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Chairman, Board of Directors

2005 Annual Report

The Fund's Mission, Goals, and Strategy



Prior to approving the creation of the Commission on a High Performance Health System, the Fund's Board of Directors heard from a number of national experts in health care policy. At its April 2005 retreat, the Board heard Arnold Milstein, M.D., Worldwide Partner for Mercer Human Resource Consulting, and Gail Wilensky, senior fellow at Project HOPE, discuss possible ways of achieving greater efficiency in health care delivery and financing.

Photo: John Troha/Redux Plus

At its annual retreat in April 2005, the Fund's Board of Directors undertook a thorough examination of the foundation's work over the last five years and sought the strategic advice of leaders in health policy and practice. The Board also agreed upon a revised mission statement that is consistent with the foundation's earlier mission yet recognizes that a high performance health system is needed to meet broad objectives for coverage, quality, and efficiency:

The Commonwealth Fund was established in 1918 by Anna M. Harkness with the broad charge to enhance the common good.

The mission of The Commonwealth Fund is to promote a high performing health care system that achieves better access, improved quality, and greater efficiency, particularly for society's most vulnerable, including low-income people, the uninsured, minority Americans, young children, and elderly adults.

The Fund carries out this mandate by supporting independent research on health care issues and making grants to improve health care practice and policy. An international program in health policy is designed to stimulate innovative policies and practices in the United States and other industrialized countries.

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COMMISSION ON A HIGH PERFORMANCE HEALTH SYSTEM

- **Move the United States toward a high-performing health care system that achieves better access, improved quality, and greater efficiency, and focuses particularly on the most vulnerable due to income, inadequate insurance, minority status, health, or age.** This goal will be advanced through a Commission on a High Performance Health System, to be charged with setting and tracking performance targets, developing policy options, and disseminating innovative practice changes that would improve the functioning of the U.S. health system. The Fund’s grantmaking programs will support and enhance the Commission’s work.

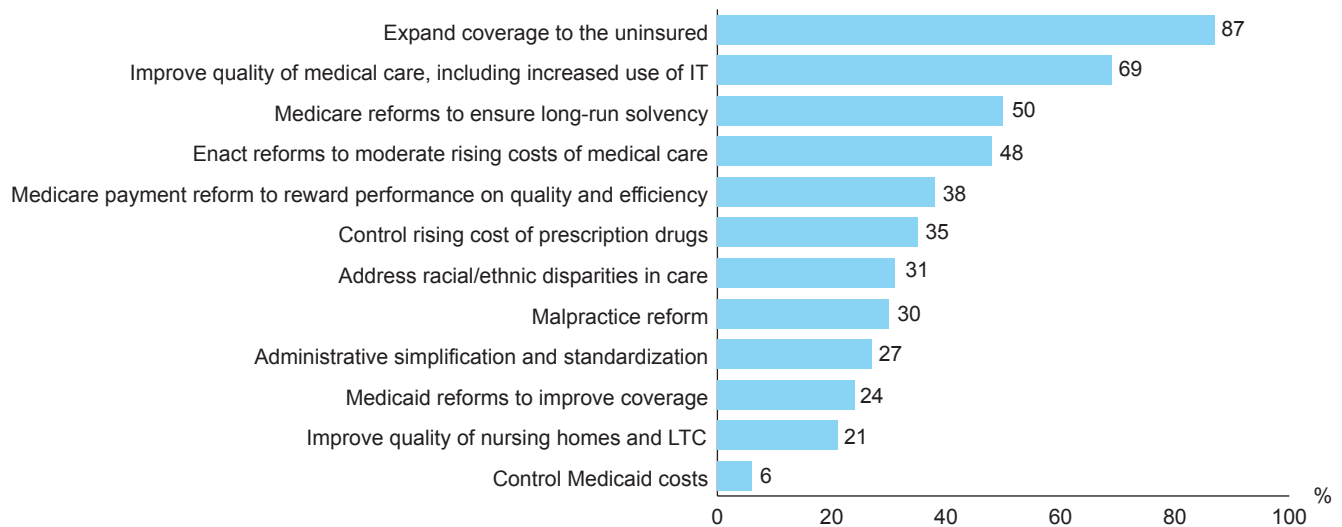
PROGRAMMATIC GOALS DIRECTLY ASSOCIATED WITH THE COMMISSION

- **Improve health insurance coverage and access to care for all Americans** by increasing the knowledge of the public and of policy leaders about the uninsured and underinsured and the consequences of inadequate coverage, and by stimulating new efforts at the federal and state government levels and private sector to expand insurance coverage.
- **Enhance Medicare's capacity to be an innovative leader in coverage, quality improvement, and value** by evaluating policy options and practices for achieving better access, improved quality, and greater efficiency for Medicare beneficiaries—particularly the most vulnerable ones—and for the health care system overall.
- **Improve the quality and promote the efficiency of health care services** by reporting on opportunities to increase the effectiveness, safety, and cost-effectiveness of health care at all levels of delivery; identifying, evaluating, and disseminating promising models of care, as well as the practices of high-performing health care providers and systems; and exploring policy changes or opportunities to achieve higher quality and efficiency.

- **Identify, assess, replicate, and diffuse policies and practices that improve the ability of the health care system, particularly primary care practices, to deliver sensitive and appropriate care to all patients**, and create more opportunities for patients and their families to provide information on their experiences to their providers that can be used as a platform for improvement of care.

Obtaining the views of health care opinion leaders on health policy issues helps inform debates and shape the Fund’s strategy.

Recommended top health policy priorities for Congress over the next five years



Source: The Commonwealth Fund Health Care Opinion Leaders Survey, Nov.–Dec. 2004.

Identify and assess working solutions at the state or local level that contribute to high performance by addressing access, quality, and efficiency, and disseminate those experiences to stimulate new efforts to improve state and local health system performance. This goal includes supporting work in the Fund’s community, New York City.

GOALS FOR PROGRAMS ADDRESSING SPECIAL POPULATIONS

- **Enhance the possibilities that children will develop normally and be able to reach their full potential** by expanding the availability of excellent child development

information and services for families with children from birth to age 3; enhancing the accessibility, quality, and efficiency of health services for young children; adopting new standards of professional well-child care practice; and encouraging states to leverage their funding for child health care to improve child development services and preventive care.

- **Foster the growth of the knowledge, leadership, and capacity needed to address the health care needs of a growing minority population** by training leaders and by identifying policies and practices that will promote equitable health outcomes for minority, low-income, and other underserved populations, eliminate existing disparities in care, and enhance the performance of safety net systems of care.
- **Transform institutional long-term care and the quality of life of elderly Americans in nursing homes and other long-term care facilities** by identifying, evaluating, and promoting the adoption of resident-centered care and enhancing long-term care system performance; equipping the professional leaders of long-term care organizations to lead transformational change; and identifying state and federal policy, payment, and quality initiatives that will support the industry's adoption of resident-centered care.

GOALS FOR THE INTERNATIONAL PROGRAM

- **Promote international exchange on health care policy and practice** by preparing future leaders committed to cross-national analysis of health policy and practice; sustaining a growing international network of policy-oriented health care researchers and practitioners; encouraging cross-national comparative research to identify international examples of high-performing health care systems and organizations; helping keep policymakers in the United States informed of developments in, and transferable lessons from, other industrialized societies; and fostering the development of international collaborative programs to improve care, including

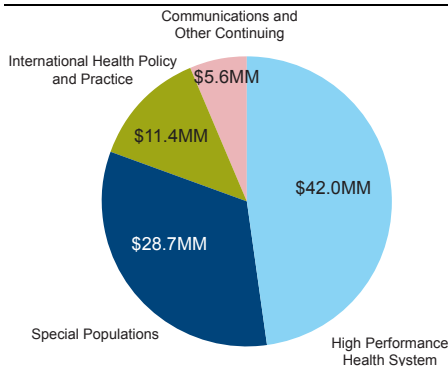
opportunities to learn from variations in performance by or

within countries.

GOALS FOR COMMUNICATIONS/DISSEMINATION

- **Augment the Fund's leadership in disseminating credible, authoritative information** about policy options and innovative approaches to moving the United States toward a high performing health care system, particularly for the most vulnerable due to income, minority status, health, or age, through the use of electronic publishing and other communication tools.

**Planned extramural grants spending: \$87.7 million
Fiscal years 2005-06 through 2009-10**



The Fund's total programmatic spending over the five-year period 2005-09 is expected to be \$140.6 million. Of that amount, it is anticipated that 62 percent, or \$87.7 million, will be spent as grants, allocated across program areas as follows: 48 percent to promoting a high performance health system, 33 percent to addressing the health care needs of special populations, 13 percent to international health policy and practice, and 6 percent to communications and other continuing programs. 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. Reflecting the foundation's value-added approach to grantmaking, 38 percent of the total budget will be devoted to intramural units engaged in research, program development, and management, collaborations with grantees, and dissemination. This allocation includes \$9.4 million to communicate the results of Fund-sponsored work and funds to operate programs directly managed by the foundation.

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

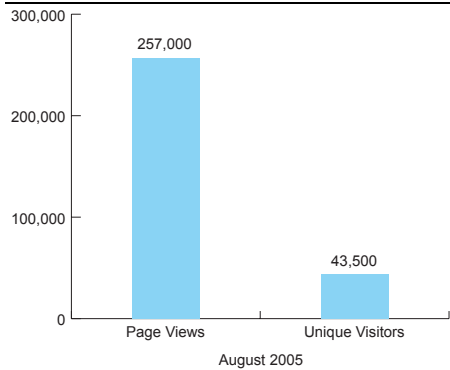
talent, working in partnership with other funders, being receptive to new ideas, undertaking appropriate risks, and contributing to the resolution of health care problems in its home base, New York City, while pursuing a national and international agenda.

The Fund regularly reviews its major programs and activities to assess their effectiveness and reexamine their strategies. Every five years the Fund's Board of Directors conducts a special retreat to take stock of the foundation's work over an extended period, assess its institutional capacities, and lay out an agenda for the following five years. The April 2005 retreat assessed the Fund's work over the last five years from a variety of perspectives: the progress in each program made toward goals set out in 2000, with concrete examples of the Fund's impact; a report on the extent to which the Fund is realizing the ambitious communications objectives that are so closely linked to its grantmaking strategy; an assessment of the institutional capacities of the Fund that are the sine qua non for all its programmatic and communications activities; and a synthesis of lessons that have been learned from the Fund's grantmaking experience over an extended period of time.

The Board's conclusion was that the nation would be well-served at this juncture by the foundation establishing the Commission on a High Performance Health System, charged with developing recommendations for changes in clinical care, organizational, administrative, information, and payment systems that are essential if this country is to meet fundamental equity and quality issues in health care. The proposed Commission and associated new initiatives are promising mechanisms for bringing the Fund's strengths to

bear at a critical juncture in the evolution of American health

The Fund’s Web site has more than 43,000 monthly visitors, accessing a wide range of new information on health policy and practice



care.¹

The Fund’s continuing commitment to communicating the results of its work to influential audiences was evidenced in 2004-05 by further enhancements of its Web site, cmwf.org. These included the addition of “Quality Matters” and “States in Action” newsletters; a bimonthly e-newsletter “The Commonwealth Fund Digest” of Fund-sponsored research on health policy and practice; and improvements in the site search engine. With approximately 43,000 unique visitors and one-quarter million Web page views each month, the site is proving to be a highly efficient and productive vehicle for distributing and publicizing the more than 300 Fund reports, newsletters, media releases, peer-reviewed journal articles, and data releases produced by the foundation’s grantees and staff each year.

To help inform health policy making and its own program strategies, the Fund launched during the year, with Harris Interactive, an online bimonthly survey of health care opinion leaders. The survey is designed to provide an ongoing measure of expert views of health policy priorities and options for addressing key issues, and strengthens the Fund’s capacities for helping inform policy debates with new, timely information.

¹ Karen Davis, “Toward a High Performance Health System: The Commonwealth Fund’s New Commission,” *Health Affairs*, September/October 2005: 1356-1360.