

Where the Money Is

A handful of foundations are providing the seed capital for changing the health-care system

By LAURA LANDRO

AT THE CAMBRIDGE Health Alliance in Massachusetts, staffers are studying online registries for asthma patients and an online asthma link for the emergency room. At Children's Hospital Medical Center in Cincinnati, a Web-based information system is being created to help families of kids with cystic fibrosis communicate with their doctors and receive reminders about care. At Stanford University Medical School in California, an Internet-based program for self-management of chronic diseases is being studied.

What these programs have in common is backing from the Robert Wood Johnson Foundation of Princeton, N.J., the largest of a handful of foundations providing badly needed seed capital for new ideas in health care. These foundations are supporting programs that are producing insights into the ways technology can improve care, reduce medical errors and modernize hospitals. And they are investigating ways the Internet can help consumers find information and participate in their own care, long after venture-capital funds have fled from online health ventures in the wake of the failure of commercial sites like Oncology.com and Drkoop.com.

"The entrepreneurial people tried everything and moved on," says physician

Tom Ferguson, a medical-information expert who is conducting two studies on the impact of Internet health information for Robert Wood Johnson. Dr. Ferguson, who edits the online Ferguson Report, also works with the Pew Charitable Trusts, a nonprofit that is a major funder of studies about online health data. The foundations, he says, have the most potential for investigating how technology can help deal with "the most important issues in health care—access, quality and cost."

Though foundation money is no substitute for the risk capital needed to launch new technology into the health-care market, foundations can provide early funds for crucial studies on how new technologies and systems work in a hospital, clinic or doctor's office. That, in turn, could draw investment from the private sector back to ideas that show promise. And because so many hospitals and health-care systems are in dire financial straits just as the pressure to improve quality is building, programs like Robert Wood Johnson's \$20.9 million Pursuing Perfection grants for hospitals are providing a way to investigate innovations that might not otherwise be feasible to undertake.

The New York-based Commonwealth Fund, for example, recently awarded a grant to the University of Colorado to see if giving patients with congestive heart failure access to their own electronic medical records improves their understand-

ing of their condition and their compliance with their care regimen. Another Commonwealth-funded study, at Brigham & Women's Hospital in Boston, will put referrals between doctors into an online system linked to the doctors' appointment calendars and e-mail, to determine if it improves the quality and accuracy of the information exchanged between referring doctors and specialists, and the rates at which such referrals are followed up on.

"We see our role as finding exciting innovations and generating evidence on

Foundations By the Numbers

Big Names in Giving

Five leaders in funding programs that use technology to improve health care

Robert Wood Johnson

■ www.rwjf.org

ASSETS: \$8.8 billion

GOALS: Improving access to basic health care at reasonable cost; improving care for chronic health conditions; "Pursuing Perfection" programs to reduce medical error and improve care

W.K. Kellogg Foundation

■ www.wkkf.org

ASSETS: \$5.7 billion

GOALS: Improving health through increased access to integrated, comprehensive health-care systems that are organized around public health, prevention and primary health-care services; demonstrating how information technology can help provide those services and educate the public about health

The California Endowment

■ www.calendow.org

ASSETS: \$3.4 billion

GOALS: Promoting programs to improve health care and general health and well-being in California

The California HealthCare Foundation

■ www.chcf.org

ASSETS: \$750 million

GOALS: Advancing efficient business practices; improving the quality and efficiency of care delivery; promoting informed health-care and coverage decisions for residents of California

The Commonwealth Fund

■ www.cmwf.org

ASSETS: \$587 million

GOALS: Improving health-care practice and policy; improving consumer access to health information; improving care for vulnerable populations

whether what is promising can be proven," says Karen Davis, director of Commonwealth. "The key in the end will be changing financial incentives, because in the end somebody's got to pay" to adopt such systems.

Setting the Standard

Many of the foundation-backed programs are aimed directly at using technology to help underserved populations. The California HealthCare Foundation, for example, in partnership with the state of California, has developed the first fully automated Web-based application in the U.S. to enroll low-income children and pregnant women in public health-insurance programs. The California foundation also has funded extensive studies on how accessible and comprehensible online health information is to minorities and less-educated consumers. It has awarded several million dollars in grants to a Web-based data-sharing network among Santa Barbara health-care providers, including

public health facilities and clinics, and recently funded a study on how information technology can improve nursing.

As the largest foundation devoted to improving U.S. health care, Robert Wood Johnson often sets the standard for the rest of the philanthropic world. The Pursuing Perfection program emerged in the aftermath of the 1999 Institute of Medicine report "To Err Is Human," which cited high levels of errors throughout health care. Together, with the Boston-based Institute for Healthcare Improvement, Robert Wood Johnson designed Pursuing Perfection to encourage hospitals to redesign the way they do business, with the aim of eliminating errors altogether and creating new standards for quality control.

"There was nothing like that in health care," says Michael Rothman, the senior program officer who oversees Pursuing Perfection at Robert Wood Johnson. He says the foundation initially expected 50 to 70 applications at most for the program, which requires hospitals to match whatever grants the foundation makes; it received 226 applications. Seven projects have won grants of \$1.9 million each for two years.

Andrea Kabcenell, a faculty member at the Institute for Healthcare Improvement and deputy director for the Pursuing Perfection program, says the grants aren't for "ivory tower" visions, but for projects that have a realistic chance of working in the real world. "You can't build something like this and have it last unless there is a business case for it," she says. The most important aspect of Pursuing Perfection, she adds, is the requirement that the grant winners share their information with other hospitals online.

That echoes Robert Wood Johnson's approach to improving care and support for people with chronic conditions like asthma, diabetes and heart disease, which has long been one of its primary missions. Several years ago, the foundation started an Improving Chronic Illness Care program with its own Web site to help spread its findings. Today, chronic conditions are the most rapidly growing problem in health care, but many of the programs to prevent chronic diseases and help patients better manage their own care are coming under cost pressures. The foundation's experts believe it can fill the gap by evaluating such programs as Web-based tools that help patients take care of themselves.

"When the health-care environment is really under pressure, that is when we can really have an impact, and our dollars can be leveraged to really make change," says Risa Lavizzo-Mourey, senior vice president and group director of health care for Robert Wood Johnson. "Health-care systems are really struggling with how to maintain quality under cost constraints, and the programs we're trying to put forward are answers to those very fundamental business concerns."

Dr. Lavizzo-Mourey, an internist and geriatric specialist by training, says "our investments are small compared to the entire health-care enterprise, but we look for ways that we can demonstrate effec-

tiveness for others and maybe develop some momentum in an area that has started to move but hasn't gotten a lot of momentum yet."

Measuring Tool

Programs such as Pursuing Perfection encourage hospitals to put information systems in place if only to be able to prove that what they are doing is working.

"A big part of the initiative is saying to health-care systems that they have to have the information-technology infrastructure so they can measure their results and get real-time knowledge about the patient as you pursue perfection across a lot of different departments and disease states," says Dr. Lavizzo-Mourey. "That's critical, because a lot of hospitals and health-care systems are not really focused on building the technology infrastructure that any other industry would take for granted."

Robert Wood Johnson and other foundations such as the California HealthCare Foundation and the Commonwealth Fund are also eager to fund more scientific scrutiny of the Internet's impact on health, and the quality of online information. To try to answer such questions, the foundation will shortly put out a call for proposals for a new Health e-Technologies program looking into how the Internet and other information technology work in areas such as patient behavior and chronic disease. Initially the program will give out about \$7.25 million in grants. Meanwhile, the Stanford program Robert Wood Johnson is funding looks at whether patients can use the Internet to help them manage their own chronic diseases.

Though the foundation usually doesn't work directly with companies, it would be willing to provide grants to for-profit companies and institutions to evaluate existing chronic-care systems that use technology to help manage patients, says Robin Mockenhaupt, the senior program officer who oversees consumer and patient-related projects at Robert Wood Johnson. But the foundation expects, as with all its grants, that all the results will be made public and that others will be given access to the work.

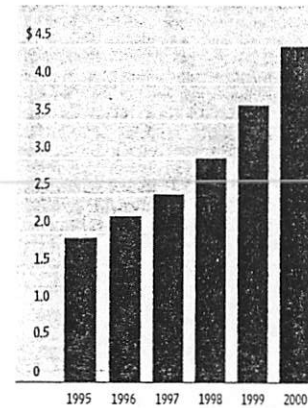
To get a better idea of how patients can benefit from online health information, the foundation asked Dr. Ferguson to evaluate how doctors and patients can work with each other to use Internet health information, and how patient-run online support groups can benefit patients without the doctors' involvement. The foundation is interested in particular in funding studies to see if online health sites and support groups change patient behavior, such as whether patients go to the doctor more or less often, or take the steps they need to bring down their blood pressure. And the foundation wants to explore how the Internet can be used for larger-population health issues, such as screening tools to find out if a community is healthy or not and networks to share information on food safety or bioterrorism threats. ■



John Kuczkala

Healthy Investments

Foundation giving for health care more than doubled between 1995 and 2000. Figures in billions.



Source: The Foundation Center, individual foundations

THE WALL STREET JOURNAL.

MONDAY, JUNE 10, 2002 R7

Journal Link: What do you see as the future of technology in the health-care industry? Join a discussion with other readers in the Online Journal at WSJ.com/JournalLinks