MISSION
Altarum serves the public good by solving complex systems problems to improve human health, integrating research, technology, analysis, and consulting skills.

VISION
Altarum Institute demonstrates and is sought for leadership in identifying, understanding, and solving critical systems issues that impact the health of diverse and changing populations. Altarum is acknowledged as a valued, collaborative, and collegial institute of the utmost competence and integrity.

ABOUT ALTARUM INSTITUTE
Altarum Institute is a nonprofit health systems research and consulting organization. Altarum integrates independent research and client-centered consulting to create comprehensive, systems-based solutions that improve health. With the rigor of the finest research institution, consulting skills honed over more than six decades, and an abiding commitment to the public interest, Altarum Institute enables better care and better health for all people.
Altarum Institute enjoyed an extremely rewarding year in 2010.

In 2010 we marked the successful completion of a 5-year strategic plan that transitioned us from a portfolio of diverse activities to an institute focused exclusively on issues of health and health care. From 2005 to 2010, the Institute experienced extraordinary growth in both its financial strength and technical depth, ensuring that we can plan our future with confidence and bold vision.

We also made great strides in demonstrating the unique nature of our business model—a nonprofit research and consulting organization with a thriving consulting business and a robust, internally chartered research and demonstration agenda. We take great pride in this model and believe others in the nonprofit research and philanthropic sectors are paying careful attention to our experience and success.

Building from our strength, we defined our next 5-year strategic plan in the summer and fall of 2010. This plan, which takes us into 2015, defined three core strategic goals: continued growth in the financial position and performance of the Institute; a focused and expanded research and development agenda (please read more on pages 4–6); and a comprehensive set of programs and systems to attract, develop, and retain our professional staff. On behalf of the senior management team, I express my thanks and admiration to the nearly 450 Altarum staff members who are already delivering success on the strategic goals we have set for ourselves.
For some time, the Institute leadership and our board of trustees have recognized that it is not sufficient to measure organizational success solely by evaluating financial and operational performance. As a nonprofit organization, we feel both an opportunity and an obligation to take a more rigorous and structured approach to assessing our nonfinancial performance when considering mission success. Not content to simply count publications, we used the well-honed program evaluation tools we regularly apply in our client-funded work and turned them on ourselves.

Our assessment draws heavily on the Balanced Scorecard approach. In past years, we applied this approach only to our internally chartered activities. This year, we established an ongoing practice of assessing every major client-funded and internally chartered Altarum program against the 12 established success factors you see in the scorecard that follows.

The intent behind nonfinancial performance evaluation, as it is with financial performance reporting, is not to claim greater bragging rights when things are going well. Rather we see these reports as an essential means of communicating progress to our stakeholders in ways that are transparent, meaningful, and worthy of the trust they have placed in us.

Thank you for your interest in Altarum Institute and for the many ways you support us in our work.

*Linc Smith*
In addition to the contract research activities performed for its clients, Altarum Institute funds an internal health research and demonstration (R&D) program that further advances the Institute’s mission and demonstrates Altarum’s leadership in the field of health systems research.

In 2010, Altarum Institute funded more than $7.5 million of internal research and demonstration work.

The first phase of the Institute’s R&D program (2008-2010) was principally focused on the design, implementation, and evaluation of three Altarum Institute “Mission Projects.” These projects addressed childhood obesity (Childhood Obesity Prevention Mission Project), integrated care delivery systems for veterans and their families (Veterans Community Action Teams Mission Project), and innovation in Community Health Centers (Community Health Center Innovation Mission Project).

**Highlights from 2010 include:**

- A seminal study examining the impact of federally mandated changes in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) on small WIC-authorized vendors serving rural and inner-city neighborhoods.

- A new model of community-based, integrated care delivery for returning veterans and their families, piloted in San Antonio, Texas and San Diego, California.

- Successful implementation of Lean principles and methodologies into the day-to-day operations of the Penobscot Community Health Center, allowing care providers to spend more time with patients.

A more complete overview of the aims and accomplishments of the Altarum Mission Project program is available on our website: www.altarum.org.
In late 2010, Altarum Institute launched the second phase of its R&D program with the creation of four research centers, each of which serves as a vehicle for developing greater understanding, expertise, and leadership in an area of critical importance to the health of the nation. Altarum Institute will provide approximately $1 million of internal funding annually to each of these centers and will seek additional funds from foundations, government grants, and other sources.

As with their predecessor Mission Projects, these four centers (described on page 6) will address pressing, large-scale societal needs. While these needs are far larger than any one institution can address, there is every expectation that Altarum’s work will provide new insight and new approaches into solving some of the most critical systems problems confronting human health.
Center for Consumer Choice in Health Care
The Center for Consumer Choice in Health Care is creating the conditions that will allow every health care decision to be informed by individual consumer preferences regarding benefits, risks, and price. The Center bridges the employer, research, and policy communities to measure, monitor, and investigate dynamic changes in consumer involvement in health care, focusing on the process by which individuals and communities become active decisionmakers in health care.

Center for Elder Care and Advanced Illness
The Center for Elder Care and Advanced Illness is working to make it possible for all Americans, when we must live with serious chronic illnesses associated with advancing age, to live meaningfully and comfortably, at a sustainable cost to our families and society. Through its research, demonstrations, public education, and leadership engagement activities, the Center works to catalyze dramatic improvements in the quality of life, quality of care, and costs of services for this time of life.

Center for Healthy Child and Youth Development
The Center for Healthy Child and Youth Development works to ensure that all children leave childhood healthy, with what they need to achieve their full potential. Working simultaneously as a research center, technical assistance provider, policy catalyst and advocate, and partner to organizations with similar goals, the center examines, demonstrates, and supports chronic disease prevention efforts designed to promote healthy lifestyles and environments for children and youth.

Center for Sustainable Health Spending
The Center for Sustainable Health Spending seeks to inform and guide the nation as it makes a critical transition to a sustainable rate of growth in health spending. Working with policy makers, researchers, and economists, the center analyzes and tracks health spending, researches and develops new approaches to defining and achieving sustainable rates of spending growth, and advocates for evidence-based policy changes that will improve the nation’s financial and population health status.
2010 Project Highlights
“Recovery from addiction to alcohol and other drugs is not a single event; it’s a lifetime journey,” according to Diana Williams, program director of the Access to Recovery (ATR) Technical Assistance project grant program at Altarum Institute. ATR works with 30 states and tribes as they develop a recovery-oriented, voucher-based system of care for individuals affected by substance use that offers choices in how the individuals recover from addiction. Through nationwide technical assistance and training activities, Altarum has supported that journey for 200,000 people around the country. Clients use their vouchers for treatment and a variety of recovery support services, including instrumental supports such as transportation, child care, and housing, as well as informational and emotional services that support things like job readiness and family reunification.

Altarum has also increased grantees’ work with community- and faith-based organizations, helping them step up and combine the services they have always offered with those of treatment providers. Although no national survey of cost savings has been done, individual states estimate that the voucher-based approach has saved millions of dollars in treatment expenses.

As the national Affordable Care Act is implemented, much of the funding for treatment services will go through state Medicaid offices. The Substance Abuse and Mental Health Services Administration block grant, which funds ATR activities, may be repurposed to include recovery support services and prevention services. Currently, the program is increasingly focused on populations that are at great risk for substance use problems. The work allows Altarum to have an effect on the most vulnerable people, getting services to them where they live.
Altarum Institute provided the Centers for Disease Control and Prevention’s (CDC) Act Against AIDS Leadership Initiative (AAALI) with technical assistance to help change the impact of HIV/AIDS on African Americans. While only 12% of the U.S. population, Blacks accounted for half of all people living with HIV/AIDS in the country and have the highest rate of new HIV infections. Sixteen of the nation’s renowned Black civic, fraternal, and faith-based organizations were selected by the CDC to reach African Americans where they live, worship, work, and socialize.

As project director Jesse Milan, Jr., recounts, “The AAALI project represents a landmark in America’s evolutionary response to the HIV/AIDS epidemic and was the lead component of the first public national HIV/AIDS campaign to have been mounted by the federal government in 8 years. AAALI is now positioned for even greater impact as it helps meet the goals identified in the first-ever National HIV/AIDS Strategy for the United States released by the White House in July 2010.”

Altarum supported and guided the AAALI partners to reach their African-American constituencies with critical information about prevention and HIV testing and by making referrals for newly diagnosed persons to treatment and care. They reached hundreds of thousands of people nationwide during a single year. Altarum launched an AAALI partner website, conducted national meetings, recruited national leaders and experts, and worked with White House leadership on the new National HIV/AIDS Strategy.

In 2011, the CDC will continue this work from an Altarum-developed foundation that will focus on technical assistance and evaluation and include a learning community of 20 organizations.
Since the 2001 anthrax attacks, biodefense experts have been developing vaccinations to protect citizens and service members from the deadly virus. The current vaccination requires a series of five doses, which can take more than 6 months to create immunity—a lifetime in the world of national security. Currently, phase 1 research is being conducted on a new anthrax vaccination that could be delivered in two doses that create immunity within 2 weeks. Having such a vaccination available would protect those most likely to be vulnerable to such an attack, from those in the armed services to frontline health care workers. Altarum, through its wholly owned subsidiary KAI Research, Inc., is contributing to this important public health endeavor by serving as the clinical trials coordinating center for this study.

Although KAI has many years of experience coordinating all phases of clinical studies, this endeavor marks a first on vaccines for the biodefense industry. KAI developed the overall study management design, identified clinical sites around the country, and ensured that the entire process conformed to federal regulations and pharmaceutical industry standards. It was critical to the client that human subjects be dosed with the vaccination before the end of 2010. KAI staff helped the client meet its goal of dosing as many as 10 individuals by 2010. Eventually, 105 human subjects will enroll in the study at three sites, located in Miami, Salt Lake City, and Raleigh.

Clinical trials manager Nadia Ramey notes that “the drug is important not only from a national defense standpoint but from a cost savings one as well. It presents cost savings in terms of the administration of the vaccination and in the time it will take for people to develop immunity.”
The **National Institute of Neurological Disorders and Stroke** (NINDS), part of the National Institutes of Health (NIH), is the nation’s leading sponsor of clinical studies of the brain and nervous system. In an effort to streamline NINDS’s multimillion-dollar research portfolio, Altarum and KAI Research, Inc., researchers are coordinating the Common Data Element (CDE) project. As co-project manager with **Kristy Miller**, **Stacie Grinnon** states that the work “harmonizes data collected by NINDS clinical studies. Experts figure out what the CDEs should be and how they should be collected, making clinical studies more effective and freeing up resources to focus on recruiting participants and answering research questions.”

NINDS launched the project in the mid-2000s and realized that the funded studies were “reinventing the wheel” with respect to data collection materials, such as study forms and data elements. With a Web-based series of tools and templates, NINDS provides investigators tools that they can use to launch studies quickly and efficiently. More recently, Altarum, through its wholly owned subsidiary KAI, has begun to offer training sessions for new investigators, a process that not only introduces them to the CDEs but allows them to respond to and comment on them.

CDEs have been released for epilepsy, stroke, spinal cord injury, traumatic brain injury, and Parkinson’s disease, and are currently being developed for Friedreich’s ataxia, multiple sclerosis, Huntington’s disease, ALS, the muscular dystrophies, and headaches. While CDEs might ultimately reduce the cost of clinical studies, they can also facilitate data sharing and meta-analyses.

This work puts Altarum and KAI at the forefront of efforts to standardize clinical data collection, the wave of the future for clinical research at NIH.
Over 1 million American veterans live with a serious mental illness for which they seek care and treatment through the Veterans Health Administration (VHA). VA Office of Policy and Planning contracted with Altarum Institute in 2007, along with RAND Corporation, on a 4-year effort to conduct the largest-ever, VA-funded program evaluation to assess mental health services, process and outcomes of care in VHA at more than 130 VA medical centers; to evaluate the implementation and effect of VHA Mental Health Strategic Plan; and to develop recommendations for improvements.

The evaluation focused on several aspects of care delivery and ranged from assessing mental health services, capacity, and care in VHA to determining the degree of satisfaction along the continuum of care. Altarum examined the extent to which VHA program goals and patient outcomes were being met and, where performance fell short, made recommendations for improvement.

That evaluation was completed in 2010 and was submitted in March 2011 to the Office of Management and Budget and Congress. VHA put recommendations into action as the results from different phases of the study were reported. For instance, recognizing the issue of suicide among veterans, VA created the position of suicide coordinator in every Veterans Integrated Service Network in year two of the study and at the conclusion every position was filled.

Project director Cathy Call says, “This project is helping veterans lead fuller lives. As a result of this evaluation, VHA has already developed strategic initiatives to decrease provider variation and ensure uniformly high quality of care across facilities. The development of performance measures in specific mental health diagnoses will enable VHA to monitor and ensure that veterans receive the care that they need and deserve as well as provide the nation with much needed evidence-based measures.”
Altarum Institute is leading the first research and demonstration project on a values-based approach to improve health care. Decent care values represents a philosophy of care that suggests that incorporating six values—agency and dignity (individual level), solidarity and interdependence (social level), and subsidiarity and sustainability (systems level)—into health care design and delivery can transform care.

Altarum received funding from the World Health Organization and the Diana, Princess of Wales Memorial Fund, and invested its own resources through an internal research and development program to create this project. Its goal is to use palliative care services for people affected by cancer and HIV/AIDS as the first health care arena for understanding the effects of decent care values on the delivery of health services. An international advisory committee that is comprised of leaders from health care systems and palliative care, WHO regional staff, USAID, funding partners, and people who live with or are affected by illness and disease provides support and advises the project.

The demonstration project request for funding package was sent to 150 organizations globally, and Altarum selected two demonstration projects to fund—Hospis Malaysia in Kuala Lumpur, Malaysia, and Kibera Community Self Help Project in Nairobi, Kenya. The Altarum team is working on the ground with both organizations, providing training, technical assistance, and research and evaluation design as the project develops. According to project manager Antigone Dempsey, “This project is an opportunity to not only document the impact of these values, but to improve critical palliative care services by using decent care values as a structure and lens to improve services for the most vulnerable. We have already seen a shift in their approaches to care, based on assessing current services emphasizing the voice and needs of the affected people at the center of all care strategies.”

The Diana, Princess of Wales Memorial Fund is dedicated to securing sustainable improvements in the lives of the most disadvantaged people in the UK and around the world. Its Palliative Care Initiative aims to ensure that everybody with a life-limiting illness in sub-Saharan Africa has access to palliative care when they need it. We are delighted to partner with Altarum to bring decent care values to the realities of individuals’ experiences.

— Olivia Dix, Head of Palliative Care, Diana, Princess of Wales Memorial Fund
Altarum is conducting a comprehensive environmental scan, assessing 20–30 programs nationwide, leading evidence reviews, and developing an evaluation design to assess community-based wellness and prevention programs for Medicare beneficiaries under the Patient Protection and Affordable Care Act. The studies are congressionally mandated under national health reform legislation and are being conducted by the Office of Research, Development, and Information in the Centers for Medicare and Medicaid Services’ (CMS) Center for Medicare and Medicaid Innovation, which was established by the Affordable Care Act.

In addition to CMS officials and staff, this high-profile project includes participant directors from the Office of the Assistant Secretary of Planning and Evaluation, the Centers for Disease Control and Prevention, the Administration on Aging and the Substance Abuse and Mental Health Services Administration.

“The Affordable Care Act includes several provisions that address chronic health conditions by focusing on the importance of prevention to improve overall health status,” explains project director Dr. Holly Korda. “Our studies will identify best practices and the evidence about “what works” to provide input to the secretary’s plans on how best to expand community-based health and wellness programs to reach more, older Americans.”

The studies build on work initiated in Altarum’s Strategic Research and Initiatives group and draw upon staff and expertise from across all groups within the Institute. It is an historic time for health care reform in the United States, and an exciting opportunity for Altarum to contribute its expertise and mission focus in health systems reform.
Altarum Institute is working with the **Robert Wood Johnson Foundation** to develop a research agenda in the emerging field of public health systems and services research (PHSSR), providing a range of services, from meeting facilitation to qualitative research and technical report writing. This new field has been evolving over many years and is at the forefront of many conversations and initiatives to examine and strengthen public health services. As described by project leader **Dr. Namratha Swamy**, the work is “high profile and gaining momentum. RWJF wants to align with the Centers for Disease Control and Prevention to better understand these systems issues. They are looking to build collaboration among the government, private sector, and nonprofit organizations.”

Altarum has been providing research support, including the development of a background summary document and the literature synthesis. Additionally, Altarum surveyed RWJF PHSSR grantees about the results of their funded awards, and analyzed RWJF’s grant portfolio to understand where there are gaps and opportunities in the work. A series of eight webinars was conducted with high-level national experts to discuss key issues around organization and structure, financing, data technology and methods, and the public health workforce. Results of this work will be used to define, shape, and eventually implement a robust research agenda in which RWJF and others are able to invest wisely and thoughtfully.

“This project has given Altarum broad exposure within the public health field and may yield further work and collaboration with RWJF and other public health partners,” says Dr. Swamy.
More than 9.6 million eligible beneficiaries have access to the **Air Force Medical Service (AFMS)** to provide them ready access to high-quality health care. Allocation of health resources (money and manpower), estimated at $6.5 billion annually, is supported by the Altarum Institute-developed, Web-enabled Medical Planning and Programming Tool (MPPT) and a suite of desktop applications. Altarum and the AFMS have collaborated on the MPPT for more than 20 years, improving its functionality, transparency, and ease of use. AFMS uses the MPPT to determine the most cost effective allocation of resources to maximize the delivery of health care.

The allocation of resources is based on three key aspects: ensuring that there are adequate medical personnel to meet the expeditionary requirement (readiness), maintaining currency for the medical staff, and determining the business case for the distribution of resources. This three-pronged approach enables the AFMS to effectively manage the programming of medical resources worldwide to deliver medical care.

**Ray Paris**, practice area lead for Altarum’s Military Health System program management support, says, “Such a commitment to the men and women of the nation’s Air Force is a historic part of the Institute’s mission. Getting the right solutions to the Air Force’s issues and getting them implemented quickly to meet their changing needs is crucial.” Over the years, ideas for the right solutions have turned into practical applications, from a Web-based decision support tool to multiple desktop applications. Altarum developed a make-versus-buy tool that helped the AFMS determine the best force structure (active-duty warriors, civilians, and contractors) to meet the AFMS mission. Today, that work is evolving into the development of similar resources that other branches of the service could employ.
Through a cooperative agreement with the **Office of the National Coordinator for Health Information Technology** and support from the **Kresge Foundation**, Altarum will work with almost 4,000 primary care providers (PCP) throughout the state of Michigan to assist them in selecting, implementing, and optimizing electronic health record (EHR) systems to benefit their practices and their patients. The project supports a variety of targeted or priority PCPs, from small, independent practices to rural critical access hospitals and from federally qualified community health centers to school-based health clinics.

Program operations manager **Kimberly Lynch** explains, “From the patient perspective, this work is so important for the quality of care. We’re facilitating digitization of information that can be transmitted for emergency services or referrals. It can allow patients who want to be actively involved in their care to do so, and it allows doctors’ offices to participate in developing their own best practices, engage in quality improvement programs, and maximize financial incentives for adopting these systems and using them effectively.”

In working directly with practices, Altarum has applied its systems change methodologies and approach to on-the-ground practice transformation via EHR adoption. This helps to ensure not only that the technology is “turned on,” but also that the practice has adapted its operations to be more efficient and fully realizes the benefits of the EHR tool, ultimately to benefit patient care. Altarum’s work directly impacts patient encounters by reducing duplicative information gathering or redundant testing and increasing the clinician’s time spent with the patient. This work has helped Michigan to maximize their share of more than $700 million in federal incentives to decrease financial barriers to health information technology adoption.
A commonly held belief is that, if the country were to invest more in prevention, it would realize savings in treatment. It is also widely believed that we now spend much more on treatment than we do on prevention. “Untangling these factors,” says Dr. George Miller, project director for developing and applying systems science methods for addressing treatment-prevention trade-offs, “is critical to understanding the impact of spending streams on treatment and prevention, and their effects on downstream population health and expenditures.” As America works to “bend the cost curve” and develop more cost-effective strategies around health care, it is essential to understand the role of prevention in controlling costs while ensuring the effectiveness of the health care system.

Dr. Miller explains, “There is a belief that we ought to spend more on prevention, but there is very little quantitative information to support this assertion.” By developing a mathematical model of the impacts of spending on morbidity and mortality, Altarum Institute researchers may inform and influence the allocation of resources for improving population health, helping planners to develop guidelines for an appropriate mix of prevention and treatment expenditures. Initially begun as internal research, the project has received a grant from the National Heart, Lung, and Blood Institute of the National Institutes of Health to study prevention-treatment trade-offs in cardiovascular disease. Through the work, Altarum has built partnerships with experts in the field, including those at Tufts Medical Center and the Hastings Center. Altarum has developed a mathematical model to help understand the issues around costs and prevention that is generic enough to be applied to other areas and other diseases, such as AIDS, and to specific classes of interventions, such as medical devices or pharmaceuticals.
Measuring patient satisfaction with health care services is essential to understanding and improving the quality of care and the patient’s experience with the health care system. Altarum Institute conducts the monthly TRICARE Outpatient Satisfaction Survey (TROSS) which collects, analyzes, and reports results from more than 100,000 beneficiaries who respond to the survey in a typical year.

The survey, which is congressionally mandated, asks questions focused on patient experiences of care, including topics related to access to care, doctor or provider communication and courtesy, effectiveness of the clerks and receptionists at the doctor’s office, and overall satisfaction with TRICARE.

The Military Health System (MHS) uses TROSS data and results to monitor health care satisfaction and inform decisions related to quality improvement strategies. Among the more exciting recent developments within the TROSS project is the development of its interactive reporting website, which not only provides survey results in a personalized format users can understand, but also provides resources for translating those survey results into actions at the facility level. TROSS website users can see how and to what degree efforts in specific areas will impact scores. This allows them to apply their limited resources in the areas that have potentially the greatest impact on patient satisfaction. This capability is changing the way MHS facilities use data to positively impact the delivery-of-care experience.

According to project manager Rachel Witsaman, “In working on this project, Altarum Institute has developed capacity to handle complex sample development, data architecture for reporting websites, creation of website reporting databases, and novel approaches to reporting on the Web.”
Recent changes in federal regulations meant that more than 200,000 veterans became eligible for health care services through the U.S. Department of Veterans Affairs’ (VA) Veterans Health Administration (VHA), which serves 8 million of the country’s 23 million veterans. VHA is striving to ensure that veterans know they may now qualify for low-cost, high-quality health care benefits. VHA contracted Altarum to develop and implement a marketing and communication strategy to reach these veterans, providing information and encouraging them to apply for enrollment in VA health care benefits. “VA had traditionally been a gatekeeper,” reports project manager Dave Anderson. “We’ve helped them to change that approach, making their communications more veteran-friendly and easier to understand.”

In less than a year, Altarum helped VA realize success using a multifaceted outreach strategy that included online advertising, direct mail, and outreach to veteran-serving organizations, such as the American Legion and the Veterans of Foreign Wars. These campaigns generated response rates that were more than three times the industry benchmark. VA relied on Altarum for everything from creative work and copywriting, to vendor management and performance evaluation. That effort led 170,000 visitors to the Health Eligibility Center (HEC) website; 151,000 of those visitors started the application process, and 11,000 new veterans enrolled in the program.

Altarum helped redesign the HEC website, making its navigation and language more accessible to veterans by communicating with them in terms that they understand and making it easier for them to apply for benefits. Focus groups with veterans indicate that these efforts have been well-received; they are thankful for VA’s outreach efforts. The project advances VA’s goal to provide veterans with care they have earned as a result of their service.
Early childhood experiences shape and inform the course of the rest of our lives and can be a determinant of future success and health. To ensure that young children and families have access to an array of supportive services, the Virginia Early Childhood Foundation (VECF) launched its Smart Beginnings initiative, which funds community-based coalitions that serve families with young children. Coalitions focus on issues ranging from comprehensive approaches to health care to screening and assessment for developmental delay and improving the quality of child care services. Coalitions usually involve a mix of public and private partners, such as state and local government agencies, local businesses, schools, faith-based organizations, and others engaged in working with children and families.

While coalitions are recognized as an effective tool for systems change, they often struggle to develop processes, procedures, and tools that can help them succeed. In a series of three contracts, Altarum Institute has helped these coalitions by providing toolkits and technical assistance focused on building strong coalitions and developing leadership capacities. According to project director Chris Botsko, “many community coalitions are doing important work, but without much guidance on coalition building or governance. VECF looked to Altarum for help in providing guidance to help its funded coalitions become more effective.” As a result of this partnership, VECF has transformed itself from providing grants and monitoring spending to providing concrete support to community coalitions. Next steps include developing assessment and evaluation strategies to help show whether coalitions are becoming stronger and where opportunities exist for further improvements.

“Altarum’s leadership development products and evaluation hold great potential for improving our work statewide and assuring communities achieve the results they want. These tools will shape the evolution of stronger early childhood systems and build more effective and sustainable collaborative partnerships.”

— Maria Brown, Vice President of Programs Virginia Early Childhood Foundation
In 2010, Altarum Institute continued to deliver on its mission of serving the public good by improving human health through the performance of contracted consulting and research, as well as Institute-directed internally funded research. The Institute’s consolidated health-related revenue has increased from $15 million in 2005 to more than $73 million in 2010. We anticipate 2011 consolidated health revenue of approximately $90 million.

In 2009, the Systems Research and Initiatives group was formed to develop and house the Institute’s independent research agenda. The 3-year (2009–2011) total funding of such research will total approximately $20 million.

The year 2010 has been very eventful from an investment perspective. In October 2010, Altarum joined a group of prominent venture capitalists to invest in Delphinus Medical Technologies, a spinoff of the renowned Karmanos Cancer Institute in Detroit, Michigan. Throughout fall 2010, Altarum negotiated the sale of Cielo Medsolutions, a spinoff of the University of Michigan in which Altarum was the lead investor, to the Advisory Board Company, a public company located in Washington, D.C. The Institute also negotiated the acquisition of Palladian Partners, Inc., a health communications company in Silver Spring, Maryland. Both transactions were finalized in February, 2011.

The Institute is headquartered in Ann Arbor, Michigan, with four offices in metropolitan Washington, D.C., and additional offices in San Antonio, Texas; Portland, Maine; Sacramento, California; and Atlanta, Georgia. By early 2011, Institute staff numbered nearly 450.

The Institute’s balance sheet remains strong, with total assets of $81.1 million and cash and investments of $34.9 million. Copies of audited financial statements for the Institute are available by written request to the Chief Financial Officer.
As Chair of the Board of Trustees of Altarum Institute, and on behalf of my fellow Trustees, I want to express the deepest appreciation to Altarum’s clients, partners, and funders for your contribution to what has been a tremendously successful year for the Institute.

Specifically to our clients and funders, we offer thanks for the trust you place in us, and the loyalty you continue to display toward Altarum. We are enormously proud of the work we do for you and look forward to the many opportunities you afford us to advance our organizational mission as you advance your own missions.

This year’s annual report shares many compelling stories about how, through both research and consulting work, we are improving the health of individuals, communities, and all of society. Our ability to catalyze improvements in our nation’s health is directly connected to a clear vision and outstanding business performance. Well deserved credit for these 2010 accomplishments belongs to the staff and the management team.

Robert P. Kelch, MD
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Peer-reviewed Publications


Congressional Report

Altarum Institute is proud to count the following among our new client and funding partners from 2010:

**The Centers for Medicare & Medicaid Services (CMS)**
Altarum is working with CMS to help it design a methodology for assessing the effectiveness of wellness and prevention programs for Medicare beneficiaries as called for in health reform legislation.

**University of Massachusetts Medical Center**
Altarum is providing consulting and training services in Lean Six Sigma methodologies and tools to help the medical center reduce waste and improve productivity and quality in the delivery of care.

**The Department of Health and Human Services, Office of Minority Health (OMH)**
Altarum is assisting the OMH to develop and execute an implementation strategy for the National Partnership for Action which is working to create a nation free of health disparities.

**The Department of Veterans Affairs (VA), Health Eligibility Center**
Altarum is working in partnership with the Health Eligibility Center to plan and execute a communications and outreach plan that will facilitate enrollment of eligible veterans for VA health care services.

**The Kresge Foundation**
Altarum is working in partnership with The Kresge Foundation, the federal government, and a consortium of Michigan organizations to support primary care providers across Michigan adopt and make meaningful use of electronic health record systems.

**The Robert Wood Johnson Foundation (RWJF)**
The Institute is providing a variety of technical assistance and support services to the RWJF as it defines its Public Health Services and Systems Research agenda.

**The State of Maine, Developmental Disabilities Council**
Altarum is providing consulting services to help the state of Maine evaluate the effectiveness of new protocols for the early identification and referral of individuals with autism spectrum disorders.
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Editor’s Note
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Jeff Moore