1998 Annual Report

JAHF

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.

Contents

JAHF

Report of the Chairman 4

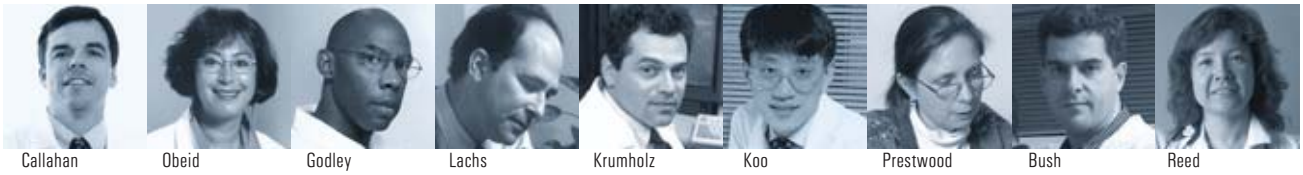
Trustees and Staff 6

Overview and Introduction 8

The Paul Beeson Physician Faculty Scholars in Aging Research Program 10

Paul Beeson 12

Nine Beeson Scholar Profiles 13



Callahan Obeid Godley Lachs Krumholz Koo Prestwood Bush Reed

New Initiatives: Improving Care for Depression in Older Adults 34

Strengthening Geriatric Social Work 37

1998 Grant Descriptions 39

Financial Reports 45

Financial Summary 46

Independent Auditors' Report 48

Summary of Active Grants in 1998 57

Application Procedures 69

Report of the Chairman

In 1998, the John A. Hartford Foundation affirmed its long-standing commitment to addressing the challenges of caring for a rapidly growing population of older Americans. Central to each of the important programs we fund in this area are dynamic people — forward-thinking educators, compassionate physicians and nurses, talented scientists and promising students.

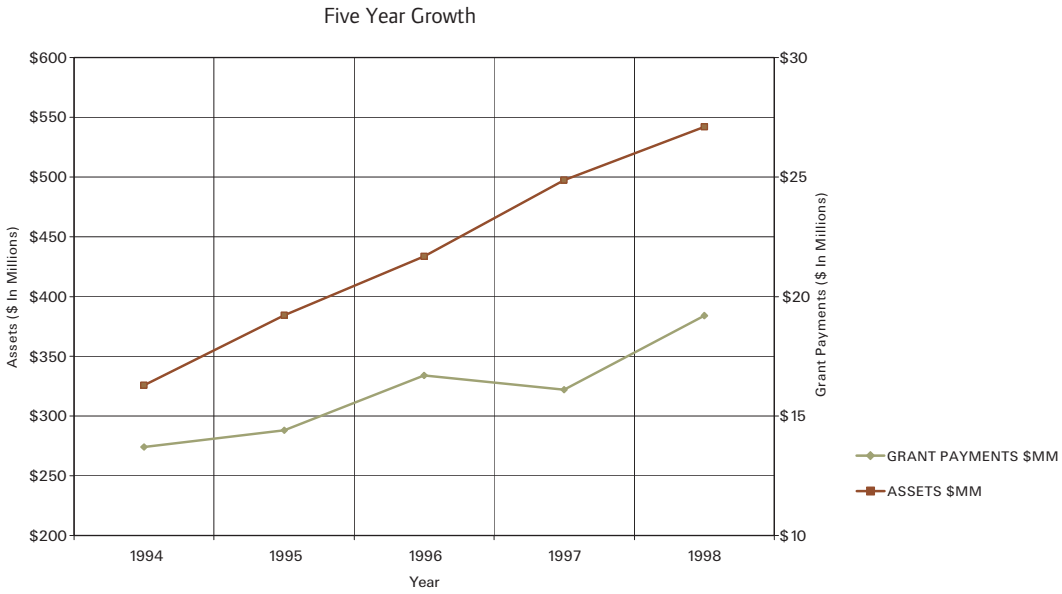
The Foundation's 1998 Annual Report focuses on a few of these people — particularly nine energetic, young medical faculty who are part of the Paul Beeson Physician Faculty Scholars in Aging Research Program. Established in 1994, this program is designed to attract the nation's most outstanding physician-scientists to careers in aging research and scientific investigation involving geriatric clinical care and health services. The program is a collaborative effort of the Hartford Foundation, Friends of the Alliance for Aging Research and The Commonwealth Fund. To date, these funders have made a commitment of $32 million to the program. Some 40 scholars have been selected from 25 medical schools. As their stories attest, these men and women are progressing in their training to become the geriatric leaders our country so urgently requires.

This report also features two new major initiatives the Foundation launched this year. The first centers on treating depression, an often overlooked disease in older adults. In partnership with the California HealthCare Foundation, the Board of Trustees approved grants totaling $7.95 million, funding five sites in a seven-site demonstration of a new disease management model for depression. This program will test an innovative approach to care that integrates nursing or social work personnel and skills into the primary care team. We believe this work will improve the design and delivery — as well as the cost effectiveness — of health care for the millions of seniors who suffer from this debilitating condition.

The Trustees are enthusiastic about a new $5.4 million initiative to strengthen the geriatric abilities of social workers. The growing complexity of health care today requires that social workers be able to understand the system, particularly for older adults and their families. Building on the lessons learned from previous investments in the geriatric education of physicians and nurses, we are initiating an effort to strengthen the geriatric component of social work education. A grant to the Council on Social Work Education represents a first important step in this direction.

The Trustees are also proud to have passed an important milestone in the Foundation's financial history in 1998. The assets of the Foundation closed the year at $541.7 million, the first year-end valuation above the half-billion mark in over thirty-five years, when the A&P Company was in its heyday. This represents growth during the year of $44.2 million after grant payments and administrative expenses of $25.1 million.

Furthermore, this continued growth in the Foundation's portfolio was accomplished in a very volatile and challenging environment. In such an environment, prudent diversification and long-term thinking often do not yield immediate benefits, as in 1998. The Trustees nevertheless remain mindful of their goal of continued real growth in the Foundation's assets to support an increasingly strong grants program. Looking ahead, we are confident that we will achieve this objective. The following chart shows the Foundation's asset growth and grant funding for the last five years:



At our annual meeting, Trustee Charles E. Murphy, Jr. reached our mandatory retirement age and did not stand for re-election. Charlie became a member of the Board in September 1984, and during the last 14 years contributed greatly to our growth and success. To fill the vacancy created by Charlie's retirement, the Board elected James G. Kenan III a Trustee at its June 1998 meeting. Jim is President/CEO of the Kentucky River Coal Corporation and Chairman/CEO of Flagler System, Inc. in Palm Beach, Florida.

Finally, I wish to thank each member of the Foundation's Board of Trustees and our talented staff. They make the work of the Foundation possible, and together, have been responsible for orchestrating another year of outstanding progress and growth.

James D. Farley

Trustees

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The last decades of the 20th Century and first decades of the 21st Century may someday be viewed as the "golden age" of biomedical research. Already, biomedical breakthroughs of recent vintage are being translated into new treatments and technologies as dramatic in their impact as public health and sanitation measures earlier in the century. Together, they have led to an unprecedented increase in life expectancy, from under age 50 in 1900 to almost 80 by the year 2000.

Today, in fact, the growing public perception is that scientists are on the brink of fundamental breakthroughs in the treatment of cancer, heart disease, Alzheimer's, AIDS and the biology of aging. Only time will tell whether this optimism is warranted. However, it explains why, in a generally anti-government era, such a high degree of bipartisan support exists — in Congress and among the public — for increased federal funding for medical research.

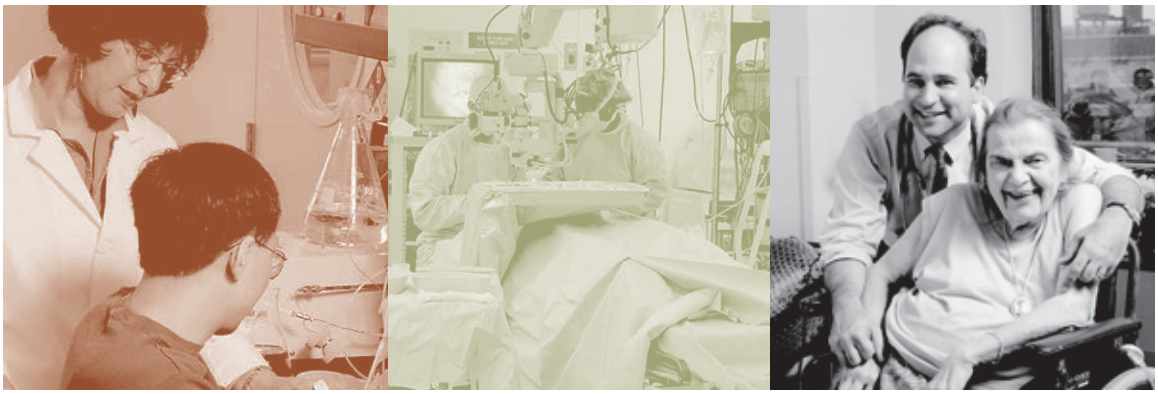
The 1999 budget is up 7.9 percent for the National Institutes of Health (NIH), from $13.6 billion in fiscal 1998 to $14.8 billion in 1999. Similarly, the budget is up 7 percent for the National Institute on Aging (NIA), from $517 million to $556 million. Experts predict that over the next five years, the NIH will enjoy an increase of nearly 50 percent, to about $20.2 billion.

All of this is good news.

However, those of us involved with health and aging believe that this generation's major medical challenge will be the science and practice of caring for the elderly, whose numbers are swelling. Therefore, our concern is that all relevant NIH institutes pay adequate attention to — and invest increased dollars in — the diseases of aging; in particular, that the NIA and other federal agencies receive sufficient increases in funding to advance not only the bio-science of aging but also its clinical applications, and that there be ongoing surveillance of geriatric training needs for all health professions.

For despite the good news, the fact remains that there are too few medical and health services experts in the field of aging. Indeed, there is a critical shortage of physician-scientists devoted to aging research and geriatric medicine. This, at a time when a growing percentage of the population — more than 34 million Americans over 65 — are seeking health care, a figure expected to exceed 70 million by the year 2030.

Attracting outstanding junior medical faculty to leadership careers in geriatrics or aging-related research is a critical and necessary step toward expanding this nation's ability to serve its aging population. That is why three foundations joined forces in 1994 to launch the Paul Beeson Physician Faculty Scholars in Aging Research Program.



The Paul Beeson Physician Faculty Scholars in Aging Research Program

The $16 million, nine-year Beeson Program provides major financial and career support for outstanding advanced junior faculty committed to academic careers in aging-related research, training and practice.

It is the largest non-government faculty-development scholarship in the U.S., which is dedicated to bringing geriatrics and aging research to the forefront of medicine and science in academic institutions throughout the nation.

Each year, 10 physician-scientists are selected as Beeson Scholars to receive three-year awards of up to $450,000 ($150,000 per year). These funds allow Scholars to devote at least three-quarters of their time to aging-related research and to fund research-related expenses, including the establishment of independent laboratories and expenses related to clinical trials or health services research. Since 1995, the program has underwritten the career development of 40 Beeson Scholars, and is committed to 20 more.

Collegiality and interaction with other physician-scientists is a key component of the Beeson Award. Senior faculty members at each Scholar's institution serve as mentors to help direct each Scholar's research and career development, as well as provide access to organizations, people and programs.

Sponsors:
The John A. Hartford Foundation
The Commonwealth Fund
Donor Friends of the Alliance for Aging Research

Program Administrators:
American Federation for Aging Research
Alliance for Aging Research

In addition, each spring, Beeson Scholars and their mentors are invited to a three-day annual conference, along with other outstanding leaders in the field. (See page 20 for photos and text on the 1998 conference.) Conference programs include a variety of lectures, scholars' presentations, skill workshops and poster sessions which blend learning and sharing, in formal and informal settings, and encourage a spirit of camaraderie across interdisciplinary lines. This has resulted in collaborative research projects and the cross-fertilization of scientific and clinical information and ideas.

The Program's major goals are:

- to encourage and assist the development of junior faculty to pursue leadership careers which address basic and clinically relevant research needs in areas related to aging;
- to strengthen and expand research and education programs in academic centers of excellence;
- to expand medical research on aging through focusing on the biology of aging, diseases and disorders of old age and clinical management issues, with the aim of enhancing the health and quality of life of older Americans.

The Beeson Program is bringing a new level of prestige to — and forging a unique intellectual network among — physician-scientists dedicated to geriatric medicine, the care of the elderly and the basic science of aging. It is the hope and expectation of the program that future generations will be inspired by the "best and brightest" Beeson Scholars of this generation to seek challenging and rewarding careers curing and caring for older Americans in succeeding generations.

Paul B. Beeson, MD

No one better represents the bridge between past and future in the science and practice of geriatric medicine than the legendary physician-scientist for whom the program is named, Dr. Paul B. Beeson. As a researcher, clinician, scholar and teacher, he profoundly infiuenced the careers of numerous young physicians, many of whom went on to become leaders in academic medicine, and helped to shape American medicine during one of its most rapidly growing and scientifically productive eras.

In a long and distinguished career, Dr. Beeson served as Chairman of Medicine at Emory and Yale Medical Schools, as Nuffield Professor at Oxford University, and as distinguished Veterans Administration Physician at the University of Washington. He is now Professor Emeritus of Medicine at the University of Washington.

In brief remarks to 1998 Conference participants, Dr. Beeson, who received his MD degree in 1933, recalled the major illnesses emphasized in the medical textbook of his time. "I was surprised to see that infectious diseases got a large share of the 1200 pages in that book. But," he added, "considering that so much space was given to infections, it was surprising to see so little in the way of specific treatments. Now I realize that the great progress we made in the treatment of infections has been imitated in the handling of many other things. We have far better surgery and far better diagnostic techniques today. And as a consequence, as we are all aware, during my lifetime the average span of life has increased by some decades, and the care of elderly people has become a major challenge."

Over the decades, Dr. Beeson's interest in the care of the elderly grew. In 1978, he chaired the first Institute of Medicine study on "Aging and Medical Education," which initiated an effort to bring geriatrics and aging research into the center of medicine. He continued to advocate for better and more coordinated care for older people, spoke widely on the topic, and provided important leadership to the field of geriatrics as editor of the *Journal of the American Geriatrics Society*.

The Beeson study launched a new era, one in which American medicine slowly began to recognize that its future would be increasingly driven by the aging population.

Dr. Beeson's personal model and sustained commitment to geriatrics and aging research informs and inspires the Beeson Program and its participants.

Beeson scholars of today will become the leaders of tomorrow. Some may go on to win prizes for pioneering research; some may build and run major aging centers; some may head departments of medicine; some may become influential in public policy, or a mixture of all these endeavors.

Beeson Scholars are already exceeding expectations — contributing to the frontiers of science in osteoporosis, age-related macular degeneration, Alzheimer's Disease, wound-healing in the elderly, adult-onset diabetes, cell senescence, and many other areas of aging research. They are conducting significant clinical trials, setting up independent laboratories, attracting additional funding and launching new centers for aging which will become new centers of excellence — models of interdisciplinary care — for new generations of physicians and patients.

This report profiles nine of the 40 physician-scientists chosen to participate in the program. Their accomplishments are representative of the astonishing quality, quantity and variety of pioneering research and clinical work taking place by all Beeson Scholars in academic institutions throughout the nation.

We are proud to present them.

Paul Beeson Physician Faculty Scholar 1996-1999

Christopher M. Callahan, MD

Associate Professor of Medicine
Indiana University School of Medicine
Indianapolis, IN

In 1990, the Hartford Foundation took a risk on a junior academic physician, Christopher Callahan, just beginning his faculty tenure at Indiana University School of Medicine. Given his background — a graduate of St. Louis University School of Medicine with an Internal Medicine residency at Baylor College of Medicine, followed by a fellowship in General Internal Medicine at Indiana University School of Medicine — Callahan could have gone in a number of directions.

However, the Hartford-funded study, a randomized clinical trial of the treatment for late-life depression, not only launched Callahan's academic career but decisively pulled him towards a life-long focus on the elderly. "It's fair to say that if we hadn't had that project funded," says Callahan's mentor, Dr. William B. Tierney, the study's principal investigator, "I'm not sure where Chris would be right now."

Where he is now is close to the top of his profession. Only eight years after young Callahan was "geriatricized" by his first Hartford grant, he is now a tenured Associate Professor of Medicine, a Research Scientist in the Regenstrief Institute for Health Care and, most impressively, Director of the brand new Indiana University Center for Aging Research. As Director, he has an endowed chair (the Cornelius and Yvonne Pettinga Chair in Aging Research) and more than $2 million to advance the field of aging.

Dr. Christopher Callahan left, meeting with Daniel Clark, PhD, Director of Behavioral Sciences Research at the Indiana University Center for Aging Research.

Even Callahan is surprised by the rapidity with which the changes in his career occurred. Looking back, he and his mentor, Tierney, underscore the pivotal role played by the first Hartford grant. Once on his way, Callahan then snared a K08 award from the National Institute of Aging to further advance his depression research. That led to the Beeson award, which ultimately changed everything.

"The award gave me access through its network to the people that I needed to succeed. It had a huge impact on how I was able to maneuver and garner resources at Indiana University." Most notably, it gave Callahan the skills, prestige and confidence to write the proposal which won a competition for intramural funds at

Indiana University for the Center for Aging Research. "I looked like a less risky proposition because I had this external validation from the Beeson award. We might have expected the Center to have happened over five or six years, but this happened in six months."

In addition to building a geriatric center and attracting top talent to it, Callahan is continuing his Beeson research, focused on the clinical effectiveness of and current practice patterns surrounding artificial feeding among the elderly, particularly percutaneous endoscopic gastrostomy (PEG) procedures, which have more than quadrupled during the last decade. He is conducting his study in a community practice setting in a city north of Indianapolis, by recruiting and tracking 200 patients and their outcomes.

"What's happened to Chris is an absolute model of what should happen," says Tierney, referring to theBeeson's short-and long-term goals: supporting outstanding individuals and enlarging the pool of academic geriatric physicians.

Critical to achieving success in both realms is the mentor relationship. "There is a ripple effect," says Tierney. "People go from being a mentee at the beginning to acquiring the skills to be the mentor by the end. Then they can go on and teach others." Callahan and Tierney exemplify the process, particularly noteworthy because, as a medical discipline, geriatrics was totally absent at the Indiana University School of Medicine.

"Indiana has some good geriatric care," says Tierney, "but no scholarly development of curriculum, no specific geriatric research, no true academic geriatrics." Once up and running, the Center will become a beacon of light in the Midwest, attracting a new generation of geriatricians, a new level of funding, new research and new scholars.

The Beeson award, it turns out, can transform mentors as well as those they mentor. Tierney, for example, discovered that he has a passion and talent for mentoring. "I got more enjoyment out of seeing Chris succeed than succeeding myself." He also uncovered an entrepreneurial drive. So, in addition to mentoring new, upcoming academics and grooming them to qualify for the Beeson, he is in the process of organizing a health services research center which will study, among other things, medical informatics systems.

Today, Callahan is focused on the future and the tremendous need to improve geriatric care in the region. "My role as the Aging Center's director is to create the environment that facilitates other people doing aging research — as well as my own research — and contributes to helping people age successfully."

An eloquent leader, he is constantly proselytizing for geriatric medicine, more convinced than ever that caring for the elderly will be medical students' biggest challenge.

"What World War II was to our parents, that is the magnitude of our challenge. So there is plenty of opportunity, especially the opportunity of being part of something bigger than yourself. It's a wide open field." One in which he looks forward to playing a major role.

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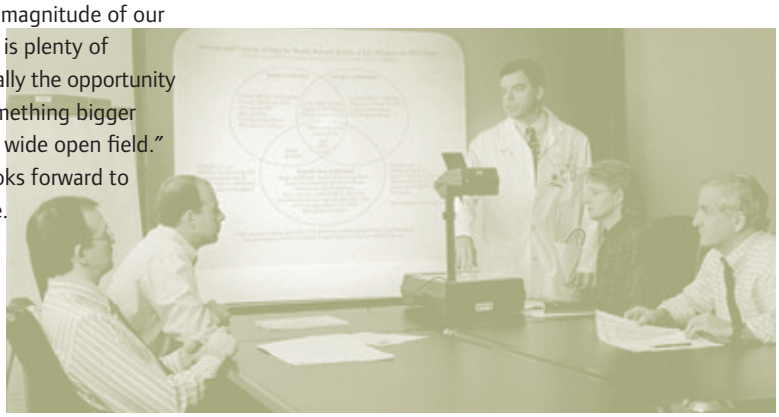


Paul Beeson Physician Faculty Scholar 1995-1998

Lina M. Obeid, MD

Boyle Professor of Medicine
Medical University of South Carolina
Charleston, SC

Multi-cultural, multi-talented Lina Obeid grew up in Lebanon, attended Rutgers University in New Jersey, went to medical school at the American University in Beirut, then returned to the U.S. where she pursued an internal medicine residency and dual fellowship in endocrinology and geriatrics at Duke University.

An academic geriatrician, Obeid appreciates the intellectual challenge and flexibility of research combined with the rewards of clinical work and teaching. She particularly enjoys the elderly as patients. "They are wise, always have stories to tell and, overall, seem to be most appreciative."

From her earliest days in medicine, Obeid found herself interested in the regulation of gene expression — how they code, how they are regulated, what turns a gene on and off. Her post-doctoral fellowship focused on lipids, fatty substances which have been shown to play a critical role in intra-cellular communication. During her residency, her division chief at Duke, Harvey Cohen, urged Obeid to focus her research in the aging area, and ultimately suggested she apply for the Beeson Award. He remains a key mentor. Her other mentor is her husband, Yusuf Hannun, with whom she shares a common interest in lipid mediators, and has collaborated in research studies.

In 1992, Obeid set out to study the mechanisms by which cells respond to outside stimuli. Her lab was then housed at the Veteran's Administration Geriatric Research Education and Clinical Center in Durham, with ties to the Duke University Medical Center and the Center for the Study of Aging.

Dr. Lina Obeid in her lab with colleague Cungui Mao, PhD, at the Medical University of South Carolina.

"I set out to ask questions about how cells age — why, for example, do they stop responding to these signals and stop growing when they get older? And the flip side of this is — why do they continue to grow and become cancerous? To understand one, you have to understand the other. That is mostly what I am working on, but with a particular focus on lipid molecule signal transduction."

Others have looked at lipid-mediated pathways and their role in telling the cell whether or not to grow. Obeid is the first to look at these pathways as they relate to the process of cell aging and death.

As one of the first ten Beeson scholars in the country, Obeid feels certain the Award not only gave her career "a significant boost" but that the generosity of the Award gave aging and aging research a boost, as well. "It showed that there was money in aging research, and therefore that research must be important if someone wanted to invest in it. So it brought everything into focus."

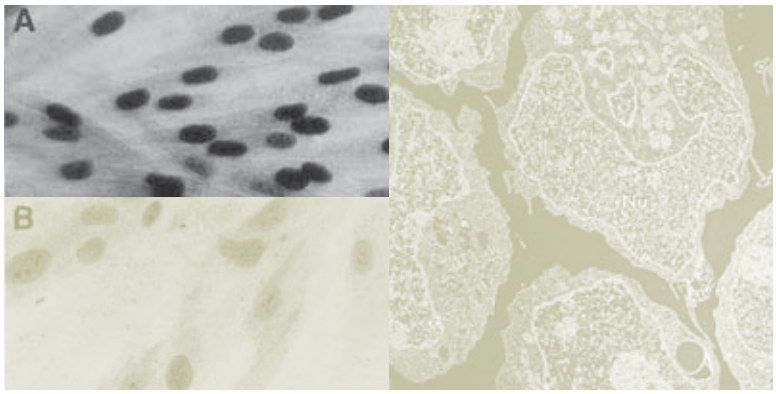
Obeid's career and research have been on a fast track ever since. "Things are definitely different now...I have my own grants, including an RO1 from the National Institute on Aging, I have my own lab, I'm very independent and, I believe, much more self confident."

Her research has proven that ceramide, along with sphingomyelinase, the enzyme responsible for breaking the lipid sphingomyelin into ceramide, are key factors mediating cell senescence. She is further focusing on the mechanism by which ceramide interferes with normal cell growth, treating fibroblast cells in culture with different doses of ceramide for different periods of time to see when cells become arrested.

Obeid has published and lectured widely on cellular aging, and delivered a keynote address on "The New Biology of Aging" at the Duke Center for the Study of Aging's 40th Anniversary. She is at the peak of her profession, and looks forward to doing more "exciting cutting edge research, securing the funding for that research, consolidating and transmitting the excitement around it, and contributing to recognized milestones in the field of aging biology."

Obeid was recruited to the Medical University of South Carolina where she is now a full professor with the Boyle endowed chair designated for aging research. She continues to see patients, mentor students and spread the word about the exciting scientific and career opportunities to be found within the biology of aging.

"I set out to ask questions about how cells age — why, for example, do they stop responding to these signals and stop growing when they get older?"



Specialty:
Lipid-Mediated Stress Response Pathways, Senescence, Apoptosis, and Yeast Stress Responses.

Paul Beeson Physician Faculty Scholar 1997-2000

Bernard F. Godley, MD, PhD

Associate Professor
The University of Texas Medical Branch
Department of Ophthalmology
and Visual Sciences
Galveston, TX

For ophthalmologist Bernard Godley, much of whose practice and academic research is focused on age-related macular degeneration (AMD), receiving the Beeson was eye opening. "It brought into sharper focus the aging process and how I, as an ophthalmologist, deal with those problems as they affect the vision system."

It also put his career into high gear. Additional visibility and publicity have increased his stature on campus, increased referrals of patients with macular degeneration to his practice and, best of all, research emanating from the Beeson Award led to a $300,000 career development grant from the National Eye Institute. "It's given me a strong sense of having really accomplished something very early in my career that hopefully I'll be able to sustain."

Godley's achievements are the culmination of a long educational haul. Beginning with a B.A. in biology at Brown University, Godley moved next to Harvard Medical School, then to M.I.T., where he worked on a doctoral dissertation in neuroendocrine regulation and a post-doctoral fellowship at the same MIT lab. This was followed by an internship in internal medicine at Brigham and Women's Hospital, after which he did a residency in ophthalmology at the University of Iowa, and completed a retina fellowship at Moorfields Eye Hospital in London. Next he pursued a second year of clinical fellowship at the Retina Institute of Maryland in Baltimore, and in July 1996, joined the faculty in the Department of Ophthalmology at the University of Texas Medical Branch, where he has been seeing patients and turning out impressive research ever since. "I've spent 20 years since high school in pursuit of where I am now and at 39," he reflects, "I've just been gainfully employed for a year and a half."

Dr. Bernard Godley, in the retina surgical suite of The University of Texas Medical Branch.

Godley found himself drawn to ophthalmology for a variety of reasons — the diversity of patients, the blend of surgical and medical intervention, the impressive laser and microsurgical technologies available, and most importantly, the vast opportunities for advancement in research. "I think my personality

is that of a surgeon, I like to go in and fix things. Overall, I saw very rich opportunities to make a difference."

He began to focus on age-related macular degeneration after becoming involved in the clinical side of ophthalmology, which impressed upon him, "how devastating macular degeneration is, how frustrating for otherwise normal functioning people and how limited treatment options still are."

Godley has been fortunate in his mentors. During his first year at the University of Texas his chairman drew his attention to the Beeson. "He put this flyer on my desk with a little yellow sticker that said, 'Please apply'." His research mentor, Dr. Bennett Van Houten, Professor, Human Biological Chemistry and Genetics, helped him develop his research proposal and some of the techniques he has used to investigate the role of oxidative stress in age-related macular degeneration.

Receiving the Beeson allowed Godley to really focus on his research. "I'm able to do meaningful research because I have a lab, protected time, start up funds, good collaborators and the environment is right." He is bringing cutting-edge molecular techniques to the problems of AMD. His findings suggest that reactive oxygen intermediates can activate DNA repair pathways and modulate the expression of proteins responsible for cell viability. Detailed studies also reveal that mitochondrial DNA is more susceptible to oxidative damage and may be the catalyst for the initial events of retinal pigment epithelium in macular degeneration. During the next two years, Godley will build on these findings to confirm whether reactive oxygen intermediate-mediated cell death occurs along programmed cell death pathways. He also will collaborate with physicians at the Center for the Study of Macular Degeneration at the University of California at Santa Barbara to evaluate genetically manipulated animal models.

Godley is enthusiastic about the cross-fertilization of ideas and personalities which take place at the annual Beeson Conferences. "I was really happy to have the opportunity to meet and shake hands with a giant, Paul Beeson. It was a real honor to be able to interact with him during the meeting."

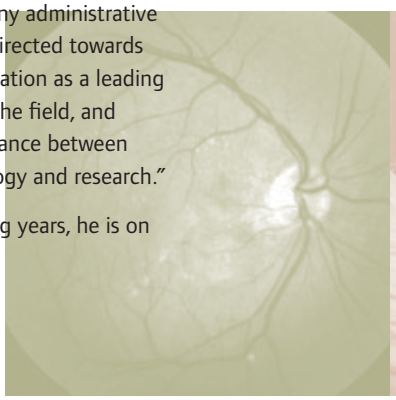
In addition, two scientific collaborations with Beeson colleagues may emerge: one related to visual aids and rehabilitation in age-related macular degeneration, another related to the biochemistry of the disease.

Godley also finds the leadership workshops helpful. "It's given me ideas about how to encourage greater productivity and be a better manager."

Finally, mingling with and listening to the experiences of older academicians has helped him shift and refine his career goals. Today, instead of being focused on becoming a department chairman, which he now realizes involves a great many administrative duties, he is more directed towards "developing a reputation as a leading clinical scientist in the field, and maintaining the balance between clinical ophthalmology and research."

Clearly, after 20 long years, he is on his way.

"I'm able to do meaningful research because I have a lab, protected time, start up funds, good collaborators and the environment is right."



The number of Americans age 55 and older suffering from age-related macular degeneration is 10 million.

Paul Beeson Physician Faculty Scholar 1995-1998

Mark Lachs, MD

Associate Professor of Medicine
The Joan and Sanford I. Weill
Medical College of Cornell University
Director of Geriatrics
The New York Presbyterian Health System

Mark Lachs has come a long way in a short time and recognizes the pivotal role the Beeson Award has played in making it all happen.

He received his medical degree from New York University in 1985 and completed a geriatrically intense internal medicine residency at the Hospital of the University of Pennsylvania. He then moved to Yale University School of Medicine as a Robert Wood Johnson Clinical Scholar where he completed a Master of Public Health in 1990.

He joined the Yale faculty, where he remained until recruited to Cornell University in 1994.

Lachs had already been working on elder abuse when, in 1995, he received the Beeson. "It insulated me from a lot of the pressures that junior faculty face in academic environments, such as doing patient care exclusively. It gave me time to think, and write papers and do research." All of which put his work and career on the map. His seminal studies revealed that older adults, even after adjusting for their underlying medical condition, are at a high risk of dying if they are victims of abuse. "The magnitude of the risk is shocking," says Lachs. "It's higher than for most chronic diseases associated with aging."

"The Beeson also prepared me and gave me the data and experience to successfully compete for other grants, including a National Institute on Aging RO1," says Lachs. He continues to write and work in elder-abuse, recently expanding his focus to include a related topic, crime and its effect on the elderly, specifically, "the subtle psychic toll of crime and

Dr. Mark Lachs examining Amsterdam House resident Helen Podruska.

victimization on older people. It can erode quality of life in terms of mood, functioning and self confidence, and it's completely unstudied."

In three years, since receiving the Beeson, Lachs has not only risen from assistant professor of medicine to associate professor at Weill Medical College, Cornell University, he is now Co-Chief of the Division of Geriatrics and Gerontology at New York Hospital-Cornell Medical Center, and Director of Geriatrics for the newly-merged New York Presbyterian Health System, a vast network of hospitals throughout the greater New York, New Jersey and Connecticut region. "It's a broad responsibility, but also an opportunity to be involved in policy, to do research and influence how a great many older adults get their health care in the region."

In addition, with his co-chief, Dr. Ronald Adelman, he has created a unique community-based comprehensive-care institution in Manhattan, the Irving Sherwood Wright Center on Aging, a project he began to create midway through his Beeson. The $4 million Center is a collaborative effort of New York Presbyterian Hospital, Weill Medical College, the Hospital for Special Surgery, the Burden Center for the Aging and the Hebrew Home for the Aged.

The Wright Center, a model of interdisciplinary care, provides one-stop shopping for the elderly, whose problems often range across social, psychological and medical lines. "There is nothing like it," says Lachs, who will also be a physician at the Center. "There will be a seamless system of medical care and social services under one roof in a non-hospital setting," says Lachs, "so that older adults can maintain a high level of independence and dignity." The Center also will support patients' quality of life by providing licensed home care, house calls and physical therapy. Lachs is excited about the Center as both a model medical-social experiment and teaching-research facility.

Lachs excels in bringing people together, a leadership skill he did not value until the Beeson program which, he says, "made me understand that it's a creative way of solving problems, of getting things done, especially in geriatrics where the problems are multidisciplinary."

He plans to continue his many activities in geriatric research, clinical medicine and public policy, and is passionately committed to mentoring and growing a new generation of geriatricians.

The Wright Center, a model of multidiscplinary care, provides one-stop shopping for the elderly, whose problems often range across social, psychological and medical lines.

Services and Care for the Elderly

$4 Million Center on First Avenue

A one-stop approach for the elderly that combines both medical care and social services in the aim of a gut renovation, now nearing completion, of a two-story building at 1480-86 First Avenue, between 77th and 78th Streets.

The 12,000-square-foot center is shared by the Irving Sherwood Wright Center on Aging, the Burden Center for the Aging and Elder Serve, part of the Hebrew Home for the Aged in the Bronx.

"There's nothing like it," said Dr. Mark Lachs, a physician at the center, director of geriatrics of the New York Presbyterian Health System and associate professor of medicine at the Weill Medical College of Cornell University. "The goal is really to remove the seams between medical and social providers so that older adults — even those outside the neighborhood — can maintain the highest possible level of independence, quality of life and dignity."

Rendering of the new medical and social services center on First Avenue.

cladding," said Anthony Addeno, the project architect.

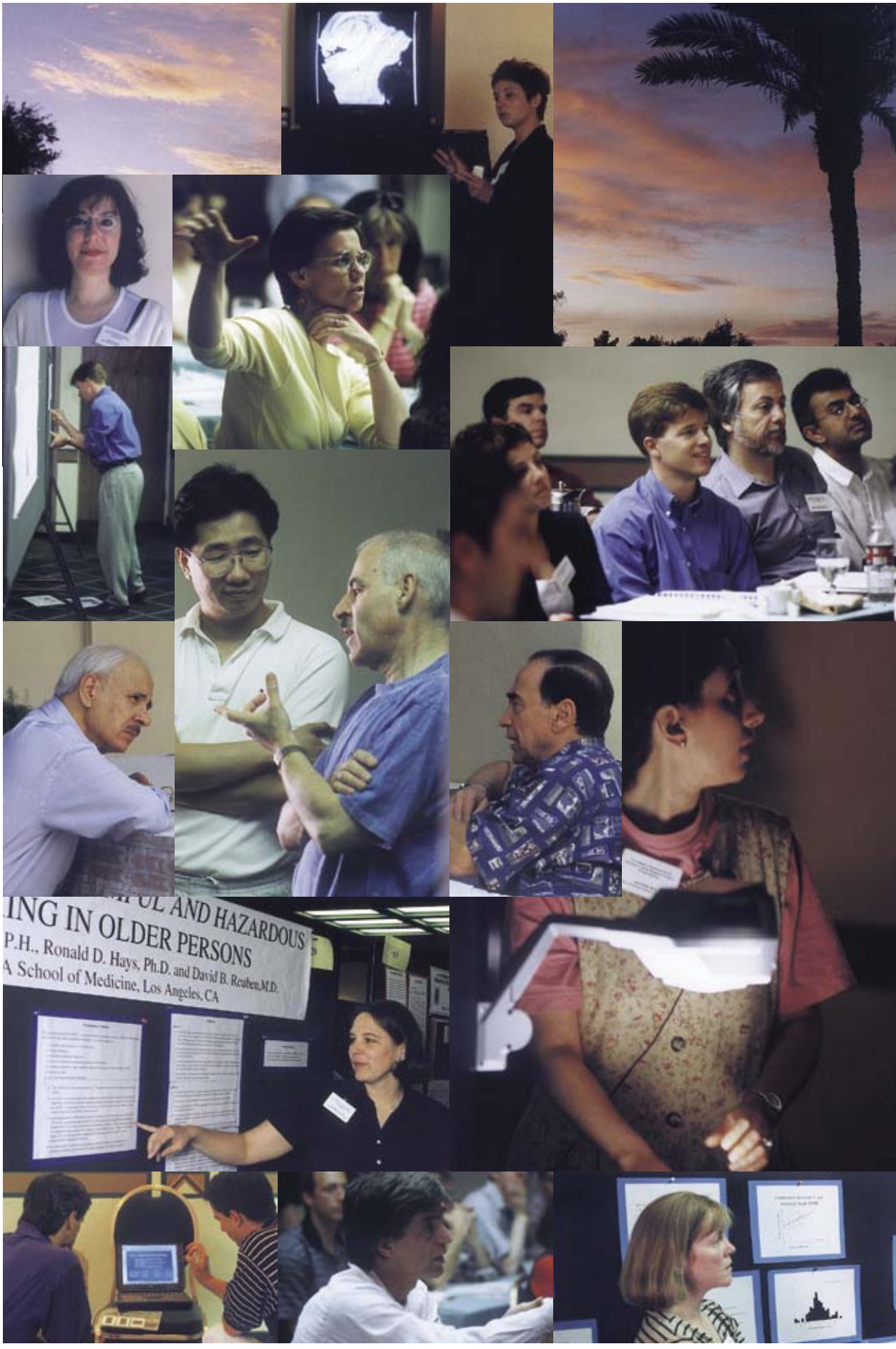
Its modern concrete block-and-stucco facade, now being completed, is to be enhanced by six

space for occupational and physical therapy, is to be completed by year's end.

The $4 million center is a collaborative effort of the New York Presbyterian Hospital, the Weill Medi-

It is estimated that over one million Americans are victims of elder abuse.

In May 1998, the third annual meeting of the Paul Beeson Physician Faculty Scholars in Aging Research Program took place in Scottsdale, Arizona. More than 75 scholars, mentors and notable leaders from the aging and research communities attended. They included such luminaries as Dr. Paul Beeson, in whose honor the program is named, Dr. Christine Cassel, Professor and Chairman of Geriatrics and Adult Development, Mount Sinai Medical School and T. Franklin Williams, MD, Scientific Director of the American Federation for Aging Research, and William R. Hazzard, MD, the first geriatrician to chair a U.S. medical school Department of Medicine, who heads the Beeson Program's Advisory Committee.



Photos: Denny Tillman


• Preferences
1. Site of death
2. Goals for care: extending life, avoiding pain and suffering, preserving functional and cognitive status, avoiding burden on family
3. WALTS (Willingness to accept life sustaining treatments): desire for specific treatments given the likelihood of different outcomes
• Understanding of prognosis and treatment alternatives
Outcome Variables: Physicians
• Discussion with patient and/or family about prognosis/treatment alternatives

Paul Beeson Physician Faculty Scholar 1996-1999

Harlan M. Krumholz, MD

Associate Professor of Medicine
Yale University School of Medicine
New Haven, CT

"Cardiology has largely focused on the younger population," says Harlan Krumholz, who is using his Beeson Award to study the treatment of elderly patients with heart failure, the most common cause of hospital admission among Medicare beneficiaries.

As a cardiologist, he was drawn to studying older patients for a number of reasons. "First, they represent the majority of patients with cardiovascular disease; second, until recently, few studies have focused specifically on older patients; third, patients in this group often present clinical and ethical challenges for medical decision -making."

Also, older patients tend to have more than one medical problem and may be taking many medications. "Goals of therapy should also depend on patients' preferences about care. Certain patients may place more value on quality of life than quantity of life – and that preference may affect the diagnostic and therapeutic approach."

Krumholz has always been interested in real-world issues –"what is actually happening and how can we improve the care and outcomes of our patients in clinical practice." He spent his undergraduate years at Yale, received his MD from Harvard Medical School in 1985, his MS from Harvard's School of Public Health, did his internship and residency in Internal Medicine at the University of California, San Francisco, and his cardiology training at Harvard. In 1992 he returned to Yale, where he has remained ever since.

Dr. Harlan Krumholz in the Echo Lab at Yale-New Haven Hospital.

Krumholz describes himself as "not a very hierarchical physician," who tries "to discuss options with patients. Some would do anything not to take a pill, and others would take almost anything if there was a small chance it would help them." Yet, it became increasingly evident to Krumholz that without detailed information about the real outcomes people care about, such as what percentage of 90 year olds after a bypass operation ever feel normal again, or what percentage suffer a major complication, physicians are limited in their ability to help patients make informed decisions. "Patients do not just need to know their chances of

survival, but also the likelihood of remaining independent."

When Krumholz heard about the Beeson, with its interest in bringing together people from a variety of medical specialties with an interest and commitment to geriatrics, it seemed the perfect opportunity to carry out a long-term study evaluating quality of care and developing clinical strategies for patients with heart failure.

Also, according to Krumholz, "Paul Beeson is a legend at Yale. He represents the prototypical caring physician with high standards of clinical excellence who would focus specifically on the benefit of the patient. So it meant a great deal to me personally to get an award that had been named in Paul Beeson's honor."

The Beeson also was "important, formal recognition that my work had value." The size of the Award to a young faculty member "got the attention of the institution's leadership. It pushed me ahead at a critical juncture in my career."

Krumholz's work ranges from very focused studies of small numbers of patients to examining the cases and treatment of more than 3,000 elderly patients with congestive heart failure from 18 Connecticut hospitals, in order to determine their patterns of treatment and clinical outcomes. Since almost 50 percent of Medicare beneficiaries discharged after treatment for heart failure are readmitted to hospitals within six months, he is hoping to better understand and substantially improve the care and outcomes of older patients with cardiovascular disease and increase awareness of treatment issues as well as a sense of accountability among physicians for delivering excellent care. "Understanding where the variation in our health care system is harmful and unnecessary, we need to diminish it, and where that variation isn't rich enough, we need to work to amplify it driven by patient preference."

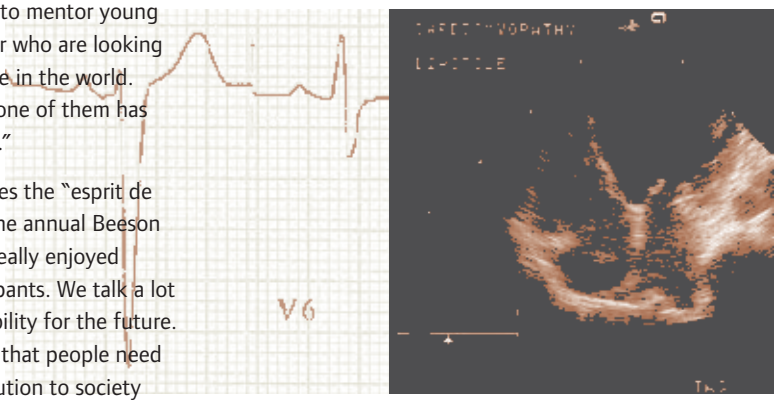
To promote widespread improvement and leverage mutual goals, Krumholz looks for "points of synergy" between his work and that of other national and federal health organizations and agencies. For example, he has helped to design an enormous national project which is evaluating 200,000 medical records of patients with acute myocardial infarction. By partnering with this project, he's been able to shape it in a way that will be both useful to patients and valuable to science.

"Most people who are successful," observes Krumholz, "don't do it on their own." His Beeson mentor, Ralph Horwitz, Chairman of the Department of Medicine and Co-Director of the Robert Wood Johnson Clinical Scholars Program at Yale, continues to play an important role in his career. "We still meet regularly to discuss research issues." When an additional Co-Director was being sought for the Clinical Scholars Program, Horwitz was instumental in naming Krumholz for the position. "It's a wonderful opportunity for me to mentor young physicians each year who are looking to make a difference in the world. Almost every year, one of them has gone into geriatrics."

Krumholz appreciates the "esprit de corps" created by the annual Beeson Conferences. "I've really enjoyed meeting the participants. We talk a lot about our responsibility for the future. I think that's good, that people need to see their contribution to society as a whole."

59 million Americans suffer from heart disease, which is the number one leading cause of death for people over 65.

"Paul Beeson is a legend at Yale. He represents the prototypical caring physician with high standards of clinical excellence who would focus specifically on the benefit of the patient. So it meant a great deal to me personally to get an award that had been named in Paul Beeson's honor."



Paul Beeson Physician Faculty Scholar 1995-1998

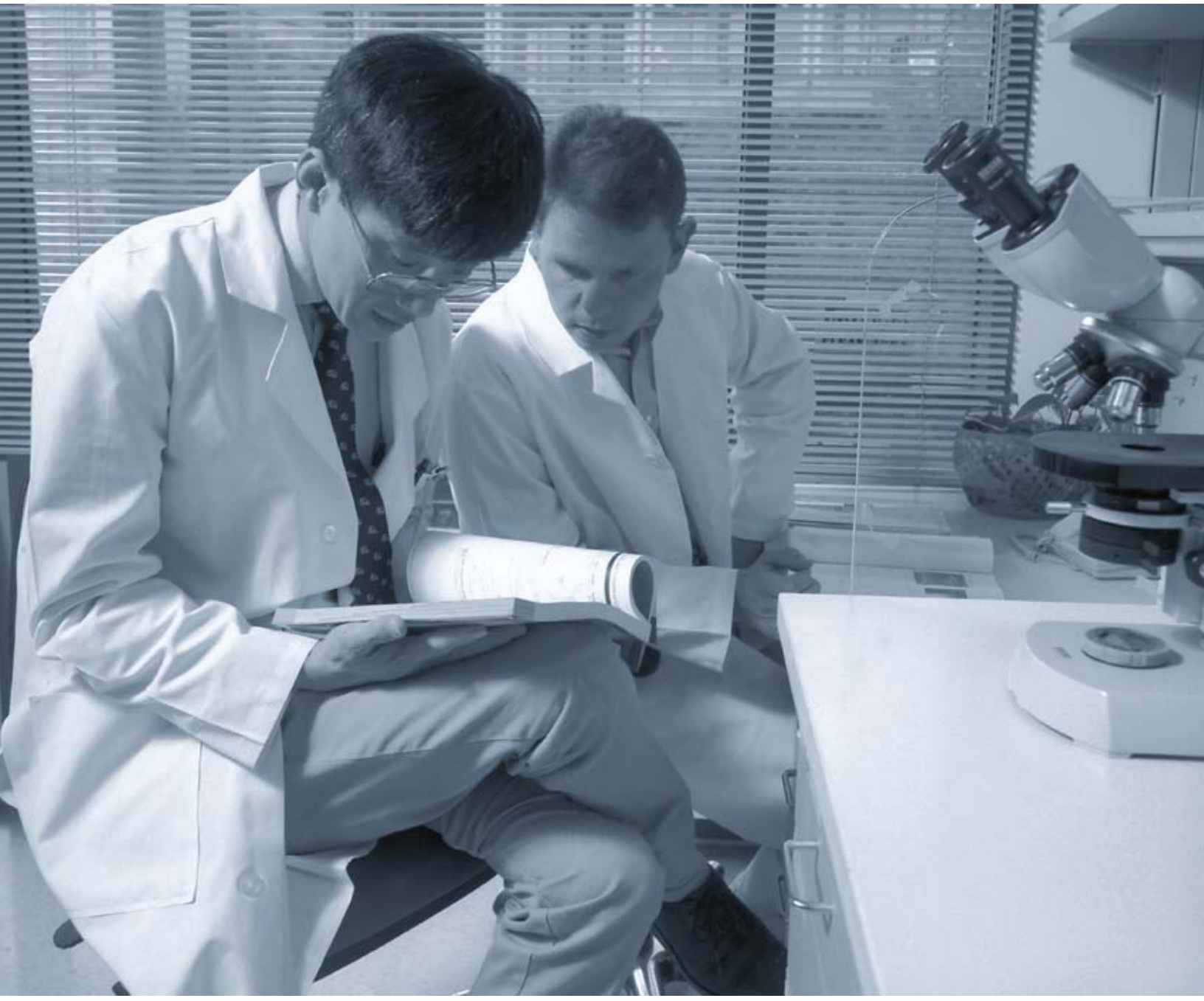
Edward H. Koo, MD

Associate Professor
Department of Neurosciences
University of California, San Diego
School of Medicine
San Diego, CA

Born in Hong Kong, Edward Koo emigrated to the United States in1968 at the age of 14, went to high school in California, then attended medical school at Duke University.

"I got into research in college and became interested in Alzheimer's Disease (AD) in medical school." These two strands in his career ultimately came together, but it took a great many years of training before they did.

In fact, according to his mentor, Dr. Leon Thal, Professor and Chairman of Neuroscience at the University of California, San Diego, and Director of its Alzheimer Disease Research Center, "Koo is very well trained in



Dr. Edward Koo with Claus Pietrzik, PhD, in his lab at The University of California, San Diego, CA.

three areas, as a clinical neurologist, a neuropathologist and a cell biologist."

After medical school, Koo did one year of anatomic pathology residency at Duke, then a year of internal medicine at the University of North Carolina, Chapel Hill, a neurology residency at the University of California, San Francisco, and trained in neuropathology at the Johns Hopkins University School of Medicine. This was followed by a research fellowship at Hopkins, where he was promoted to Assistant Professor. Koo then moved to Harvard Medical School in 1991, where he was associated with the Center for Neurologic Disease at the Brigham and Women's Hospital. Ever since, he has devoted himself to teaching and cell biology research, concentrating on the biological origins of Alzheimer's Disease.

Receiving the Beeson Scholarship allowed Koo to add more resources to the lab, to spend more time on the basic molecular science of neurodegenerative disease, continue teaching and, most importantly, to test new ideas. In addition to supervising Harvard undergraduates in his lab, he led second year medical students through the laboratory portion of "Human Nervous System and Behavior," which he taught for over five years.

In 1995, the major genes responsible for the familial autosomal inherited form of Alzheimer's Disease, presenilin-1 and presenilin-2, were identified. The normal biological function of the presenilins and how these genes cause AD are unknown. Koos' efforts have been directed towards understanding the normal physiological and perhaps pathological roles of presenilins from a cell biological perspective.

Koo credits the Beeson Scholarship with allowing him to expand into new areas, including the preliminary work that led to his winning the Allied Signal Award in Aging, in September 1998. The $200,000 grant was awarded for his efforts in unraveling the mechanisms involved in Alzheimer's Disease.

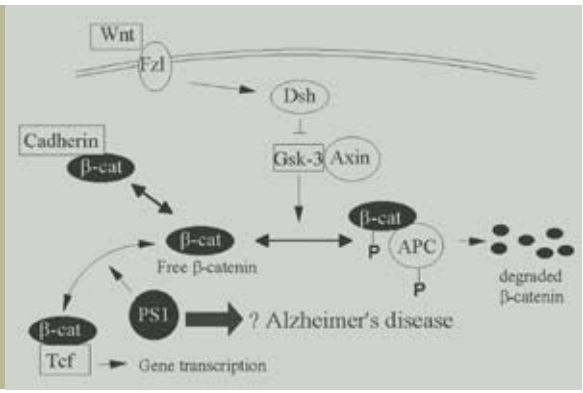
"The Allied Award usually goes to more senior people," notes Dr. Thal. "It's quite an honor for him to receive the Award. He has made enormous advances in this field."

During the fall of 1996 Koo left Boston and moved his lab to La Jolla, California to join the faculty at the School of Medicine of the University of California, San Diego. "Like Boston," says Koo, "San Diego is one of the nation's established centers for studying Alzheimer's Disease." He was recruited to join the UCSD's medical school, which has an established, extensive program in Alzheimer's.

"Edward Koo is a wonderful person to work with," notes Dr. Thal, "very open, very thoughtful, very considerate and very receptive to new ideas. And he pops up with all sorts of innovative ideas all the time." Koo looks forward to coming up with more cutting-edge ideas as he continues to expand his research efforts.

Receiving the Beeson Scholarship allowed Koo to add more resources to the lab, to spend more time on the basic molecular science of neurodegenerative disease, continue teaching and, most importantly, to test new ideas.

Wnt signal transduction pathway



If Alzheimer's disease were delayed by five years the nation would save an estimated $50 billion dollars.

Paul Beeson Physician Faculty Scholar 1996-1999

Karen M. Prestwood, MD

Assistant Professor of Medicine
University of Connecticut Health Center
Farmington, CT

Like many physicians drawn to geriatrics, Beeson Scholar Karen M. Prestwood grew up with positive role models for aging.

"My grandparents had a big impact on my life," she acknowledges. "That helped me decide to go into geriatrics." Another factor was the obvious need. During her training in Internal Medicine at Hahnemann University in Philadelphia, many patients she worked with were elderly, yet the residency lacked any formal geriatrics training. "So I found out the hard way how fragile and how different older patients are from younger patients."

Prestwood completed a three-year fellowship in Geriatrics at the University of Connecticut, then joined the faculty in 1993. During her first year of training as a geriatrics fellow, she believed herself headed towards private practice. But along the way she became bitten by the research bug, specifically, bone and bone metabolism. "We have an excellent group here. They do mostly basic science of bone and osteoporosis. Because the group was so strong, and they were so eager to bridge the gap between geriatrics and endocrinology, I ended up working on my fellow's research project in osteoporosis."

In 1992, most research related to the benefits and risks of hormone replacement therapy in post-menopausal women focused only on women in their fifties. Prestwood wondered about treatment and prevention strategies for osteoporosis in women over 70, a group which is at high risk for the disease. She first launched a series of small studies to see whether estrogen replacement therapy is as effective in older women as in younger women. Although the results were promising, she discovered that older women tend to have more side effects with the usual replacement dosage, which discourages usage. So she began to look at whether lower doses might be equally beneficial. This led to pioneering work testing whether estrogen and calcium might have an additive effect on bone in older women, making it possible to even further lower estrogen dosage. Preliminary studies were encouraging but not definitive. Prestwood further expanded her horizons. "I wanted to begin to look at whether bone in Hispanic and

Dr. Karen Prestwood left, reviewing figures of the bone remodeling cycle with admistrative assistant Helen Mary Schwartz at the University of Connecticut Center on Aging.

Afro-American women responded to estrogen to the same degree as in Caucasian women. We didn't know." Dr. Richard Besdine, Prestwood's department head, urged her to apply for a Beeson to carry out this complex project.

"The Beeson completely transformed my life," she acknowledges. "It gave me that window of opportunity between younger career development awards and an R01, to really allow me the time to devote myself to research and career development. Without it, honestly, I would be doing more clinical time and wouldn't be able to conduct my research at the level I'm able to. It was really career transforming."

Prestwood's clinical trials involve comparing various dose-responses in Caucasian, Hispanic and Afro-American women. She spent a good portion of the first year of her Beeson recruiting older African-American and Hispanic women into her trials, while lecturing, educating and disseminating information on bone disease. Today, eighty to eighty-five percent of her time is spent on her research studies. Her data continues to suggest that even lower doses of estrogen, when given with Calcium and Vitamin D, are as effective in reducing bone turnover as higher doses, but with fewer side effects. She is further refining and expanding her work with a new, three-year study which both "looks at the quarter milligram dose of estrogen plus calcium compared to a placebo plus calcium," and focuses on other estrogen-related safety and quality-of-life issues. They include the effects of long-term treatment of osteoporosis with estrogen on older women's cognitive status and other systems, including the cardiovascular and urogenital. She will be monitoring for increased incidence of breast and/or ovarian cancer. With so many women now living 50 years beyond menopause, the seriousness of these side-effect issues are more important than ever.

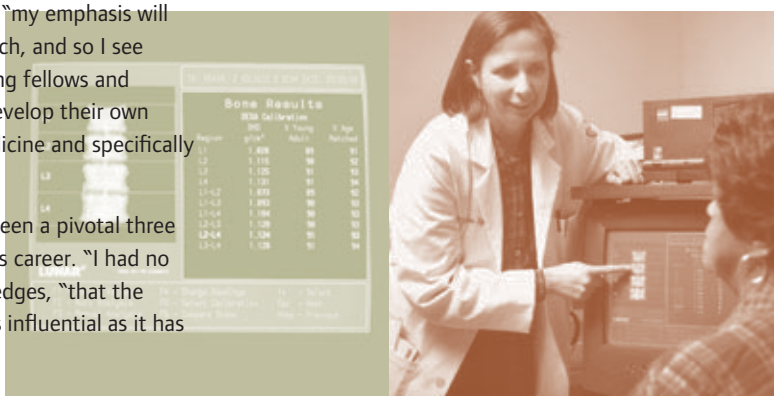
On the career-development side, the Beeson has introduced Prestwood to a wide spectrum of nationally prominent medical and scientific leaders in the aging field. Networking initially takes place at the annual Beeson Scholars Conference. "The Conferences," says Prestwood, "are an amazing opportunity. Networking with my peers plus the mentors of all the Beeson Scholars, is just an incredible advantage of this award. I appreciate it more and more each year, especially talking to other women who are ahead of me in this process, women who have been on the faculty for years and are professors. These women are my role models."

Prestwood, in turn, is becoming a role model and mentor for junior faculty at the University of Connecticut, advising and guiding as she herself was guided by mentors Drs. Richard Besdine and Lawrence Raisz.

Today, encouraged and prepared by the Beeson to take on a leadership role, she looks forward to contributing to the growth of the University's Claude Pepper Center for Older Americans and, eventually, heading up a division of geriatrics or department of medicine. "I think," she adds, "my emphasis will always be on research, and so I see myself helping young fellows and medical students develop their own careers in both medicine and specifically in aging."

Looking back, it's been a pivotal three years in Prestwood's career. "I had no idea," she acknowledges, "that the Beeson would be as influential as it has been in my life."

"The Beeson completely transformed my life, ...it gave me that window of opportunity...to really allow me the time to devote myself to my research and my career development."



In America, approximately 8 million women and 2 million men have osteoporosis.

Paul Beeson Physician Faculty Scholar 1995-1998

Ashley I. Bush, MD, PhD

Assistant Professor of Psychiatry
Harvard Medical School
Boston, MA

Australian-born and educated Ashley Bush became interested in Alzheimer's Disease (AD) while training as a psychiatrist and neurologist in Australia. "In those days," says Bush, "there was great uncertainty as to whether Alzheimer's was even a disease or the normal consequence of aging." The year Bush completed his medical training, Professor Colin Masters became Chairman of the Department of Pathology at the University of Melbourne. Masters, a world leader in AD, co-discovered the original protein sequence of AB amyloid, the protein whose mysterious accumulation — and damage to brain cells — is a hallmark of the disease. Bush had the opportunity to become Masters' first PhD student in Australia.

"I grasped the nettle and found my calling, basic research." He completed his PhD in the molecular neuropathology of Alzheimer's Disease in 1992. In fact, Bush and his lab colleagues discovered that amyloid beta precursor protein (APP) bound zinc, a significant advance in knowledge. Subsequently, Bush was awarded the prestigious Harkness Fellowship by The Commonwealth Fund of New York, which brought him to the U.S. where he completed his post-doctoral studies at Harvard Medical School in the laboratory of Dr. Rudolph E. Tanzi, one of the country's leading AD researchers. "This began a very productive collaboration which has continued ever since."

In 1995, Bush received the Beeson. "I owe a great deal to the Award, which allowed me to become independent and head up my own lab in Dr. Tanzi's Genetics and Aging Unit of the Neuroscience Center at Massachusetts General Hospital and make the transition to assistant professor." He continued to build on findings developed during his thesis work in Australia, and investigate the chemical links between zinc and Alzheimer's.

Dr. Ashley Bush in his lab with Danielle Gray, PhD at Massachusetts General Hospital, Boston, MA.

"The Beeson is unique," says Bush, "because it is actually attempting to integrate and support the interface between basic science and clinical applicability." Scholars like Bush, with a foot in both camps, often struggle to receive scientific acceptance. Both scientists and clinicians regard them with suspicion, which is why receiving the Beeson Scholarship is so important. "Because the Award carries significant status...it definitely consolidated my own presence and status with my peers...and helped attract attention to my work." Since receiving the Beeson, however, "I would not say that I've been lucky with my grants. But that's largely because of the material I've chosen. It's heretical."

Bush is convinced that what is now coming out of his lab "is going to be important for AD, if not aging itself." That includes nothing less than the discovery of the mechanism by which amyloid accumulates, as well as "how the same protein that is an antioxidant and good for you when you are young, turns into a toxin when you are old."

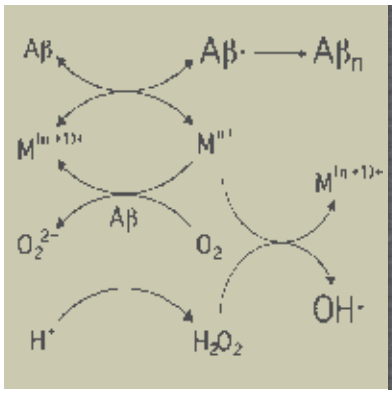
Bush and his colleagues have discovered that the interaction between copper and zinc, "which sit on the backbone of the amyloid protein and are essential to its function as an antioxidant," is also the major source of the free radicals that cause great damage to the brain in Alzheimer's. "What is helpful in low concentrations becomes harmful in higher concentrations, and it's a story which is very similar to Lou Gehrig's disease, except that it's in a different part of the nervous system."

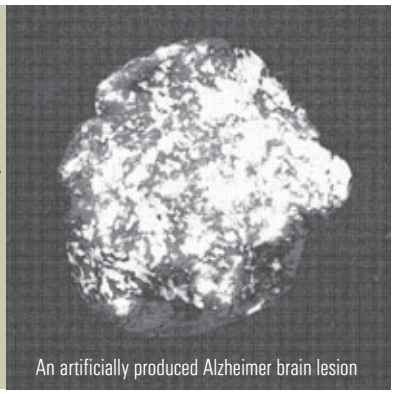
Bush says his findings, "link together much of the chemistry that has been previously reported: in the test tube, in animals, in cell culture — the amount of information is staggering. But at this point we have eleven major manuscripts that remain unborn."

In fact, Bush is having trouble getting his scientific and clinical studies published. Over a twelve month period, they have been consistently rejected. Paradoxically, however, the data being rejected by scientific journals is being welcomed by private industry. He has received "a very serious commercial sponsorship from a biotechnology company" and is currently talking to other companies who view the information coming out of his lab as "a basis for developing drug therapies in Alzheimer's Disease."

Despite his frustration, Bush remains totally committed to academic research, and is moving forward, doing work, including animal studies, which he hopes will ultimately result in "the first effective cure" for Alzheimer's. He remains equally convinced that the scientific proof speaks for itself and, sooner or later, will be recognized and accepted. "It is my duty as a scientist to make the argument so irrefutable that the skeptics will eventually give it a chance."

"The Beeson is unique... because it is actually attempting to integrate and support the interface between basic science and clinical applicability."




An artificially produced Alzheimer brain lesion

The number of Americans who suffer from Alzheimer's Disease is estimated to be 4 million.

Paul Beeson Physician Faculty Scholar 1996-1999

May J. Reed, MD

Assistant Professor of Medicine
University of Washington School of Medicine
Seattle, WA

In 1981, May Reed, a graduate of the University of Scranton, applied to Harvard Medical School on a bet. While she was a top student, the probability of acceptance appeared remote since no one from the University had ever gotten into Harvard. "To Harvard's credit," she says, "what they were looking for was a story that was a little bit different."

Reed's story is totally different, if not unique. An orphan, born in South Korea, brought to the United States by guardians at the age of six and a half, she was ultimately adopted as an 11 year old by an unlikely Pennsylvania couple who seem to have done everything right. "My father was in his mid-seventies and his brother who lived with us was in his early eighties. While my mother was much younger, you could say that as a teenager I grew up with octogenarians."

Clearly, her interest in caring for older people stemmed from the circumstances in which she was raised. Reed eventually decided to go to medical school because it would offer her the opportunity to combine her interest in the elderly with her aptitude in biology. During medical school her interest in geriatrics was sparked by Dr. John Rowe, now president of New York's Mount Sinai Hospital and School of Medicine and co-author of *Successful Aging*. "He met regularly with several of us who are now in academic geriatrics." Dr. Jerry Avorn, now an associate professor at Harvard Medical School, had the greatest impact on Reed's future career direction. "He helped me initiate and complete several research projects and kept my interest focused on geriatrics." She completed her residency in internal medicine/primary care at The Massachusetts General Hospital.

Dr. May Reed with patient, Althea C. McAfee at Harborview Medical Center, Seattle, WA.

After seven years in Boston, Reed decided to do her fellowship in geriatric medicine at the University of Washington. "It was just sheer luck that I called Dr. Itamar Abrass." Once Reed completed her clinical fellowship, Abrass, now her Beeson mentor, outlined several possible paths for Reed to pursue. She opted to work in a "wet" laboratory, a gutsy move since it would require multiple years of

additional training. "The professor who was most enthusiastic and willing to help me get training was Dr. Helene Sage." Reed began lab work in January 1991 and, "loved it immediately," focusing on wound repair and angiogenesis, the development of new blood vessels from existing vessels, processes which are delayed as people age. "Helene, a prominent scientist in the fields of matrix biology and angiogenesis, and I interfaced around wound healing." They examined both the clinical implications of delayed wound repair and angiogenesis in aging as well as the basic science.

Between 1991 and 1995, Reed's work was supported by a series of awards, "then I needed my own funding to pursue aging research in a focused manner." She applied for a Beeson and, in 1996, entered the second class of Beeson Scholars.

The Beeson allowed Reed, at long last, to start an independent research program. "Wound healing is an incredibly complex process," explains Reed. "Very early on we confirmed from *in vivo* experiments with animals that wound repair is a problem in aging. Blood vessel formation is part of the problem, as is a deficiency in certain growth factors, which are small polypeptides or proteins that circulate in your blood and help you form tissue, regrow skin or heal bone. One of the key interactions we observed about a year and a half ago was that the problem in blood vessel formation in aging may be largely due to impaired ability of the cells to actually move. We also found that if you add growth factors back...the cells that form blood vessels start to move again." In short, there is room for "intervention that can improve angiogenesis and wound healing in aging."

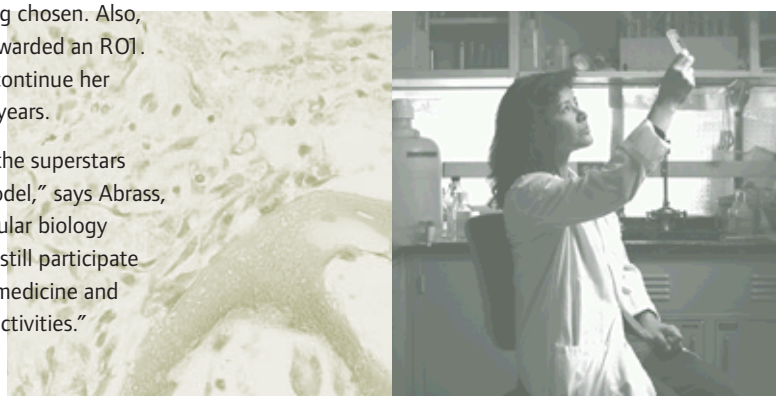
Today, Reed and her laboratory are doing *in vitro* cell biology studies, "taking the main component of blood vessels, the endothelial cell, and looking at...what can be done to make cells move better. If we can make cells move better, then we can make blood vessels form faster, and ultimately, that can lead to improved wound healing."

However, delayed blood vessel growth and cellular migration may actually confer an advantage during tumor formation by slowing the spread of cancer cells and the likelihood of metastases. Therefore, the ultimate goal is to "delineate the factors that contribute to slowed cellular movement in aging, find out how to perturb it in a controlled fashion, then go back to *in vivo* models to make certain that the desired effects are obtained locally such as within a wound."

This past year, Reed's exciting research in angiogenesis and matrix biology has earned her one of the University of Washington School of Medicine's New Investigator Awards, which is given to only two or three individuals each year. "It's pretty uncommon for a straight MD to get the Award," says Reed. She believes the Beeson may have contributed to being chosen. Also, she has just been awarded an RO1. It will allow her to continue her work for five more years.

"She is just one of the superstars and a super role model," says Abrass, "who can do molecular biology in a laboratory and still participate in general internal medicine and geriatric medicine activities."

"If we can make cells move better, then we can make blood vessels form faster, and ultimately, that can lead to improved wound healing."



Background. Previous Foundation projects have repeatedly uncovered the fact that mental health problems, particularly depression, are one of the most common health issues among elders and among those most poorly addressed in primary care practice. Eight percent of elders seen in primary care physicians' offices have major depressive disorder; 16 percent have one of two less acute forms.

Depression not only drains pleasure from life but often worsens other medical conditions. People with depression, for example, are three times as likely to die after a heart attack as those free from depression. According to the World Health organization, depression is the fourth leading cause of disability worldwide, projected to become second only to heart disease by the year 2020. It is also one of the 10 most costly diseases in the U.S., estimated at $43 billion.

A prior Foundation funded project, directed by Howard Goldman, MD, of the University of Maryland's Center for Mental Health Services Research, recommended that Hartford could make a significant contribution by supporting a major demonstration of innovative treatment for depression. This would document to health care providers and policy makers the degree to which detection and treatment could affordably improve the lives of seniors. This major new $7.95 million commitment by the Hartford Foundation, to be implemented over five years, will put that recommendation into practice. It will add an important new thrust to the Services component of the Foundation's Aging and Health program.

This is a particularly opportune moment to sponsor such an initiative because:

- recent passage of federal legislation which now requires parity in insurance coverage between mental and physical health is raising awareness of mental health issues;
- assessment of the quality of depression care will be included in forthcoming HMO accreditation standards;
- given the present environment of heavy commercial marketing pressure by pharmaceutical manufacturers, the Foundation can perform the vitally needed role of "honest broker" when assessing alternative treatments and disseminating credible results.

The Primary Care Setting. Recent studies suggest that about 40 percent of those with depression are not diagnosed in primary care. Moreover, of those diagnosed, some 50 percent do not receive appropriate treatment. Given physicians' overall misconceptions about aging, these problems are even more severe among seniors. It is estimated, for example, that 75 percent of the 6,000 elders who commit suicide every year saw a physician within three months of their death.

Clinical research suggests that most cases of even major depression in elders can be successfully treated with medications and various forms of counseling and psychotherapy. Yet these treatment methods are not commonly practiced. A primary barrier is the lack of time and resources in the primary care setting. Pilot studies indicate that when additional staff and treatment resources are provided on-site in primary care practices, the treatment of depression is significantly improved. So are health care costs. In fact, treatment of depression at the primary care level is the lowest cost alternative and the one most preferred by the elderly. However, the return on the treatment investment must be demonstrated to those seeking cost reductions.

The Program Initiative. The core intervention of the demonstration model of improved care is the addition of a specialist nurse or other professional to the primary care practices of larger health systems. This individual will: 1) work with several physicians' offices to educate patients and their families about depression and treatment for depression; 2) serve as first-line contact to help patients understand the side-effects of medications; 3) check on how patients are doing and assist with treatment changes, when needed; 4) conduct individual and/or small group therapy sessions using Problem Solving Therapy techniques developed in a previous Foundation supported depression project managed by Dartmouth, which had been stimulated by the MacArthur Foundation.

In addition, to increase awareness, system-wide patient education, recognition and prevention efforts regarding depression will be provided. Also, an intervention component targeted towards "minor" depression will be developed by each site.

To participate as sites in the initiative, health care systems had to demonstrate: 1) sufficient numbers of available senior patients; 2) a strong commitment by the institution; and 3) some experience with health services or clinical research. In selecting its sites, the Foundation considered geographic distribution, demographic and clinical characteristics of patient populations, and health system structure (fee-for-service, network or staff model HMO).

In addition to the five practice sites, one site was funded to act as a resource and coordinating center. It will serve as a central data management bank and support data analysis and dissemination activities, including outreach to health provider systems about the potential benefits of the enhanced model.

Background. Two previous Foundation initiatives relating to Generalist Physicians and Geriatric Interdisciplinary Team Training underscored the central role of social workers in improving the health care of older Americans. Case studies clearly demonstrate that trained social workers who understand an older person's psychological, social, physical and economic situation, can favorably affect an individual's ability to comply with health care regimens and remain healthy. They can identify community resources, coordinate care, help overcome bureaucratic barriers, educate, serve as advocates on behalf of elders and their families, and help to monitor services and treatment.

A subsequent Foundation-Administered Project to explore improving older adults' well being through a broad social work initiative further confirmed that despite a high and increasing need for geriatrically trained social workers, few students receive adequate training.

The National Institute on Aging projects that by the year 2000, 40,000 to 50,000 social workers will be needed to serve the elderly; today, only 4,000 to 5,000 geriatric social workers exist. Moreover, the social work profession is inadequately addressing this need, through formal education, training or practice-oriented research. This $5.4 million four-year initiative is designed to support efforts to meet those needs.

The Program Initiative. The Social Work Initiative is broadly designed to improve social work practice with older adults through the development of better education and training programs. Building on the Foundation's Geriatric Interdisciplinary Team Training and Generalist Physician programs and paralleling its Academic Geriatrics and Nursing Institute efforts, it will support projects which are: 1) building a consensus on standards for geriatric social work education and a clearinghouse for geriatric teaching tools; 2) developing a cadre of faculty members committed to research and teaching about the needs of elders; and 3) developing geriatrically-rich field training sites for students. An effort will be made to strengthen connections between organizations that provide care to the elderly and educational institutions that produce social work professionals who will provide those services.

To address the first of these components, the Council on Social Work Education, the organization which is responsible for accrediting all social work education programs in the U.S., will: 1) assess current education materials with a view to addressing short-term enhancements in geriatric teaching; 2) determine core competencies for master of social work students specializing in aging, as well as minimum competencies for all bachelor-level social workers; 3) identify and describe "best practices models" in gerontological social work education; and 4) develop a "blueprint" to move geriatric social work education from current capacities to best practices. A clearinghouse will be created to make these materials nationally available. Multiple strategies for the dissemination of models, competencies, curricula and other teaching tools will be employed.

Future projects will focus on a faculty development program which supports junior faculty to do research in geriatric health care settings, strengthens their teaching and leadership skills and reinforces their sense of belonging to an elite cadre of geriatric social work leaders.

Under the Initiative, in coming years, more and better geriatric field placements will be developed for masters level social work students, and coordination for the entire Initiative will be provided to facilitate synergy across the sites. An evaluation, to document feasibility and capture implementation issues, is also planned.

Finally, an advisory group of educational leaders will be established to document state of the art geriatric social work education and develop assessment standards.

To meet the on-going health care needs of today's — and tomorrow's — elders, the Foundation awarded in 1998, 16 grants and amendments under its Aging and Health program totaling $12,857,696.

Academic Geriatrics and Training

Council on Social Work Education
Alexandria, VA
Joan Levy Zlotnik, PhD

Preparing Gerontology-Competent Social Workers

The Trustees have endorsed a broad initiative to improve social work practice with older adults through better education and training programs. The initiative is composed of three parts: 1) building a consensus on standards for geriatric social work education and establishing a clearing house for geriatric teaching tools; 2) creating a cadre of faculty members committed to research and teaching about the needs of older adults; and 3) developing geriatrically-rich fleld training sites. This grant is to address the flrst component. The Council will assess the current state of the fleld of geriatric social work, determine core competencies for Master's level students, identify "best practice" models and develop a plan to merge these with current activities in order to yield the best possible care for our aging population. Support for the second and third components of the initiative will be pursued in 1999.

Grant awarded: $574,988
Duration of grant: Two years
Start date: October 1, 1998

University of Rochester
School of Medicine and Dentistry
Rochester, NY
John M. Bennett, MD
William J. Hall, MD

A Model for the Development of Combined Oncology-Geriatrics Fellowship Training

This effort grew out of another Foundation-supported project under which a series of Geriatric Education Retreats are being held to address geriatric aspects of each of the subspecialties of internal medicine, and also general internal medicine. A meeting focused on geriatrics and oncology was held in February 1997, at which opportunities to improve training in oncology to address the high incidence of cancer in older populations were identifled. This grant provides support for the University of Rochester to coordinate the development and pilot testing of joint fellowship training in geriatrics and oncology. A consortium of up to 12 leading centers with strength in both geriatrics and oncology will develop curricula, identify research opportunities and funding for the trainees, and work to gain the endorsement of certifying agencies to ensure the acceptance of the joint training concept. Finally, the grant will provide partial support for joint fellowship training to be piloted in up to 12 settings.

Grant awarded: $753,905
Duration of Grant: Two and one-half years
Start date: July 1, 1998

American Federation for Aging Research (AFAR), Inc.
New York, NY
Odette van der Willik

Medical Student Geriatric Scholars Program

This award continues a program to interest medical students in academic geriatrics careers. Up to 60 students will be competitively selected each year for three years. They will conduct aging-related research with a pre-determined mentor at a geriatric Center of Excellence. In addition to doing clinical, health services or basic research projects during their 8-12 weeks as Scholars, the students also participate in geriatric clinical and didactic programs, and are invited to present their research at a subsequent annual meeting of the American Geriatrics Society. Funds are also available, on a competitive basis, for the students' home institutions, to increase geriatric programming for medical students.

Grant awarded: $ 1,494,910
Duration of grant: Three years
Start date: January 1, 1999

Integrating and Improving Services

Carle Foundation Hospital
Urbana, IL
Cheryl D. Schraeder, PhD, RN

The Evaluation of Geriatric Team Care in Medicare Risk

As one of the nine Generalist Physician (GP) projects sponsored by the Foundation, Carle developed a collaborative practice team model that consisted of a primary care physician, a nurse and a case manager. The team provided traditional elder care along with less conventional services such as home assessment and care planning. The project showed improved clinical outcomes for older adults and established a functional team care model, but its costs were not captured. Subsequently, Carle was chosen by the federal Health Care Financing Administration as one of 25 Medicare Risk Contract demonstration sites. This presents a unique opportunity for a naturally occurring experiment that will allow comparison of the Carle team model of care for elders with usual Medicare HMO care. The comparison sites will be in nearby communities in which the same Medicare HMO insurance will be offered and care provided through more traditional practices. Some planned enhancements of the original Carle model include increased patient education, instruction for health professionals in implementing team models, and developing team practice guidelines. Variables to be analyzed for the evaluation will include health status and mortality, satisfaction of both patients and health professionals, and patient involvement in self-care.

Grant awarded: $688,945
Duration of grant: Five years
Start date: April 1, 1998

The Spartanburg Regional Healthcare System
Spartanburg, SC
R. Bradford Whitney, Jr., MD

Improving Geriatric Care in Rural Healthcare Systems

This project is an extension of the Foundation's successful Generalist Physician Initiative under which nine projects developed and tested ways to help primary care doctors improve the health of their older patients. In the original South Carolina model, "Geriatric Technicians" were trained and then placed in generalist physician offlces to help coordinate and facilitate the care of older patients. These paraprofessionals were shown to be well suited to the rural environment of the practices and were found to aid in creating beneflcial health outcomes for the patients. Seeking to extend and institutionalize the model, the Spartanburg Regional Healthcare System is continuing implementation and evaluation of the model through its physician network. An evaluation will focus on patient and doctor satisfaction, clinical outcomes and costs of care.

Grant awarded: $1,105,028
Duration of grant: Four years
Start date: April 1, 1998

Johns Hopkins Bayview Medical Center, Inc.
Baltimore, MD
John R. Burton, MD

Johns Hopkins Home Hospital

This project is a renewal of previous grants to Johns Hopkins Bayview Medical Center to determine the feasibility of providing hospital care at home for selected patients who would otherwise require hospital admission. The current project provides funding to conduct a national search for HMOs, VA systems, or others able to demonstrate flnancing feasibility who are interested in offering at-home care as an alternative to hospitalization for their Medicare patients. Appropriate patients would be selected in accordance with established criteria (which were developed and piloted under the previous awards) and there would be a national evaluation of the Home Hospital concept. If interest justifles a national trial, the result could have the potential to save billions of dollars, while improving patient satisfaction and yielding outcomes at least comparable to those of hospitalization.

Grant awarded: $94,050
Duration of grant: One year
Start date January 1, 1999

Program Initiative

Improving Depression Care for Elders

In an effort to address a critical issue in the care of older adults, this initiative seeks to assist the office-based primary care physician by developing, implementing and evaluating a disease management model for the care of depressed elders. In its most extreme manifestation, untreated depression is implicated in the deaths of some 6,000 elders who commit suicide each year, some 75 percent of whom had seen a physician during their last three months of life.

Untreated depression in older people predicts a more rapid decline in their ability to live independently, poorer outcomes for other health problems, and higher costs of care. While clinically proven drug and psychotherapy treatments for depression exist, they are seriously underused in the care of elders. Fortunately, improved ways of delivering care to people with chronic diseases, termed "disease management", have been developed and can be adapted to the treatment of depression in this initiative. Under the disease management protocol, a depression clinical specialist (nurse, social worker, or psychologist) will be employed to manage the care of an older patient and will be trained to deliver Problem Solving Therapy, a brief behavioral/cognitive therapy, as appropriate.

This initiative involves grants to five sites to implement this model of care and one for a Coordinating Center, which will have the responsibility to ensure conformity to the goals and methods of the project, develop intervention materials and take the lead in evaluating and disseminating the project's results. Support is planned for two additional sites in California, including their related costs for supervision and evaluation is being provided by the California Health-Care Foundation. With total participation of some 1,750 patients, divided equally into treatment and control groups, this initiative should significantly advance knowledge about how to improve primary care treatment of depressed older adults.

University of California, Los Angeles
Los Angeles, CA
Jürgen Unützer, MD, MPH

Improving Depression Care for Elders - Coordinating Center

This award to the University of California, Los Angeles (UCLA) supports a national Coordinating Center, which will ensure conformity to the goals and methods of the initiative, develop intervention materials, and disseminate its results. Specifically, the center will: 1) coordinate final pre-implementation activities, including staff training; 2) ensure appropriate implementation of the treatment protocol at the clinical sites; 3) provide ongoing coordination of the project and technical assistance to resolve operational problems; 4) evaluate the impact of the program and develop a cross-site database; 5) plan and perform all data analyses needed to report the results of the intervention; and 6) implement a national dissemination strategy to improve the recognition and treatment of depressed older adults in primary care.

Grant awarded: $2,105,817
Duration of grant: Five years
Start date: January 1, 1999

Duke University
Durham, NC
Linda H. Harpole, MD, MPH
Eugene Oddone, MD, MHSc

Improving Depression Care for Elders

Duke is a regional and national role model for innovations in health care, and is experienced in developing and analyzing new disease management models. Like many academic health systems, Duke University Medical Center maintains a network of primary care clinics providing care to the community. Two of these clinics with a total of over 7,000 patients will provide the "real world" environment to test this new approach to the treatment of depression in older adults.

Grant awarded: $1,095,749
Duration of grant: Four years
Start date: January 1, 1999

Indiana University
Indianapolis, IN
Christopher M. Callahan, MD

Improving Depression Care for Elders

The Indiana University Health System Primary Care Center serves more than 6,000 patients over 60 years of age. Over half the population is African-American. Nearly half of the patient population left school before completing the ninth grade and almost 80 percent have an annual income of less than $10,000, making this caseload the most disadvantaged of the entire depression initiative.

Grant awarded: $1,189,719
Duration of grant: Four years
Start date: January 1, 1999

University of California, Los Angeles
Los Angeles, CA
Jürgen Unützer, MD, MPH
Richard Della Penna, MD

Improving Depression Care for Elders

The University of California, Los Angeles (UCLA) is expert in the development of models of care for mental health problems in both managed care and primary care environments. For this project, UCLA will partner with Kaiser Permanente's Southern California region, a group model HMO with 2.7 million members, of which some 360,000 are aged 60 or older. The clinical location will be Kaiser's La Mesa clinic, which serves approximately 17,000 patients over the age of 60.

Grant awarded: $1,166,266
Duration of grant: Four years
Start date: January 1, 1999

University of Texas Health Science Center
San Antonio, TX
John W. Williams, Jr., MD

Improving Depression Care for Elders

The University of Texas Health Science Center project will have three clinical locations, including the San Antonio and Austin VA clinics and a San Antonio private-practice group, which serve a combined total of 10,000 patients above the age of 60.

Grant awarded: $1,199,432
Duration of grant: Four years
Start date: January 1, 1999

University of Washington
Seattle, WA
Wayne Katon, MD
Elizabeth Lin, MD

Improving Depression Care for Elders

The Group Health Cooperative of Puget Sound, a large non-proflt staff model HMO, will be the clinical partner on this project with the Department of Psychiatry and Behavioral Sciences at the University of Washington. Already known as innovators in senior health care, the two organizations will work collaboratively to implement the elder depression disease management model on behalf of 12,000 seniors at two Group Health Cooperative clinics.

Grant awarded: $1,193,027
Duration of grant: Four years
Start date: January 1, 1999

Other

Museum of Science
Boston, MA
Steven L. Solomon

Traveling Exhibition on Aging

The Science Museum Exhibit Collaborative, a group comprised of seven of the nation's leading science museums, discovered through market research that the most popular subject for a proposed new exhibit was "aging." The John A. Hartford Foundation, working with other philanthropies and government sponsors, made this contribution to help defray the production costs of a traveling exhibit that will last for over three years, traveling to a minimum of seven cities and Washington, DC. Subsequently, it will be available to other organizations beyond the collaborative. The exhibit, which will be aimed at all ages, will be highly interactive to stimulate learning about aspects of growing older. It will emphasize the social, biological and cognitive aspects of aging, as well as life-long opportunities for health promotion and disease prevention.

Grant awarded: $50,000

Other

Grantmakers in Aging, Inc.
New York, NY
Barbara R. Greenberg

Campaign to Promote Grantmaking in Aging

Philanthropic contributions relevant to older adults have not kept pace with America's rapidly growing senior population. This project supports efforts by the affinity group Grantmakers in Aging (GIA) to attract additional philanthropic interest to projects targeted to improving the well-being of older adults. GIA will develop and execute an educational program, including a toolkit for potential aging funders, a one-on-one outreach campaign and efforts to strengthen cooperative programming among funding organizations.

Grant awarded: $56,050
Duration of grant: Eighteen months
Start date: July 1, 1998

Institute for Advanced Studies in Aging and Geriatrics
Washington, DC
William B. Ershler, MD

Planning a National Geriatrics Research Cooperative

In an effort to achieve a greater understanding of the changes that occur as individuals age, a consortium of nursing home-based geriatric researchers is being developed under the aem several large, academically-oriented nursing homes to enable them to undertake large-scale clinical investigations into the multiple aspects of aging processes, as well as clinical care for the frailest elders. The grant provides resources to plan several necessary infrastructure components including: 1) the development of a centralized expertise in frail elder clinical trial methodology; 2) the creation of a human resources and biostatistics core which will enlist and describe volunteer subjects; 3) assistance to the investigators from the institutions affiliated with the nursing homes and to the general geriatric community; and 4) aid to researchers in obtaining external funding through facilitating sufficient sample size and multiple areas of expertise economically.

Grant awarded: $56,810
Duration of grant: Six months
Start date: October 1, 1998

Mount Sinai School of Medicine
New York, NY
Rosanne M. Leipzig, MD, PhD

Geriatric Medications Information for Practicing Physicians

Older adults are the nation's largest consumers of prescription medications: many are on five or more drug regimens simultaneously. The increasingly complex array of available medications makes it more important than ever that physicians be better informed about drugs and drug combinations. To further this effort, in June of 1998 the Foundation authorized this award, in partnership with the Fan Fox and Leslie R. Samuels Foundation, to partially underwrite the book, Drug Prescribing for Senior Adults. The book emphasizes drug therapy for common medical and behavioral conditions. It will be available through the American College of Physicians on-line library, which involves an investment of over $5,000,000 to facilitate physicians' access to needed clinical information.

Grant awarded: $33,000
Duration of grant: Two years
Start date: July 1, 1998

On December 31,1998 the Foundation's assets were $541.7 million, an increase of $44.2 million for the year after cash payments of $25.1 million for grants, expenses and Federal excise tax. Total return on the investments, income plus realized and unrealized capital gains, was 14.1 percent. In 1998 revenues totaled $13.3 million, a yield of approximately 2.5 percent for the year.

The Foundation's investment objective continues to be securing maximum long-term total return on its investment portfolio in order to maintain a strong grants program, while assuring continued growth of its assets at a level greater than the rate of inflation. The financial markets in 1998 were notable for their volatility and lack of breadth. Recognizing that the various investment styles and asset classes rotate in and out of favor, and that it is futile to try to predict such changes, the Foundation maintained its broad diversification. At the same time, it also recognized that it must selectively and prudently look for opportunities to invest further in asset classes that historically have higher rates of return. Accordingly, in 1998 the Foundation made commitments to two new venture capital funds and one real estate fund. At the end of 1998 the Foundation's asset mix remained at 63 percent equities, 27 percent fixed income, and a combined 10 percent in venture capital, private equity, real estate and event-driven funds.

As of December 31, 1998 the Foundation's investments are managed by Capital Guardian Trust Company, Sound Shore Management, First American Asset Management, William Blair & Co., T. Rowe Price Associates, and Pequot Capital Management. In addition, the Foundation is an investor in venture capital funds managed by Oak Investment Partners, Brentwood Associates, the Mayfield Fund, Middlewest Ventures, Tullis-Dickerson and William Blair Capital Partners. Private equity partnerships are managed by GE Investments and Brentwood Associates. Real estate investments consist of funds managed by TA Associates Realty, Angelo, Gordon & Co. and Heitman/JMB Advisory Corporation. Event-driven investment managers are Halcyon/Alan B. Slifka Management Co., Whippoorwill Associates, and Angelo, Gordon & 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, 1998 and 1997 and the related statements of revenues, grants and expenses and changes in net assets and cash flows 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, 1998 and 1997 and its changes in net assets and cash flows 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 57 to 68, 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
Certifled Public Accountants
New York, New York
March 8, 1999

The John A. Hartford Foundation, Inc. **Exhibit A**
Balance Sheets
December 31, 1998 and 1997

	1998	*1997*
Assets:		
Cash in operating accounts	$ 6,397	$ 4,943
Interest and dividends receivable	1,983,625	1,748,459
Prepayments and deposits	132,907	100,921
	2,122,929	1,854,323
Investments, at fair value or adjusted cost (Notes 2 and 3)		
Short-term cash investments	53,690,882	53,301,070
Stocks	339,371,341	310,523,627
Long-term bonds	90,848,986	80,988,087
Investment partnerships	40,754,517	35,968,991
Real estate pooled funds	9,958,088	10,186,995
Total Investments	534,623,814	490,968,770
Office condominium, furniture and equipment (net of accumulated depreciation of $17 1,544 in 1998 and $2,454,542 in 1997) (Note 5)	4,975,530	4,719,134
Total Assets	$541,722,273	$497,542,227
Liabilities and Net Assets:		
Liabilities		
Grants payable (Note 2)		
Current	$ 15,967,626	$ 16,907,452
Non-current (Note 7)	18,065,922	22,329,845
Accounts payable	882,552	955,352
Deferred Federal excise tax (Note 2)	979,396	940,955
Total Liabilities	35,895,496	41,133,604
Net Assets - Unrestricted		
Board designated (Note 2)	2,368,756	3,296,882
Undesignated	503,458,021	453,111,741
Total Net Assets (Exhibit B)	505,826,777	456,408,623
Total Liabilities and Net Assets	$541,722,273	$497,542,227

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

The John A. Hartford Foundation, Inc. **Exhibit B**
Statements of Revenues, Grants and Expenses and Changes in Net Assets
Years Ended December 31, 1998 and 1997

	1998	*1997*
Revenues		
Dividends and partnership earnings	$ 5,209,677	$ 4,062,714
Long-term bond interest	5,757,160	5,528,394
Short-term investment earnings	2,314,934	2,358,245
Total Revenues	13,281,771	11,949,353
Grants and Expenses		
Grant expense (less cancellations and refunds of $880,507 in 1998 and $9,211 in 1997)	13,636,590	28,316,909
Foundation-administered projects	264,446	151,957
Grant-related direct expenses	112,836	79,818
Excise and unrelated business income taxes (Note 2)	159,013	97,033
Investment fees	2,502,165	2,040,428
Personnel salaries and benefits (Note 6)	1,522,155	1,466,642
Office and other expenses	868,952	737,240
Depreciation	284,167	211,440
Professional services	91,869	146,246
Total Grants and Expenses	19,442,193	33,247,713
Excess (deficiency) of revenues over grants and expenses	(6,160,422)	(21,298,360)
Net Realized and Change in Unrealized Gains (Note 3)	55,578,576	71,965,376
Increase in Net Assets	49,418,154	50,667,016
Net Assets, beginning of year	456,408,623	405,741,607
Net Assets, End of Year (Exhibit A)	$505,826,777	$456,408,623

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

The John A. Hartford Foundation, Inc. **Exhibit C**
Statements of Cash Flows
Years Ended December 31, 1998 and 1997

	1998	*1997*
Cash Flows Provided (Used)		
From Operating Activities:		
Interest and dividends received	$ 11,773,812	$ 11,406,123
Cash distributions from partnerships and real estate pooled funds	4,638,720	2,370,249
Grants and Foundation-administered projects paid (net of refunds)	(19,107,226)	(16,091,991)
Expenses and taxes paid	(5,977,135)	(4,530,488)
Net Cash Flows Provided (Used) by Operating Activities	(8,671,829)	(6,846,107)
From Investing Activities:		
Proceeds from sale of investments	224,868,913	198,686,143
Purchases of investments	(215,250,140)	(194,912,934)
Sale (purchase) of fixed assets - net	142,927	(3,112,630)
Net Cash Flows Provided by Investing Activities	9,761,700	660,579
Net Increase (Decrease) in Cash and Cash Equivalents	1,089,871	(6,185,528)
Cash and equivalents, beginning of year	52,870,157	59,055,685
Cash and equivalents, end of year	$ 53,960,028	$ 52,870,157
Reconciliation of Increase in Net Assets to Net Cash Used by Operating Activities:		
Increase in Net Assets	$ 49,418,154	$ 50,667,016
Adjustment to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	284,167	211,440
Decrease in interest and dividends receivable	(235,166)	54,208
Decrease (increase) in prepayments and deposits	74	(42,136)
Increase (decrease) in grants payable	(5,203,750)	12,374,435
(Decrease) increase in accounts payable	(172,547)	466,396
Net realized and change in unrealized gains	(55,578,576)	(71,965,376)
Other	2,815,815	1,387,910
	$ (8,671,829)	$ (6,846,107)

The John A. Hartford Foundation, Inc. **Exhibit C**
Statements of Cash Flows
Years Ended December 31, 1998 and 1997

	1998	*1997*
Supplemental Information:		
Detail of other:		
Investment partnerships and real estate pooled funds:		
Cash distributions	$ 4,638,720	$ 2,370,249
Less: reported income	1,211,963	597,438
	3,426,757	1,772,811
Tax expense	159,013	97,033
Less: Taxes paid	709,125	481,934
Excess (tax on realized gains and change in prepaid)	(550,112)	(384,901)
Zero-coupon amortization	(60,830)	—
Total - Other	$ 2,815,815	$ 1,387,910
Composition of Cash and Equivalents:		
Cash in operating accounts	$ 6,397	$ 4,943
Short-term cash investments	53,690,882	53,301,070
Unrealized (gain) loss on forward currency contracts	262,749	(377,088)
Unrealized (gain) loss on short sales	—	(58,768)
	$ 53,960,028	$ 52,870,157

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

The John A. Hartford Foundation, Inc. **Exhibit D**
Notes to Financial Statements
December 31, 1998 and 1997

1. Purpose of Foundation

The John A. Hartford Foundation was established in 1929 and originally funded with bequests from its founder, John A. Hartford and his brother, George L. Hartford. The Foundation supports efforts to improve health care in America through grants and Foundation-administered projects.

2. 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 preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

All net assets of the Foundation are unrestricted.

Investments
Investments in marketable securities are valued at their fair value (quoted market price). Investment partnerships where the Foundation has the right to withdraw its investment at least annually are valued at their fair value as reported by the partnership. Investment partnerships, real estate partnerships and REIT's which are illiquid in nature are recorded at cost adjusted annually for the Foundation's share of distributions and undistributed realized income or loss. Valuation allowances are also recorded on a group basis for declines in fair value below recorded cost. Realized gains and losses from the sale of marketable securities are recorded by comparison of proceeds to cost determined under the average cost method.

Grants
The liability for grants payable is recognized when speciflc grants are authorized by the Board of Trustees and the recipients have been notifled. Annually the Foundation reviews its estimated payment schedule of long-term grants and discounts the grants payable to present value using the prime rate as quoted in the Wall Street Journal at December 31 to reflect the time value of money. The amount of the discount is then recorded as designated net assets.

Definition of Cash
For purposes of the statements of cash flows, the Foundation defines cash and equivalents as cash and short-term cash investments. Short-term cash investments are comprised of foreign denominated cash, master notes, money market mutual funds and discounted short-term notes. Short-term cash investments also include the unrealized gain or loss on open foreign currency forward contracts and short sales.

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 1998 and 1997 the Foundation's rate was 1%.

Investment expenses for 1998 include direct investment fees of $2,502,165 and $131,000 of allocated salaries, legal fees and other office expenses. The 1997 comparative numbers were $2,040,428 and $131,000.

Deferred Federal excise taxes payable are also recorded on the unrealized appreciation of investments using the Foundation's normal 1% excise tax rate.

The Foundation intends to distribute at least $22,285,000 of undistributed income in grants or qualifying expenditures by December 31, 1999 to comply with Internal Revenue Service regulations.

The John A. Hartford Foundation, Inc. **Exhibit D**
Notes to Financial Statements
December 31, 1998 and 1997

Some of the Foundation's investment partnerships have underlying investments which generate "unrelated business taxable income." This income is subject to Federal and New York State income taxes at "for-profit" corporation income tax rates.

Property and Equipment
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).

3. Investments

The net gains in 1998 is summarized as follows:

	Cost	*Fair Value*	*Appreciation*
Balance, December 31,1998	$436,684,211	$534,623,814	$97,939,603
Balance, December 31,1997	$396,873,309	$490,968,770	$94,095,461
Increase in unrealized appreciation during the year, net of increased deferred Federal excise tax of $38,441			$ 3,805,701
Realized gain, net of provision for excise taxes of $517,062			51,189,134
Gain of sale of office condominium			583,741
Net realized and change in unrealized gains			$55,578,576

For 1997, the unrealized gain was $20,120,448, net of increased deferred Federal excise tax of $38,441. The realized gain was $51,844,928 net of a provision for Federal excise tax of $558,291.

Receivables and payables on security sales and purchases pending settlement at December 31, 1998 and 1997 were as follows:

	1998	*1997*
Proceeds from sales	$ 689,949	$ 878,091
Payables from purchases	(690,275)	(1,745,831)
Net cash pending settlement	$ (326)	$ (867,740)

At December 31,1997, the Foundation had received $286,734 of proceeds from open short sales. The cost to cover those sales would have been $227,966.

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

The detail of the Foundation's investment in long-term bonds is as follows:

	1998	*1997*
U.S. Government	$ 13,643,506	$ 12,729,098
U.S. agency	8,659,787	10, 719,490
Corporate	51,576,224	44, 597,175
Commingled fund	1,962,258	1,483,110
Foreign denominated	15,007,211	11,459,214
	$90,848,986	$80,988,087

The John A. Hartford Foundation, Inc. **Exhibit D**
Notes to Financial Statements
December 31, 1998 and 1997

The Foundation is a participant in twelve investment limited partnerships. As of December 31, 1998, $39,442,285 had been invested in these partnerships and future commitments for additional investment aggregated $9,557,715.

In addition, the Foundation is a participant in four other investment partnerships which are either in liquidation or have reached the completion of their original term and are winding down. The recorded value of these investments is $516,883.

Two of the Foundation's investment partnerships permit withdrawals at least once a year. These are valued at their fair value, $16,925,975 (adjusted cost $16,076,984).

Real estate investments included two limited partnerships and four real estate investment trusts. The Foundation had invested $12,050,000 at December 31, 1998 and future commitments for additional investment aggregated $2,950,000.

4. 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, 1998 the Foundation's open foreign currency forward sale and purchase contracts totaled $6,748,943. Total foreign denominated investments at the same date were $45,448,233.

5. Office Condominium, Furniture and Equipment

At December 31, 1998 and 1997 the fixed assets of the Foundation were as follows:

	1998	*1997*
Office condominium	$4,611,026	$3,616,815
New office condominium - in progress	—	3,070,860
Furniture and equipment	536,048	486,001
	5,147,074	7,173,676
Less: Accumulated depreciation	171,544	2,454,542
Office condominium, furniture and equipment, net	$4,975,530	$4,719,134

6. 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 1998 and 1997 amounted to $110,698 and $100,972, respectively. The Foundation also incurred additional pension costs of approximately $35,000 in 1998 and 1997 for payments to certain retirees who began employment with the Foundation prior to the initiation of the formal retirement plan.

In 1997 the Foundation adopted a deferred compensation plan to compensate certain employees whose retirement plan contributions were limited by IRS regulations.

The John A. Hartford Foundation, Inc. **Exhibit D**
Notes to Financial Statements
December 31, 1998 and 1997

7. Grants Payable

The Foundation estimates that the non-current grants payable as of December 31, 1998 will be disbursed as follows:

2000	$11,008,107
2001	5,873,539
2002	2,690,088
2003	862,944
	20,434,678
Discount to present value	2,368,756
	$18,065,922

The amount of the discount to present value is calculated using the prime rate as quoted in the Wall Street Journal. The prime rate for 1998 and 1997 was 7.75% and 8.5%, respectively.

8. Non-Marketable Investments Reported at Adjusted Cost

As previously mentioned, the Foundation values the majority of its investment partnerships and real estate investments at cost adjusted for the Foundation's share of distributions and undistributed realized income or loss. If a group of investments has total unrealized losses, the losses are recognized.

Income from these investments is summarized as follows:

	1998	*1997*
Partnership earnings	$924,616	$ 666,676
Realized gains - net of taxes of $3,727 and $8,157	369,030	738,968
Unrealized gain (loss) - net of deferred excise tax provision (recovery) of ($6,591) and $7,024	(652,548)	695,330
	$641,098	$ 2,100,974

	Balance Due January 1, 1998	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1998
Aging and Health				
Academic Geriatrics and Training				
The American Academy of Family Physicians Foundation Kansas City, MO *Improving Geriatric Medicine Education in Community Hospital Family Practice Residency Programs* Gregg Warshaw, MD	$ 101,029		$ 101,029	
American Federation for Aging Research (AFAR), Inc. New York, NY *Physician Faculty Scholars in Aging Research* Stephanie Lederman	11,258,780		2,653,048	$ 8,605,732
American Federation for Aging Research (AFAR), Inc. New York, NY *Medical Student Geriatric Scholars Program* Odette van der Willik	842,280	$ 1,494,910	757,894	1,579,296
American Federation for Aging Research (AFAR), Inc. New York, NY *Centers of Excellence Coordinating Center* Stephanie Lederman	768,477			768,477
The American Geriatrics Society, Inc. New York, NY *Integrating Geriatrics into the Subspecialties of Internal Medicine* William R. Hazzard, MD	1,959,043		891,217	1,067,826
The American Geriatrics Society, Inc. New York, NY *Increasing Geriatrics Expertise in Non-Primary Care Specialties* David H. Solomon, MD John R. Burton, MD	1,146,789		410,309	736,480
The American Geriatrics Society, Inc. New York, NY *Enhancing Geriatric Knowledge of Practicing Physician through Continuing Medical Education, Phase II* Patricia P. Barry, MD, MPH	1,762,238		230,718	1,531,520

	Balance Due January 1, 1998	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1998
Baylor College of Medicine Houston, TX *Geriatric Interdisciplinary Team Training* Nancy Wilson, LMSW	$ 385,150		$ 254,472	$ 130,678
Baylor College of Medicine Houston, TX *Center of Excellence* Robert J. Luchi, MD	437,500		87,500	350,000
Boston University Boston, MA *Center of Excellence* Patricia P. Barry, MD, MPH	438,550		86,449	352,101
Council on Social Work Education Alexandria, VA *Preparing Gerontology-Competent Social Workers* Joan Levy Zlotnik, PhD		$ 574,988	142,063	432,925
Duke University Durham, NC *Center of Excellence* Harvey Jay Cohen, MD	225,000		150,000	75,000
Emory University Atlanta, GA *Southeast Center of Excellence in Geriatric Medicine* Joseph G. Ouslander, MD	343,750		68,750	275,000
Harvard Medical School Boston, MA *Center of Excellence* Lewis A. Lipsitz, MD	225,000		75,000	150,000
Henry Ford Health System Detroit, MI *Great Lakes Geriatric Interdisciplinary Team Training* Nancy A. Whitelaw, PhD	342,053		112,663	229,390
Johns Hopkins University School of Medicine Baltimore, MD *Center of Excellence* John R. Burton, MD	226,558		73,442	153,116
Kaiser Foundation Hospitals Los Angeles, CA *Training of Trainers in Interdisciplinary Team Training* Richard Della Penna, MD	253,344		253,344	

	Balance Due January 1, 1998	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1998
The Mount Sinai Medical Center New York, NY *Geriatric Interdisciplinary Team Training* Christine K. Cassel, MD	$ 375,000		$ 250,000	$ 125,000
The Mount Sinai Medical Center New York, NY *Center of Excellence* Christine K. Cassel, MD	225,152		74,849	150,303
New York University New York, NY *Geriatric Interdisciplinary Team Training Program: Resource Center* Terry T. Fulmer, RN, PhD	480,337		337,442	142,895
New York University New York, NY *The John A. Hartford Foundation Institute for the Advancement of Geriatric Nursing Practice* Mathy Mezey, RN, EdD, FAAN	3,415,385		765,725	2,649,660
Northwestern University Chicago, IL *Center of Excellence* Janice B. Schwartz, MD	437,500			437,500
On Lok, Inc. San Francisco, CA *Geriatric Interdisciplinary Team Training* Jennie Chin Hansen, RN, MS	376,042		250,574	125,468
Rush-Presbyterian-St. Luke's Medical Center Chicago, IL *Geriatric Interdisciplinary Team Training* Denis A. Evans, MD	375,000		125,000	250,000
Stanford University Palo Alto, CA *Enhancing Dissemination of Innovations in Geriatric Education* Georgette Stratos, PhD	1,570,465		622,068	948,397
University Hospitals Health System Cleveland, OH *Great Lakes Geriatric Interdisciplinary Team Training* Shirley Moore, RN, PhD	229,427		76,251	153,176

	Balance Due January 1, 1998	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1998
University of Alabama at Birmingham Birmingham, AL *Southeast Center of Excellence in Geriatric Medicine* Richard M. Allman, MD	$ 343,750		$ 68,750	$ 275,000
University of California, Los Angeles School of Medicine Los Angeles, CA *GITT National Program Evaluation* David B. Reuben, MD Janet C. Frank, DrPH	947,277		430,431	516,846
University of California, Los Angeles School of Medicine Los Angeles, CA *Center of Excellence* David B. Reuben, MD	225,000		150,000	75,000
University of California, San Francisco San Francisco, CA *Center of Excellence* C. Seth Landefeld, MD	455,185		69,815	385,370
University of Colorado Denver, CO *Geriatric Interdisciplinary Team Training* Nora Morgenstern, MD Ernestine Kotthoff-Burrell, RN, C, ANP	375,000		250,000	125,000
University of Colorado Denver, CO *Center of Excellence* Andrew M. Kramer, MD	426,570		98,429	328,141
University of Hawaii Honolulu, HI *Center of Excellence* Patricia L. Blanchette, MD, MPH	444,331		80,669	363,662
University of Kansas Kansas City, KS *Center of Excellence* Stephanie A. Studenski, MD, MPH	452,851		72,149	380,702
University of Medicine and Dentistry of New Jersey Hackensack, NJ *Expansion of Home Care into Academic Medicine* R. Knight Steel, MD	614,305		415,953	198,352

	Balance Due January 1, 1998	*Grants Authorized During Year*	*Amount Paid During Year*	*Balance Due December 31, 1998*
University of Michigan Ann Arbor, MI *Center of Excellence* Jeffrey B. Halter, MD	$ 225,000		$ 150,000	$ 75,000
University of Minnesota Minneapolis, MN *Geriatric Interdisciplinary Team Training* Robert L. Kane, MD	388,010		125,885	262,125
University of North Carolina Chapel Hill, NC *Fostering Interdisciplinary Approaches to the Care of the Rural Elderly* Jan Busby-Whitehead, MD	325,508		325,508	
University of Rochester Rochester, NY *Combined Medical Oncology - Geriatrics Fellowship Program* John M. Bennett, MD William J. Hall, MD		$ 753,905	190,256	563,649
University of Rochester Rochester, NY *Center of Excellence* William J. Hall, MD	445,997		176,327	269,670
University of South Florida Foundation, Inc. Tampa, FL *Geriatric Interdisciplinary Team Training* Eric Pfeiffer, MD	375,000		125,000	250,000
University of Texas, San Antonio San Antonio, TX *Center of Excellence* David V. Espino, MD Michael S. Katz, MD	437,734		87,265	350,469
University of Washington Seattle, WA *Center of Excellence* Itamar B. Abrass, MD	300,000		200,000	100,000
Yale University New Haven, CT *Center of Excellence* Mary E. Tinetti, MD	462,500		62,500	400,000
Subtotal	$35,443,867	$ 2,823,803	$ 11,928,744	$26,338,926

	Balance Due January 1, 1998	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1998
Integrating and Improving Services				
Arizona State University Tempe, AZ *Enhancing Generalist Physician Program Impact* *Frank G. Williams, PhD*	$ 366,268		$ 366,268	
Carle Foundation Hospital Urbana, IL *Evaluation of Geriatric Team Care in Medicare Risk* Cheryl Schraeder, RN, PhD		$ 688,945	137,460	$ 551,485
Duke University Durham, NC *Improving Depression Care for Elders* Linda H. Harpole, MD Eugene Z. Oddone, MD		1,095,749	148,240	947,509
Indiana University Indianapolis, IN *Improving Depression Care for Elders* Christopher M. Callahan, MD		1,189,719	154,078	1,035,641
Johns Hopkins Bayview Medical Center, Inc. Baltimore, MD *Johns Hopkins Home Hospital* John R. Burton, MD		94,050	94,050	
National Chronic Care Consortium Bloomington, MN *Using SASI to Advance System Integration* Deborah L. Paone	108,583		108,583	
New York University New York, NY *Nurses Improving Care to the Hospitalized Elderly* Mathy Mezey, RN, EdD, FAAN	107,066		107,066	
On Lok, Inc. San Francisco, CA *Integrated Chronic Care Information System* Catherine Eng, MD	482,176		346,601	135,575
Seattle Institute for Biomedical and Clinical Research Seattle, WA *Client Outcomes in Community Residential Settings in the State of Washington* Susan C. Hedrick, PhD	389,159		115,433	273,726

	Balance Due January 1, 1998	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1998
The Spartanburg Regional Medical Center Foundation Spartanburg, SC *Improving Geriatric Care in Rural Healthcare Delivery Systems* R. Bradford Whitney, Jr., MD		$ 1,105,028	$ 310,086	$ 794,942
University of California, Los Angeles Los Angeles, CA *Improving Depression Care for Elders Coordinating Center* Jürgen Unützer, MD, MPH		2,105,817	292,590	1,813,227
University of California, Los Angeles Los Angeles, CA *Improving Depression Care for Elders* Richard Della Penna, MD Jürgen Unützer, MD, MPH		1,166,266	143,637	1,022,629
University of Texas Health Science Center at San Antonio San Antonio, TX *Improving Depression Care for Elders* John W. Williams, MD		1,199,432	128,455	1,070,977
University of Washington Seattle, WA *Improving Depression Care for Elders* Wayne Katon, MD Elizabeth Lin, MD		1,193,027	144,092	1,048,935
Subtotal	$ 1,453,252	$ 9,838,033	$ 2,596,639	$ 8,694,646
Aging and Health - Other				
Brandeis University Waltham, MA *National Policy and Resource Center on Women and Aging* Phyllis H. Mutschler, PhD	$ 375,000		$ 197,408	$ 177,592
Cold Spring Harbor Laboratory Cold Spring Harbor, NY *The Biology of Long-Term Memory* Timothy P. Tully, PhD	443,852		284,999	158,853
The George Washington University National Health Policy Forum Washington, DC *Advancing Aging and Health Policy Understanding* Judith Miller Jones	348,509		232,035	116,474

	Balance Due January 1, 1998	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1998
Grantmakers in Aging, Inc. New York, NY *Campaign to increase grantmakers' interest in aging across the country* Barbara R. Greenberg		$ 56,050	$ 28,025	$ 28,025
Institute for Advanced Studies in Aging and Geriatric Medicine Washington, DC *Planning a National Geriatrics Research Cooperative* William B. Ershler, MD		56,810	56,810	
Mount Sinai School of Medicine New York, NY *Geriatric Medications Information for Practicing Physicians* Rosanne M. Leipzig, MD, PhD		33,000	33,000	
Museum of Science Boston, MA *Traveling exhibit on aging* Steven L. Solomon		50,000	50,000	
The People-to-People Health Foundation, Inc. Bethesda, MD *Health Affairs Thematic Issue on Medicare's Future* John K. Iglehart	$ 37,500		37,500	
University of Maryland Baltimore, MD *Expanding the National Network for Intergenerational Health* Daniel Leviton, PhD	249,692		115,907	133,785
Vanderbilt University School of Medicine Nashville, TN *Improving Pharmacotherapy in Home Health Patients* Wayne A. Ray, PhD	363,381		363,381	
Subtotal	$ 1,817,934	$ 195,860	$ 1,399,065	$ 614,729
Total Aging and Health	$ 38,715,053	$ 12,857,696	$ 15,924,448	$ 35,648,301

	Balance Due January 1, 1998	*Grants Authorized During Year*	*Amount Paid During Year*	*Balance Due December 31, 1998*
Health Care Cost and Quality				
Community Health Reform				
Foundation for Health Care Quality Seattle, WA *Health Care Quality Measurement Advisory Service* Richard D. Rubin	$ 401,162		$ 401,162	
Institute for Health Policy Solutions Washington, DC *Health Plan Purchasing Cooperative Resource Center* Richard E. Curtis	868,987		685,008	$ 183,979
National Business Coalition on Health, Inc. Washington, DC *Expanding and Strengthening the Community Health Reform Movement* Gregg O. Lehman, PhD	503,359		195,835	307,524
Subtotal	$ 1,773,508		$ 1,282,005	$ 491,503
Community Health Management Information Systems				
Foundation for Health Care Quality Seattle, WA *Community Health Management Information System (CHMIS) National Resource Center* Richard D. Rubin	$ 420,843		$ 420,843	
Foundation for Health Care Quality Seattle, WA *Implementing the Washington State Community Health Management Information System (CHMIS)* Richard D. Rubin	190,994		190,994	
Minnesota Institute for Community Health Information St. Paul, MN *Implementation of MedNet: A Statewide Public/Private Electronic Health Care Information Network in Minnesota* Walter G. Suarez, MD, MPH	115,000		115,000	
Subtotal	$ 726,837		$ 726,837	
Total Health Care Cost and Quality	$ 2,500,345		$ 2,008,842	$ 491,503

	Balance Due January 1, 1998	Grants Authorized During Year	Amount Paid During Year	Balance Due December 31, 1998
New York Fund				
American Red Cross in Greater New York New York, NY		$ 1,000	$ 1,000	
Brooks School North Andover, MA		8,000	8,000	
Classroom, Inc. New York, NY		10,000	10,000	
Columbia University Teachers College New York, NY		15,000	15,000	
Hospital for Special Surgery New York, NY		3,000	3,000	
International House New York, NY		5,000	5,000	
Jamaica Center for Arts & Learning Jamaica, NY		20,000	20,000	
Mount Sinai Medical Center New York, NY		1,500	1,500	
New York and Presbyterian Hospitals New York, NY		25,000	25,000	
Cornell University New York, NY		10,000	10,000	
Overlook Hospital Foundation Summit, NJ		1,000	1,000	
Parish Resource Center Valley Stream, NY		5,000	5,000	
Rampant Lion Foundation New York, NY		2,000	2,000	
Rheedlen Centers for Children & Families New York, NY		25,000	25,000	
St. John's of Lattingtown Locust Valley, NY		10,000	10,000	
Stanford University Palo Alto, CA		1,000	1,000	
United Hospital Fund New York, NY		2,500	2,500	
United Way of Allegheny County Pittsburgh, PA		5,000	5,000	
Total New York Fund		$ 150,000	$ 150,000	

	Balance Due January 1, 1998	*Grants Authorized During Year*	*Amount Paid During Year*	*Balance Due December 31, 1998*
Other				
Association for Health Services Research Washington, DC		$ 2,500	$ 2,500	
The Foundation Center New York, NY		8,000	8,000	
Gateway Rehabilitation Center Aliquippa, PA	$ 20,452		20,452	
Grantmakers in Aging New York, NY		5,000	5,000	
Grantmakers in Health Washington, DC		10,000	10,000	
National Foundation for Facial Reconstruction New York, NY	457,500		195,000	$ 262,500
New York Regional Association of Grantmakers New York, NY		9,000	9,000	
Overlook Hospital Foundation Summit, NJ	30,775		30,775	
RAND Corporation Santa Monica, CA		5,000	5,000	
Matching Grants*		541,775	541,775	
Total Other	$ 508,727	$ 581,275	$ 827,502	$ 262,500
Grants Refunded or Cancelled	810,054	(880,507)	(70,453)	
Discount to Present Value	(3,296,882)	928,126		(2,368,756)
Total (All Grants)	$ 39,237,297	$ 13,636,590	$ 18,840,339	$34,033,548

	Expenses Authorized, Not Incurred January 1, 1998	*Projects Authorized During Year*	*Expenses Incurred During Year*	*Expenses Authorized, Not Incurred December 31, 1998*
Foundation-Administered Project				
Aging and Health *To Pursue Selected Activities Identified in the Strategic Plan*	$ 248,043	$ 200,000	$ 264,446	$ 183,597
Total	$ 248,043	$ 200,000	$ 264,446	$ 183,597

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

Additional Active Grants

Aging and Health

Bowman Gray School of Medicine
Winston-Salem, NC
Center of Excellence Designation Award
William R. Hazzard, MD
1997; $10,000; 2 years

Case Western Reserve University
Cleveland, OH
Center of Excellence Designation Award
Jerome Kowal, MD
1997; $10,000; 2 years

Dartmouth Medical School
Hanover, NH
A Program to Improve Treatment of Depression in the Elderly
James E. Barrett, MD
1995; $2,000,000; 4 years

Society for Academic Emergency Medicine (The University Association for Emergency Medicine)
Lansing, MI
Emergency Care of the Elderly: Meeting the Needs
Arthur B. Sanders, MD
1993; $861,552; 5 years, 6 months

Stanford University
Palo Alto, CA
Center of Excellence Designation Award
Peter Pompei, MD
1997; $10,000; 2 years

St. Louis University
St. Louis, MO
Center of Excellence Designation Award
John E. Morley, MD, BCh
1997; $10,000; 2 years

University of Arkansas for Medical Sciences
Little Rock, AK
Center of Excellence Designation Award
David A. Lipshitz, MD, PhD
1997; $10,000; 2 years

University of Connecticut Center on Aging
Farmington, CT
Center of Excellence Designation Award
Richard W. Besdine, MD
1997; $10,000; 2 years

University of Pennsylvania
Philadelphia, PA
Center of Excellence Designation Award
Risa Lavizzo-Mourney, MD, MBA
1997; $10,000; 2 years

Health Care Cost and Quality

Columbia University
New York, NY
The Washington Heights-Inwood Community Health Information System (WHICHIS): A Demonstration Project
Paul D. Clayton, PhD
1994; $1,049,500; 4 years

The Foundation normally makes grants to only 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 107(c)(1) of the code, or state colleges or universities. The Foundation does not make grants to individuals.

Due to its narrow funding focus, the Foundation primarily makes grants by invitation only. After familiarizing yourself with the Foundation's program areas and guidelines, if you feel that your project falls within this focus, please submit a letter of inquiry.

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.

Foundation staff can be reached at the following:

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Or through our Web site:
http://www.jhartfound.org

Please do not send proposals by fax or e-mail.

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