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Chairman, Board of Directors

### 2003 Annual Report

## THE FUND'S MISSION, GOALS, AND STRATEGY



The Fund's board of directors plays a vital role in deciding where and how the foundation should strive to make an impact, given its limited resources. Current grantmaking efforts focus on improving health insurance coverage and access to care for all Americans; improving the quality of health care services and stimulating innovation in health care delivery; and promoting international exchange on health care policy and practice.

The Fund carries out its broad charge of advancing the common good by supporting efforts that help people live healthy and productive lives and by assisting specific groups with serious and neglected problems. To that end, it supports independent research on health and social issues and makes grants to improve health care practice and policy.

The foundation's current goals—which express the Fund's long-term mission and its assessment of how it can best address certain pressing social issues—are threefold:

- Improve health insurance coverage and access to care for all Americans
- Improve the quality of health care services and stimulate innovation in health care delivery
- Promote international exchange on health care policy and practice

The Fund's programs are organized in pursuit of those goals, following a well-defined set of principal strategies:

**Goal: Improve health insurance coverage and access to care for all Americans**

- Help develop a health insurance system that meets the needs of a 21<sup>st</sup> century population
- Provide new information and analysis on coverage trends and consequences, focusing on employment-based coverage and high-risk populations
- Develop or assess practical ways to expand insurance coverage, with an emphasis on those that build on current bases, such as public or employer-based coverage
- Assess the experience of state and community initiatives to improve coverage, with the aim of disseminating lessons useful for future federal, state, and local strategies
- Mobilize groups particularly affected by inadequate coverage
- Preserve and strengthen the ability of Medicare to guarantee access to health services for current and future elderly and disabled beneficiaries
- Reduce the number of uninsured in New York City and improve the quality of care for low-income residents

**Goal: Improve the quality of health care services and stimulate innovation in health care delivery**

- Increase the availability and accessibility of reliable, trustworthy information on the quality of health care and performance of providers
- Examine incentives—financial and non-financial, including policies, regulations, liability, accreditation, credentialing, and others—to foster quality

- Help build organizational and systemic capacity for change to improve quality
- Improve quality and reduce disparities in health care for low-income and racial or ethnic minority patients by increasing quality measurement and reporting for minority populations, promoting culturally competent care, and improving quality and reducing disparities in clinical care for minorities
- Develop physician leaders who will improve the capacity of the health care system to address the health needs of minority and disadvantaged populations
- Remedy the shortfall of minority physician leaders who are well trained in clinical medicine, health policy, public health, and health management
- Assure that appropriate developmental and preventive pediatric services are available to all families, especially those with young children and low incomes
- Improve the quality of care and quality of life for people living in nursing homes

**Goal: Promote international exchange on health care policy and practice**

- Develop an international network of policy-oriented health care researchers and practitioners
- Help keep policymakers in the United States informed of developments in, and transferable lessons from, other industrialized countries
- Foster the development of international collaborative programs to improve care

**Planned extramural grants  
spending of \$81.4 million, fiscal  
years 2003-04 through 2007-08**

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In addition to grants programs pursuing those strategies, the Fund conducts programs in communications and in research, evaluation, and health policy that advance its objectives.

The Fund's total programmatic spending over the five-year period 2003–07 is expected to be \$133 million. Of that amount, it is anticipated that 62 percent, or \$81 million, will be spent as grants, allocated across program areas as follows: 32 percent to improving the quality of health care services, 16 percent to improving health insurance coverage and access to care, 8 percent to international health policy and practice, and 6 percent to other continuing programs. Reflecting the foundation's value-added approach to grantmaking, 22 percent of the total budget would be devoted to intramural units engaged in program development, research, and dissemination, and 16 percent to management and administration. This allocation includes \$9.2 million to communicate the results of Fund-sponsored work and funds to operate programs directly managed by the foundation: the Task Force on the Future of Health Insurance; Research, Evaluation, and Health Policy; and International Health Policy and Practice, including Harkness Fellows in Health Policy. The foundation expects to spend approximately 5 percent of its extramural program budget on surveys, which have proven to be useful in informing policy debates and developing programs.

In all its work, the Fund seeks particularly to target issues that affect vulnerable populations. It also aims to achieve a balance between information-generating and action-oriented activities, and between public- and private-sector work. Other concrete objectives that help guide its grantmaking strategy include keeping its doors open to new talent, working in partnership with other funders, being receptive to new ideas, undertaking appropriate risks, and

contributing to the resolution of health care problems in its home base, New York City, while pursuing a national and international agenda.

Like most other foundations, investment returns on the Fund's endowment since 2000 have been disappointing, necessitating reappraisal of earlier spending plans. The Fund has been fortunate in not having to undertake the major spending reductions experienced by many other foundations, but some belt-tightening has been necessary. In this context, the foundation examined the merits of all its programs and activities in 2003 in a strategic planning exercise that assessed the internal strengths and weaknesses and external opportunities and threats for each major program. The conclusions of the exercise were that all the Fund's programs merit continuation and that care should be taken to preserve the intramural staff capacities that underlie the productivity and impact of the foundation's programs. Reductions in planned spending were made selectively, with the aim of achieving savings in program and communications, where possible, while protecting areas with the greatest opportunity for making a difference.

The Fund regularly reviews its major programs and activities to assess their effectiveness and reexamine their strategies. In 2003, the Fund carried out a review of its communications program, a major aspect of which was a survey of Fund audiences, conducted by Harris Interactive, Inc., to provide anonymous feedback to the foundation on the effectiveness of its communication with target audiences and their views regarding the usefulness of the information it generates. The survey was designed to help guide improvements in the foundation's communications program and overall performance.

In addition to providing encouraging feedback on the foundation's performance, the principal finding of the survey was the Fund's effectiveness in reaching audiences through the relatively low-cost medium of electronic distribution. Using audience preference data collected in a similar survey in 1999 by the Alpha Center as a base line for comparison, the growth in audiences' preferences for using the Internet to learn about the Fund's work is dramatic: to cite two examples, 84 percent now use the website, compared with 19 percent in 1999; and 65 percent use it to download reports, compared with 9 percent earlier. This change is testimony both to the rapid spread of information technology and the Fund's substantial achievement in harnessing that technology to advance its mission.

The 2003 audience survey revealed further potential for capitalizing on the tools of the Internet, while endorsing the Fund's basic program and communications strategy. One of the clearest messages was the explicit preference for digital distribution of Fund reports. Nearly 70 percent of respondents said they preferred receiving Fund reports via e-mail alert, enabling accessing, downloading, or ordering. This finding, along with new budget realities, has led to a significant change in the foundation's print publications strategy: cessation of unsolicited mailings of copies of its publications, and reliance now on an e-mail alert system and the Fund's website. To enhance its e-marketing capacities, the Fund is redesigning its website and upgrading its functionality, with the goal of making it easier to find reports and program information, tailoring information for key audiences such as journalists, and more accurately reflecting the breadth and depth of Fund-supported work. Other priorities include identifying additional opportunities to advertise the Fund's website; increasing the number of e-mail alert subscribers by working with partner organizations and cofunders; improving maintenance of e-mail

lists; and strengthening media outreach. These steps will accomplish the important goals of spending appropriately on communications during a financially challenging period and realigning the Fund’s communications products with the current habits and preferences of its audiences.

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**Use of the Fund's website has grown dramatically in the past few years, as confirmed by a recent survey of members of the foundation's target audiences.**

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	<b>1999 Audience Survey</b>	<b>2003 Audience Survey</b>
Share of survey respondents using the Fund’s website	19%	84%
Share of respondents saying the Fund’s website is useful to them	17%	80%
Share of respondents using the website to find Fund reports	14%	61%
Share of respondents downloading Fund reports from its website	9%	65%
Share of respondents saying they would sign up for Fund e-mail alerts about new publications (1999) or who currently make use of the foundation’s e-mail alerts	59%	85%

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1999 and 2003 Audience Surveys