Research (AFAR), Inc.</b> New York, NY "Medical Student Geriatric Scholars Program" Stephanie Lederman	745,659		372,830	372,829
<b>American Federation for Aging Research (AFAR), Inc.</b> New York, NY "Physician Faculty Scholars in Aging Research" Stephanie Lederman		7,940,029	337,563	7,602,466
<b>The American Geriatrics Society, Inc.</b> New York, NY "Increasing Geriatrics Expertise in Non-Primary Care Specialties" Dennis W. Jahnigen, M.D.	624,590		245,310	379,280
<b>The American Geriatrics Society, Inc.</b> New York, NY "Integrating Geriatrics into the Subspecialties of Internal Medicine" William R. Hazzard, M.D.		940,134	130,074	810,060
<b>Baylor College of Medicine</b> Houston, TX "Competency-Based Curriculum in Geriatrics for Residency Training in Internal Medicine and Family Medicine" Robert J. Luchi, M.D.		500,000	85,809	414,191



	<i>Balance Due January 1, 1994</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1994</i>
<b>Bowman Gray School of Medicine</b> Winston-Salem, NC "Academic Geriatrics Recruitment Initiative" William R. Hazzard, M.D.	\$ 34,560		\$ 34,560	
<b>Case Western Reserve University School of Medicine</b> Cleveland, OH "Academic Geriatrics Recruitment Initiative" Jerome Kowal, M.D.	62,241		62,241	
<b>Duke University Medical Center</b> Durham, NC "Academic Geriatrics Recruitment Initiative" Harvey J. Cohen, M.D.	24,640		24,640	
<b>Harvard Medical School</b> Boston, MA "Academic Geriatrics Recruitment Initiative" Lewis A. Lipsitz, M.D.	30,250		30,250	
<b>Harvard Medical School</b> Boston, MA "Hartford Primary Care/Geriatrics Initiative" Thomas S. Inui, Sc.M., M.D.		\$ 500,000	106,217	\$ 393,783
<b>The Johns Hopkins University School of Medicine</b> Baltimore, MD "Academic Geriatrics Recruitment Initiative" J. Burton, M.D.; J. Roth, M.D.	34,499		34,499	
<b>The Johns Hopkins University School of Medicine</b> Baltimore, MD "Geriatrics in Primary Care Training Initiative at Johns Hopkins" John R. Burton, M.D.		499,312	80,829	418,483
<b>Mount Sinai School of Medicine</b> New York, NY "Academic Geriatrics Recruitment Initiative" Myron Miller, M.D.	31,700		31,700	
<b>Stanford University</b> Stanford, CA "Academic Geriatrics Recruitment Initiative" Gerald M. Reaven, M.D.	54,116		54,116	
<b>Stanford University</b> Stanford, CA "Geriatrics Educational Resource and Dissemination Center" Kelley M. Skeff, M.D., Ph.D.		1,147,143	175,319	971,824

	<i>Balance Due January 1, 1994</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1994</i>
<b>St. Louis University Medical Center</b> St. Louis, MO "Academic Geriatrics Recruitment Initiative" John E. Morley, M.B., B.Ch.	\$ 52,369		\$ 52,369	
<b>University of California, Los Angeles School of Medicine</b> Los Angeles, CA "Increasing Geriatrics Training for Primary Care Residents" Alan M. Fogelman, M.D.		\$ 500,000	82,020	\$ 417,980
<b>University of California, Los Angeles School of Medicine</b> Los Angeles, CA "Academic Geriatrics Recruitment Initiative" David B. Reuben, M.D.	29,460			29,460
<b>The University of Chicago</b> Chicago, IL "Geriatrics in Primary Care Training" Greg Sachs, M.D.		500,000	79,343	420,657
<b>The University of Connecticut Health Center</b> Farmington, CT "Academic Geriatrics Recruitment Initiative" Richard W. Besdine, M.D.	34,507		34,507	
<b>The University of Connecticut Health Center</b> Farmington, CT "Geriatrics in Primary Care Training Initiative" Richard W. Besdine, M.D.		499,997	83,875	416,122
<b>University of Michigan Medical School</b> Ann Arbor, MI "Academic Geriatrics Recruitment Initiative" Jeffrey B. Halter, M.D.	31,433		31,433	
<b>University of Michigan Medical School</b> Ann Arbor, MI "Coordinating Center: Academic Geriatrics Recruitment Initiative" Jeffrey B. Halter, M.D.	44,378		44,378	
<b>University of Pennsylvania School of Medicine</b> Philadelphia, PA "Academic Geriatrics Recruitment Initiative" Allan I. Pack, M.D., Ph.D.	30,800		25,235	5,565

	<i>Balance Due January 1, 1994</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1994</i>
<b>The University of Rochester</b> <b>School of Medicine and Dentistry</b> Rochester, NY "A Program to Improve the Geriatric Content of Generalist Physician Residency Programs" William J. Hall, M.D.		\$ 499,915	\$ 79,929	\$ 419,986
<b>University of Washington</b> <b>School of Medicine</b> Seattle, WA "Academic Geriatrics Recruitment Initiative" Itamar B. Abrass, M.D.	\$ 70,717		70,717	
<b>Subtotal</b>	<b>\$ 2,160,916</b>	<b>\$14,026,590</b>	<b>\$ 2,653,103</b>	<b>\$13,534,403</b>
<b>Integrating and Improving Services for Elders</b>				
<b>Abt Health Care Research</b> <b>Foundation</b> Cambridge, MA "The Effect of Type of Insurance on the Use and Cost of Health Care Among Frail Elders" Laurence G. Branch, Ph.D.	\$ 236,163		\$ 236,163	
<b>Arizona State University</b> <b>School of Health Administration</b> <b>and Policy</b> Tempe, AZ "Enhancing Generalist Physician Project Implementation and Program Impact" Frank G. Williams, Ph.D.		\$ 405,648	135,584	\$ 270,064
<b>California Pacific Medical Center</b> San Francisco, CA "Senior Care Connections" Lucia S. Sommers, Dr.PH.	75,671		75,671	
<b>Carle Foundation Hospital</b> Urbana, IL "A Generalist Physician Model for Geriatric Collaborative Practice" Cheryl D. Schraeder, R.N., Ph.D.	441,535		286,675	154,860
<b>Dartmouth Medical School</b> Hanover, NH "Community Centers of Excellence in Aging" John H. Wasson, M.D.	489,983		242,779	247,204
<b>Henry Ford Health System</b> Detroit, MI "Complementary Geriatric Generalist Practice Model" Nancy A. Whitelaw, Ph.D.	418,579		199,574	219,005

	<i>Balance Due January 1, 1994</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1994</i>
<b>Huntington Memorial Hospital</b> <b>(Pasadena Hospital Association, Ltd.)</b> Pasadena, CA "Physicians and the Aging Network: A Chronic Care Partnership" W. June Simmons, M.S.W., L.C.S.W.	\$ 133,388		\$ 133,388	
<b>Interfaith Health Care Ministries</b> Providence, RI "Aging 2000: Systemic Change in Care for the Elderly in Rhode Island" Robert DiCenso	62,725	\$ 352,600	239,025	\$ 176,300
<b>Johns Hopkins Bayview Medical Center, Inc.</b> Baltimore, MD "Community-based Acute Care" John R. Burton, M.D.		531,461	373,501	157,960
<b>Mount Sinai Hospital of Greater Miami, Inc.</b> Miami Beach, FL "Intervention Pathways to Integrate Eldercare Through Generalist Physician Offices" Gloria B. Weinberg, M.D.	685,984		366,755	319,229
<b>National Chronic Care Consortium</b> Bloomington, MN "Capacity Building in Geriatric Chronic Care" Richard J. Bringewatt	268,388		181,867	86,521
<b>South Carolina Department of Health and Environmental Control</b> Columbia, SC "Integration of Care in Rural South Carolina Generalist Physician Practices" Michael Byrd, M.S.W.	656,340		331,254	325,086
<b>St. Joseph Healthcare System</b> Albuquerque, NM "Coordinated Care Partnership" Lynne Anker	490,750		255,149	235,601
<b>United Health Services, Inc.</b> Binghamton, NY "System Case Management" Linda J. Battaglini	520,397		362,054	158,343
<b>University Hospitals of Cleveland</b> Cleveland, OH "Senior Care" Philip A. Anderson, M.D.	479,958		188,403	291,555
<b>Subtotal</b>	<b>\$ 4,959,861</b>	<b>\$ 1,289,709</b>	<b>\$ 3,607,842</b>	<b>\$ 2,641,728</b>

	<i>Balance Due January 1, 1994</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1994</i>
<b>Aging and Health – Other</b>				
<b>Bowman Gray School of Medicine</b> Winston-Salem, NC “HOPE Data Analysis and Dissemination” Timothy M. Morgan, Ph.D.	\$ 96,863		\$ 96,863	
<b>Society for Academic Emergency Medicine (The Univ. Assoc. for Emergency Med.)</b> Lansing, MI “Emergency Care of the Elderly: Meeting the Needs” Arthur B. Sanders, M.D.	591,628		443,376	\$ 148,252
<b>University of California, Los Angeles School of Public Health</b> Los Angeles, CA “Development of an Elder Health Risk Appraisal” Lester Breslow, M.D., M.PH		\$ 297,595	96,185	201,410
<b>Vanderbilt University School of Medicine</b> Nashville, TN “Improving Pharmacotherapy in Home Health Patients” Wayne A. Ray, Ph.D.		1,272,459	202,400	1,070,059
<b>Subtotal</b>	\$ 688,491	\$ 1,570,054	\$ 838,824	\$ 1,419,721
<b>Total Aging and Health</b>	\$ 7,809,268	\$16,886,353	\$ 7,099,769	\$17,595,852
<b>Health Care Cost and Quality</b>				
<b>Community Health Reform</b>				
<b>Colorado Health Care Purchasing Alliance, Inc.</b> Denver, CO “Positioning Coalitions for the Age of Reform” Louise Probst	\$ 245,872		\$ 245,872	
<b>Institute for Health Policy Solutions</b> Washington, DC “Assisting Private Sector Health Purchasing Alliance Planning and Implementation” Richard E. Curtis	499,260		499,260	
<b>National Business Coalition on Health, Inc.</b> Washington, DC “Expanding the Community Health Reform Movement” Sean Sullivan	955,617		955,617	
<b>Subtotal</b>	\$ 1,700,749		\$ 1,700,749	

	<i>Balance Due January 1, 1994</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1994</i>
<b>Community Health Management Information System (CHMIS)</b>				
<b>Columbia University</b> New York, NY "The Washington Heights-Inwood Community Health Information System (WHICHIS): A Demonstration Project" Paul D. Clayton, Ph.D.		\$ 1,049,500	\$ 174,912	\$ 874,588
<b>Electronic Frontier Foundation, Inc.</b> Washington, DC "Legal and Technical Assistance to CHMIS Sites on Personal Privacy Protection" Janlori Goldman		462,935	119,130	343,805
<b>Foundation for Health Care Quality</b> Seattle, WA "Implementing the Washington State Community Health Management Information System (CHMIS)" Richard D. Rubin	\$ 475,250		325,000	150,250
<b>Foundation for Health Care Quality</b> Seattle, WA "Community Health Management Information System (CHMIS) National Resource Center" Richard D. Rubin		2,885,250	1,081,250	1,804,000
<b>Health Research, Inc.</b> Albany, NY "The New York State Community Health Management Information System Program" Raymond D. Sweeney	432,062		241,990	190,072
<b>Indiana University Regenstein Institute</b> Indianapolis, IN "Coordination of a Unified Set of Standards for Health Care Information Messages" Clement J. McDonald, M.D.	182,310		120,560	61,750
<b>Memphis Business Group on Health, Inc.</b> Memphis, TN "Implementation of the MidSouth Health Care Alliance – A Community Health Management Information System" Kelly Utz	314,843		111,959	202,884



	<i>Balance Due January 1, 1994</i>	<i>Grants Authorized During Year</i>	<i>Amount Paid During Year</i>	<i>Balance Due December 31, 1994</i>
<b>Minnesota Institute for Community Health Information</b> St. Paul, MN "Project to Develop and Implement a Statewide Community Health Information System in Minnesota" Dale V. Shaller	\$ 468,293		\$ 468,293	
<b>Ohio Corporation for Health Information</b> Columbus, OH "The Ohio CHMIS Demonstration Project" John Richards		\$ 644,620	182,280	\$ 462,340
<b>The Rand Corporation</b> Santa Monica, CA "Technical Support for CHMIS Data and Reporting" Elizabeth A. McGlynn, Ph.D.	899,284		359,693	539,591
<b>Vermont Health Care Information Consortium, Inc.</b> Montpelier, VT "Planning and Development of a Vermont Health Management Information System and a Vermont Lifetime Patient Record" Bruce S. Post	367,750		367,750	
<b>Subtotal</b>	<b>\$ 3,139,792</b>	<b>\$ 5,042,305</b>	<b>\$ 3,552,817</b>	<b>\$ 4,629,280</b>
<b>Health Care Cost and Quality – Other</b>				
<b>Institute for Healthcare Improvement</b> Boston, MA Core support Donald M. Berwick, M.D.	\$ 408,092		\$ 408,092	
<b>Subtotal</b>	<b>\$ 408,092</b>		<b>\$ 408,092</b>	
<b>Total Health Care Cost and Quality</b>	<b>\$ 5,248,633</b>	<b>\$ 5,042,305</b>	<b>\$ 5,661,658</b>	<b>\$ 4,629,280</b>
<b>New York Fund</b>				
<b>American Lung Association of Queens</b> Forest Hills, NY		\$ 10,000	\$ 10,000	
<b>Creative Arts Team</b> New York, NY		10,000	10,000	
<b>Global Kids, Inc.</b> New York, NY		20,000	20,000	
<b>Hospital for Special Surgery Fund, Inc.</b> New York, NY		1,500	1,500	
<b>Pace University</b> White Plains, NY		20,000	20,000	

	Balance Due January 1, 1994	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1994
Spence-Chapin Services to Families and Children New York, NY		\$ 25,000	\$ 25,000	
Turtle Bay Music School New York, NY		20,000	20,000	
United Hospital Fund of New York New York, NY		2,500	2,500	
Total New York Fund		\$ 109,000	\$ 109,000	
Other				
Bethany College Bethany, WV		\$ 5,000	\$ 5,000	
The Foundation Center New York, NY		8,000	8,000	
Gateway Rehabilitation Center Aliquippa, PA		107,500	52,206	\$ 55,294
Grantmakers in Health Washington, DC		8,000	8,000	
The Investment Fund for Foundations Charlottesville, VA		100,000	100,000	
National Foundation for Facial Reconstruction New York, NY	\$ 120,000		60,000	60,000
New York Regional Association of Grantmakers New York, NY		9,000	9,000	
Matching Grants*		337,365	337,365	
Total Other	\$ 120,000	\$ 574,865	\$ 579,571	\$ 115,294
Grants Cancelled or Refunded		(365,216)	(21,411)	(343,805)
Total (All Grants)	\$ 13,177,901	\$22,247,307	\$13,428,587	\$ 21,996,621

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

	<i>Expenses Authorized, Not Incurred January 1, 1994</i>	<i>Projects Authorized During Year</i>	<i>Expenses Incurred During Year</i>	<i>Expenses Authorized, Not Incurred Dec. 31, 1994</i>
<b>Foundation-Administered Projects</b>				
Health Care Cost and Quality				
Community Health Management Initiative	\$ 295,527		\$ 264,761	\$ 30,766
Aging and Health				
Generalist Physician Initiative	\$ 484		\$ 484	
Strengthening the Elder Care-giving Team		\$ 200,000	\$ 52,009	\$ 147,991
Amounts Cancelled	\$ 50,359	(\$50,359)		
Totals	\$ 346,370	\$ 149,641	\$ 317,254	\$ 178,757
<b>Additional Active Grants</b>				
Aging and Health				
<b>University of California, Los Angeles</b> Los Angeles, CA "Improving the Appropriateness of Medication Prescribing in Nursing Homes" Harold Morgenstern, Ph.D. 1989; \$250,995; 5 years, 6 months				
Health Care Cost and Quality				
<b>American Enterprise Institute for  Public Policy Research</b> Washington, D.C. "New Ways of Contracting for Health Care and Health Care Financing" Robert B. Helms, Ph.D. 1992; \$110,660; 2years, 9 months				
<b>Health Policy Corporation of Iowa</b> Des Moines, IA "Strengthening Community Health Reform in Iowa" Paul M. Pietzsch 1992; \$570,190; 2 years, 9 months				



## **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:

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