August 21, 2012

Dear Grantees, Colleagues, and Friends of the John A. Hartford Foundation:

As we have over the last several years, we wanted to offer a formal update on important events at the Foundation. For well over a year, the Trustees and staff of the Foundation have been examining our programs and strategies and refining our vision of how we can best use our resources to help the nation improve its care of older Americans. We would like to thank all of you who participated in the process through conversations with staff, comments on the blog, presentations to the board, or critiques of our ideas.

Following our discussions with the Board of Trustees at the June 2012 annual meeting, we would like to share our new strategic direction and some plans for implementation of what we are calling our “Downstream Shift.” Before providing a deeper discussion, we want to make three points:

- First, the mission of the Foundation remains: To improve the health of older Americans.

- Second, the changes we will be making will be phased in gradually, allowing two to three years for grantees to adjust to budget and staffing implications and to provide time, tools, and resources for fundraising and other sustainability efforts.

- Third, this shift is motivated by three factors: the acceleration of demographic change and shortened timeline for action; the capabilities of the many strong leaders and experts in geriatrics and gerontology who are now available; and the opportunities created in health reform to put geriatric expertise into practice.

Previous Theory of Change

Looking at our grantmaking over the last 30 years, it is clear that the implicit theory of change was one of academic capacity building. We invested almost 90% of our payout in that period in faculty and curriculum development and 70% of that spending in scholarships and fellowships. We hoped to have a significant impact on the lives of older adults through the work of a relatively few key academic-leaders-to-be in medicine, nursing, and social work. And, we could not be prouder of their accomplishments: the alumni of Hartford programs are already more valuable to our shared mission than the grants dollars we will be able to give out in the next ten years – and their influence will continue to grow.
New Theory of Change

However, we have concluded that what was a prescient strategy of human capital investment in 1982, 29 years before the leading edge of the baby boom turned 65, is no longer the highest and best use of Foundation funds. The context of the Foundation’s grantmaking has been changed by our accumulating capacity building efforts and the increasing pace of demographic change. The new opportunities in health reform create a compelling rationale for a shift from preparing people and ideas to improve care of older adults in the future towards helping the leaders we have now, make significant changes in practice today. We see the shifting environment of enhanced primary care, Medicare/Medicaid integration, and accountable care organizations as fertile ground, where the geriatric expertise we have nurtured must be deployed to create the health care system we need and to generate demand for that geriatric expertise in the future.

Foundation Resources

Our determination to use the Foundation’s assets for their highest and best purposes is only strengthened by our current financial realities. Despite a broad market recovery, which while shaky and changing daily, has returned to 90% of pre-crash highs, the Foundation’s endowment (its sole source of funds) remains below $500 million, some 30% down from the end of 2006, and we see no realistic hope of returns that would enable us resume our previous level of grantmaking. We made over $30 million in grants payments in 2007 and we expect to pay $18.3 million in 2013. Our ability to return to active grantmaking is not a result of our rising endowment but rather created by our very limited giving over several years which has allowed us to bring our commitments and our grantmaking back into balance, albeit as a smaller funder. Even now we will need to be cautious as we try to support a graceful exit from our current strategies and begin limited grantmaking under our new approaches.

Transition to the New Strategic Plan

The graph shows the planned transition in terms of the flow of grant payments. The yellow represents payments to grants that were authorized as of June 2012, our legacy commitments which will be paid over the course of those grants. The grey band represents planned spending on final renewal, transition grants aimed at
concluding current work and preparing for work under the new strategies. The blue wedge represents spending under the new strategies which will start slowly in 2013 but replace our current work, by 2016.

At our September and December 2012 board meetings, we expect to bring in final renewals of those established academic faculty development programs we have supported over the last ten years. These include our Centers of Excellence in Geriatric Medicine, Hartford Centers of Geriatric Nursing Excellence, our Social Work Scholars, and Beeson Scholars programs, which will all continue until at least 2015. Other work, such as the dissemination of geriatric curriculum through the National League for Nursing and the Chief Resident in Training model, is being continued by other funders. These renewals will enable additional cohorts of trainees to prepare for faculty careers, support strengthened ties to program alumni, and give grantee organizations time to find replacement funding, where possible or wind down their work where not.

Our new strategic grantmaking areas will be:

- Interprofessional Leadership in Action
- Linking Education and Practice
- Developing and Disseminating Models of Care
- Tools and Measures for Quality Care
- Communications/Policy

As we develop each of these concepts and put them into action through specific grants, we will be interested in ideas from new and long-time grantees, both institutions and individuals. Over a ten year period, we wish to see improvements in the care of older Americans such as reductions in rates of hospitalization for ambulatory care sensitive conditions, improvement in quality of care as measured by the ACOVE indicators, and improved coordination of care between social services and supports and health care. Ideally new projects will draw on Hartford “alumni” and a wide range of disciplines as well as other stakeholders committed to improving care of older Americans. We will be most interested in opportunities where the environment (e.g., health reform mechanisms, emerging regulatory structures, or economic incentives) offers significant added leverage to our relatively modest funding.

Change and Capacity Building

While we are excited about the potential impact of work under our new strategic plan, we also know that it will bring uncertainty and change to the outstanding people we have worked with over the last twenty years. We expect that some current grantees will continue to be supported in the future, although in many cases the nature of our shared work will change. In a small number of cases, projects funded under our prior strategies will also fit in our new framework. However, for some current grantees the shift in strategy may cause a misalignment of missions and interests so as to prevent future partnerships.
Regardless, we see tremendous value in continuing relationships broadly with all members of the aging community. We will also continue to use our reputation and position to advance our common cause. We will maintain capacity building resources, such as Bandwidthonline.org for the field, and also plan to develop new resources to help smooth the transition. To better understand how we might help grantees facing the challenge of losing Foundation support over the next few years, we would like to get specific feedback as to the kinds of capacity-building support that might be useful. Please follow the link below to complete a 15 minute, online survey that will help us understand your needs:

https://www.surveymonkey.com/s/GRYBBDY

If you have questions or problems with the survey, please contact Jessie White in our office at Jessie.White@jhartfound.org office phone 212-832-7788.

Conclusion

Helping an institution with the illustrious history of The John A. Hartford Foundation set its programmatic priorities is a challenge, a burden, and an honor. We are grateful for the advice and support of our colleagues, the Board of Trustees, and the many experts in the field. We are happy to answer any questions and are open to any suggestions that you may care to pose.

Sincerely,

Christopher A. Langston, PhD Corinne H. Rieder, EdD
Program Director Executive Director