

Department of Health Administration and Human Resources  
University of Scranton

HAD 501- Healthcare Financial Management 1  
Course Syllabus

Instructor: Robert J. Spinelli, MBA, MPH, DBA

Semester: Fall 2019

Place: McGurrin 406

Time: Monday - 4:30-7:10 PM

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Office Hours:

Monday 2:30 PM to 4:30 PM

Thursday 12:30 PM – 2:30 PM

By Appointment

### **Course Description**

HAD 501 provides a detailed understanding of health services financial management for decision-making with emphasis on third -party payers, financial statements, capital investments, debt and equity financing and capital budgeting. The course blends accounting and finance concepts to enhance the healthcare manager's decision-making skills. The course will enhance the student's decision-making skills by utilizing case studies and practical applications to real world situations.

### **Student Learning Outcomes**

1. Demonstrate knowledge as to the role of planning and budgeting and their respective processes relate to a healthcare organization (HCO) and develop the specific skills to complete and utilize a hospital budget.
2. Prepare a Critical Analysis Report that details the information presented in an article dealing with the topic of Healthcare Finance.
3. Prepare a Case Report that describes and explains a current healthcare financial issue as it relates to a HCO.
4. Demonstrate knowledge of healthcare finance and its many effects on an HCO by responses to the assigned discussion questions.
5. Develop the creative capacity to assess the importance of healthcare financial management in a rapidly changing medical delivery system.
6. Demonstrate the ability to analyze financial statements and asses the importance of taking information from financial documents and utilizing this information in the HCO decision making process.

7. Develop skills and draw relevant conclusions, competencies, values, and points of view needed for financial decision making via projects, case study, case report, discussion questions and course readings.

### **Course Objectives**

<b><u>Upon successful completion of this course, the student will be able to:</u></b>	<b><u>Week/Weeks</u></b>
1. Use specific knowledge of economic and healthcare finance concepts, terminology, classifications, methods and trends;	1,2
2. Interpret financial statements and evaluate organizational performance;	2,3
3. Understand the use of computer spreadsheets for financial analysis;	4 to 15
4. Understand the concepts and analytical tools used for capital investment and financing decisions.	3 6, 8, 9
5. Understand the importance of financial management for healthcare organizations in a rapidly changing medical delivery system.	1, 2, 3
6. Demonstrate written and oral communication skills through preparation and presentation of case studies.	1 to 15
7. Discuss key topics in healthcare finance and express opinions intelligently.	1 to 15
8. Demonstrate the ability to apply class discussion and theory to practical applications within the healthcare financial environment.	1 to 15
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9. Understand and apply specific knowledge of economic and healthcare finance concepts, terminology, classifications, methods and trends;	1,2,3
10. Utilize financial information for decision-making and evaluate organizational performance;	1 to 15
11. Develop skills, competencies, values, and points of view needed for financial decision-making;	1 to 15
12. Discuss the concepts and analytical tools used for capital investment decisions	3, 4, 5
13. Demonstrate an understanding of payment methods used to reimburse health service providers and the role of health	5 to 15

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| insurance in financing health services;   |        |
| 14. Relate financial decision-making to pressures from the external environment;  | 1,4,8  |
| 15. Demonstrate an understanding of the function of the financial team and chief financing officer of health organizations; | 1,4,8  |
| 16. Apply quantitative methods for decision-making;   | 1 to 8 |

### **Required Text**

1. Gapenski, Louis C. 2012. *Healthcare Finance: An Introduction to Accounting and Financial Management 6<sup>th</sup> ed.*. Chicago, IL: AUPHA.
2. McKee, Thomas E., and McKee, Linda J.B. 2017. *Healthcare Applications: A Case book in Accounting and Financial Management*. Chicago, IL Health Administration Press.  
ISBN -13: 978-1567938258  
ISBN -10: 9781567938265
3. A business calculator
4. Instructor Handouts
5. Working knowledge of Microsoft Word and Excel

### **Suggested Readings: Texts will be at the library on Reserve**

1. Steven Finkler, *Financial Management for Public Health and Non-Profit Organizations*, 2nd edition.
2. Ross, Thomas K. 2019. *A Comprehensive Guide to Budgeting for Healthcare Managers*, ISBN – 9781284143546
3. John Zietlow, Jo Ann Hankin, Alan Seidner, *Financial Management for Nonprofit Organizations*, ISBN-13: 978-0471741664

The Wall Street Journal daily, available online (accessible at <http://online.wsj.com>)

### **Khan Academy:**

<https://www.youtube.com/playlist?list=PL9ECA8AEB409B3E4F>

<http://freevideolectures.com/Course/2565/Finance>

FREE e-Materials from Principles of Accounting:  
<http://www.principlesofaccounting.com>

<http://freevideolectures.com/Course/2565/Finance>

### **Recommended Publications:**

Journal of Health Affairs  
Journal of Healthcare Management  
Journal of Healthcare Finance  
Healthcare Executive  
Journal of Health Economics  
Modern Healthcare  
New England Journal of Medicine  
Applied Health Economics and Health Policy  
Harvard Business Review

### **Recommended Websites:**

American College of Health Care Executives – [www.ache.org](http://www.ache.org)  
Healthcare Financial Management [www.hfma.org](http://www.hfma.org), [www.hap.org](http://www.hap.org)  
American Hospital Association – [www.aha.org](http://www.aha.org)  
American Public Health Association – [www.apha.org](http://www.apha.org)  
Centers for Disease and Control – [www.cdc.gov](http://www.cdc.gov)  
Institute for Health Improvement – [www.ihl.org](http://www.ihl.org)  
Agency or Health Quality Research – [www.arhq.gov](http://www.arhq.gov)  
Medicare and Medicaid – [www.cms.gov](http://www.cms.gov)  
Robert Wood Johnson Foundation – [www.rwjf.org](http://www.rwjf.org)  
Kaiser Family Foundation – [www.kff.org](http://www.kff.org)

### **Expected**

1. Review on a weekly basis of current issues related to the US healthcare system, regulatory issues, finance and healthcare finance (the Wall Street Journal is helpful on this.)
3. Healthcare finance websites (e.g. [www.hfma.org](http://www.hfma.org), [www.hap.org](http://www.hap.org) and others)

### **Teaching and Learning Methods**

Within class, course objectives will be achieved through a combination of lecture, large and small group discussions, experiential exercises, and case studies. Individual student reflection, critical thinking, and learning will be demonstrated through a variety of written assignments, as well as the quality/quantity of class participation/presentations. . An essay examination will also be used to assess comprehension of course lectures and reading assignments. This course uses readings, lecture, discussion, group activity, student participation, case study, practical exercises, guest speakers, handouts, student presentations, test, and faculty research and faculty service as methods to enable students to achieve course objectives. Other learning activities and methods may be used.

### **Class Lecture:**

Class lectures will be used throughout the course. The professor will provide additional information, research findings and opinions of other specialists via class lecture and discussion. This material will supplement text reading assignments. Effective note taking is essential and important because lecture material will be incorporated into class discussion, exercises, class projects, and case study analysis.

### **Course Requirements and Grading**

Case Studies	20 points	5@ 4 points each
Critical Analysis Reports	15 points	2 @ 7.5 points each
Midterm Exam	15 points	
Final Exam	15 points	
Case Report & Presentation	20 points	
Class Participation & Homework Assignments		
Excel Competency	15 points	
<b>Total</b>	<b>100 points</b>	

### **Students are Responsible for:**

- \* acting ethically and professionally, interacting appropriately in class.
- \* participating in class discussions, asking questions as needed.
- \* completing reading assignments prior to scheduled classes.
- \* attending (on time) and actively contributing to all classes.
- \* completing all course assignments and activities as scheduled.
- \* dressing appropriately for class and study tours.
- \* talking with the professor regarding questions or concerns about assignments, grades, class activities, or other aspects of the course.
- \* reading and following the university plagiarism policy.
- \* adhering to the "Academic Code of Honesty" standards.
- \* adhering to ACHE Code of Ethics.
- \* discussing problems in the course promptly with the professor.
- \* using APA Publication Manual and style in all written work.
- \* preparing all written work on computer using appropriate word processing.
- \* knowing how to access and use university resources.
- \* knowing how to use the library for research purposes.

## Attendance Policy

The instructor will assume that students will make every effort to attend class promptly and regularly. Excused absences are allowed for twice as many times as class meets per week (i.e. no more than two excused absences with notice to the instructor). Absences above this amount will result in a reduction of 5 points from your final grade for each additional class missed. If you have work-related or a personal situation that will result in problems complying with this attendance policy, it is your responsibility to inform the instructor as soon as possible.

## **Students with Disabilities**

In order to receive appropriate accommodations, **students with disabilities must register with the Center for Teaching and Learning Excellence and provide relevant and current medical documentation.** Students should contact Mary Ellen Pichiarello (Extension 4039) or Jim Muniz (Extension 4218), 5th floor, St. Thomas Hall, for an appointment. For more information, see <http://www.scranton.edu/disabilities>.

## **Writing Center Services**

The Writing Center focuses on helping students become better writers. Consultants will work one-on-one with students to discuss students' work and provide feedback at any stage of the writing process. Scheduling appointments early in the writing progress is encouraged.

To meet with a writing consultant, stop by during the Writing Center's [regular hours of operation](#), call (570) 941-6147 to schedule an appointment, or complete the [Writing Assistance Request Form](#) online. You can also schedule an online appointment using [Google Docs and Google Talk](#).

See the University of Scranton's [Academic Code of Honesty](#).

## Description of Assignments

1. **Class Discussions & Homework assignments:** In each class, there will be discussion about the class lecture and/or readings assigned. Students are encouraged to ask questions, generate relevant discussions and be able to draw conclusions from readings. Weekly homework assignments will be assigned by the instructor. Each student is expected to demonstrate Excel Competency. (Instructions will be discussed in 1<sup>st</sup> class).
2. **Case Studies:** Each student which will be required to review and respond in writing to 5 case studies assigned by the instructor. This may be a group assignment.
3. **Critical Analysis Reports:** Each student is required to complete two (2) critical analysis reports from professional articles written in appropriate journals. Please refer to attachment. Articles must be taken from referred journals and not from trade magazines. Subject to approval by the professor, participants may elect to use chapters in a

- professional text. Readings should focus on financial management. Each student will present at least one critical analysis report to the class. (See Appendix A)
4. **Case Report:** Each participant is required to complete a case report which is a written account of an actual administrative problem. Refer to Appendix B for further instructions.
  5. **Class Assignments:** To get the most out of this class, students should read the material assigned prior to coming to class and complete any assignments which will be collected in class.
  6. **Examinations:** Midterm and final examinations will be given in class and will consist of multiple choice, short problems and essay questions.

**HLA Competency Model**  
**Adopted MHA Program Course Specific Core Competencies**

**Domain #1: Communication and Relationship Management**

*Competency*

- A. Apply principles of communication and demonstrate specific applications
- B. Present results of data analysis to decision makers
- C. Use factual data to produce and deliver credible and understandable results
- D. Facilitate group dynamics, process, meetings, and discussion
- E. Utilize effective interpersonal skills

**Domain #2: Leadership**

*Competency*

- A. Explain potential impacts and consequences of decision making in situations both internal and external
- C. Gain physician buy-in to accept risk and support new business ventures
- D. Accurately assess individual strengths and weaknesses

**Domain # 3: Professionalism**

*Competency*

- B. Uphold and act upon ethical and professional standards
- C. Demonstrate professional norms and behaviors
- D. Engage in continued professional development including reflection and self-directed learning

**Domain # 4: Knowledge of the Healthcare Environment**

*Competency*

- A. Assess the interrelationships among access, quality, cost, resource allocation, accountability, and community
- B. Prepare projects that are credible to governmental, regulatory, professional and accreditation agencies

**Domain # 5: Business Skills and Knowledge**

*Competency*

- A. Integrate information from various sources to make decisions and recommendations
- B. Demonstrate critical thinking, analysis, and problem solving
- C. Apply basic financial management and analysis principles

- D. Apply reimbursement principles, ramifications and techniques including rate setting and contracts
- E. Apply principles of operating, project, and capital budgeting

**Course Requirements/Assessment:**

Symbol Designation  
 Domain = D1-5, Competency = A-Z, Week = W1-15,  
 Cognitive Domain Level = cd1-6, Affective Domain Level = ad1-6

<b><u>Activity</u></b>	<b><u>Domain/Competency</u></b>
Class Discussion and Homework	D1A-E, D2CD, D3B-D, D4A, D5A-D
Case Studies	D1A-E, D2AD, D3B-D, D4A, D5A-C
Written Case Report/Presentations	D1A-E, D2AC, D3B-D, D4A, D5A-D
Critical Article Analysis	D1AD, D2A, D3CD, D4A, D5B D1A-E, D2ACD, D3B-D, D4AB, D5A-E
Class Assignments	D1A-E, D2CD, D3B-D, D4A, D5A-D
Examinations	D1A, D2AD, D3B-D, D4A, D5BC

<b><u>Course Objectives</u></b>	<b><u>Domain/Competency/Level</u></b>
1. Use specific knowledge of economic and healthcare finance concepts, terminology, classifications, methods and trends;	(D1ABCDE,cd1,2)(D2A-D,cd1,2)(D3C,cd1,2)(D4,cd2), (D5A-E,cd1,2,3)
2. Interpret financial statements and evaluate organizational performance;	(D1ABCcd1-4)(D2A,cd2) (D3CD,cd1,2)(D4A,cd1-4)(D5ABC, cd1-4)
3. Understand the use of computer spreadsheets for financial analysis;	(D1ABC,cd1,2)(D5ABDE,cd1,2)
4. Understand the concepts and analytical tools used for capital investment and financing decisions;	(D1ABC,cd1,2)(D2ACD,cd1,2) (D3BC,cd1,2,ad1,2) (D4A,cd1,2)(D5A-E, cd1,2)
5. Understand the importance of financial management for healthcare organizations in a rapidly changing medical delivery system.	(D1ABC,cd1,2)(D2ACD,cd1,2) (D3BC,cd1,2,af1,2) (D4A,cd1,2)(D5A-E cd1,2)
6. Demonstrate written and oral communication skills through preparation and presentation of case studies;	(D1A-E,cd1-5)(D2AD,cd1-5) (D3B-D,cd1,2.ad1,2)(D4A,cd4) (D5A-E,cd1-5)
7. Discuss key topics in healthcare finance and express opinions intelligently;	(D1A-E,cd1-5)(D2ACD,cd1,2) (D4A,cd1,2)(D5A-E,cd1,2)
8. Demonstrate the ability to apply class discussion and theory to practical applications within the healthcare financial environment;	(D1A-E,cd1-3)(D2ACD, cd1-3) (D4AB,cd1-3)(D5A-E,cd1-5)

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| 9. Apply specific knowledge of economic and healthcare finance concepts, terminology, classifications, methods and trends;                                    | (D1ABCDE,cd1-3)(D2A-D,cd1,2)(D3C,cd1,2)(D4,cd2), (D5A-E,cd1,2,3)                           |
| 10. Utilize financial information for decision-making and analyze organizational performance;   | (D1A-E,cd1-5)(D2ACD,cd1-5) (D3D,cd1)(D4A,cd4)(D5A-E,cd 1-4)                                |
| 11. Develop skills, competencies, values, and points of view needed for financial decision-making;  | (D1A-E,cd1,2,ad1,2) (D2AD,cd1,2, af1,2)(D3B-D,cd1,2,ad1,2)(D4AB, cd1-4)(D5A-E,cd1-3,ad1-3) |
| 12. Discuss the concepts and analytical tools used for capital investment decisions;  | (D1A,cd1,2)(D2AC,cd1,2)(D4B,cd2 (D5B, cd1,2)   |
| 13. Demonstrate an understanding of payment methods used to reimburse health service providers and the role of health insurance in financing health services; | (D1A-E,cd1,2)(D4AB,cd1-2)(D5A-E,cd1-3)   |
| 14. Relate financial decision-making to pressures from the external environment;  | (D1A,cd1)(D2AD,cd1,2) (D5AB,cd1,2)   |
| 15. Demonstrate an understanding of the function of the financial team and chief financing officer of health organizations;                                   | (D1ADE,cd1,2)(D2ACD,cd1,2) (D3C,cd2,ad2)   |
| 16. Apply quantitative methods for decision-making;   | (D1ABC,cd1-3)(D4A,cd4)(D5A-E,cd1-3)  |

## General Grading Rubric for Papers

Qualities & Criteria	Top Performance	Middle Performance	Low Performance
<b>Format/Layout</b> <ul style="list-style-type: none"> <li>• <b>Presentation of text</b></li> <li>• <b>Structuring of text</b></li> <li>• <b>Follows requirements of length, font and style</b></li> </ul>	Closely follows all of the requirements related to the format and layout described in the assignment.	Follows for the most part all of the requirements related to the format and layout. Some requirements are not followed.	Poorly follows the requirements related to format and layout.
<b>Content/Information</b> <ul style="list-style-type: none"> <li>• <b>All elements of the topics are addressed</b></li> <li>• <b>The information is sound</b></li> <li>• <b>Information based on evidence</b></li> <li>• <b>Coherence of information</b></li> </ul>	The paper is objective and addresses an in depth analysis of all issues referred in the proposed topic. The provided information is necessary and sufficient to discuss the topic.	The paper is objective and for the most part addresses an in depth analysis most of the issues referred in the proposed topic. The provided information is for the most part, necessary and sufficient to discuss the issue.	The paper is not objective and poorly addresses the issues referred in the proposed topic. The provided information is not necessary or not sufficient to discuss the issues.

<p><b>Quality of Writing</b></p> <ul style="list-style-type: none"> <li>• <b>Clarity of sentences and paragraphs</b></li> <li>• <b>No errors and spelling, grammar and use of English</b></li> <li>• <b>Organization and coherence of ideas</b></li> </ul>	<p>The paper is well written from start to finish, without spelling, grammar or use of English errors. The paper is well organized, clear and presents ideas in a coherent way.</p>	<p>The paper is well written for the most part, without spelling, grammar or use of English errors. The paper is for the most part well organized, clear and presents ideas in a coherent way.</p>	<p>The paper is not well written, and contains many spelling errors, and/or grammar errors and /or use of English errors. The paper is badly organized, lacks clarity and/or does not present ideas in a coherent way.</p>
<p><b>References and use of references</b></p> <ul style="list-style-type: none"> <li>• <b>Scholarly level of references</b></li> <li>• <b>How effective the references are used in the paper</b></li> <li>• <b>Soundness of references</b></li> <li>• <b>APA style in reference list and for citations</b></li> </ul>	<p>All the references uses are important, and are of good/scholarly quality. There is a minimum of 4 scholarly resources that are used effectively in the paper. All of the references are effectively used, correctly cited and correctly listed in the reference list according to APA style.</p>	<p>Most of the references uses are important, and are of good/scholarly quality. There is a minimum of 4 scholarly resources that are for the most part used effectively in the paper. Most of the references are effectively used, correctly cited and correctly listed in the reference list according to APA style.</p>	<p>Most of the references used are not important, and/or are not of good/scholarly quality. There is not a minimum of 4 scholarly resources, and/or they are not used effectively in the paper. References are not effectively used, and/or correctly cited and/or correctly listed in the reference list according to APA style.</p>

### Class Policies

1. Class members are expected to attend classes and are responsible for all course material covered on the day(s) missed. Class members should obtain the missed course information from another student.
2. Notice to instructor of late submissions is required. Failure to notify the instructor of a problem concerning an assignment when it is due will result in a 10% reduction in grade for each day the assignment is late. After 9 days, the grade for the assignment will be a zero.
3. Ordinarily, no extra credit assignments will be given.
4. Ordinarily, incomplete grades are not given.
5. All written assignments will be evaluated on professional aspects of writing such as grammar, spelling, context, neatness, organization, and overall readability.
6. All written assignments must utilize the APA editorial style. All references must be appropriately cited and plagiarism in any form will result in course failure. Class members are required to read and adhere to the University Code of Honesty.

### Instructional Assistance

The professor will be available to answer questions and help participants before, during and after class. Individual appointments are available upon request. Participants are encouraged to talk with the professor if there are unique problems or questions requiring further discussion or clarification. The professor can be reached by telephone at work (941-5872) or during regular office hours.

Participants who wish to explore other possible ways of achieving a desired grade in this course are invited to arrange for an appointment with the professor to further discuss this possibility.

If a participant would like to adopt course assignments to their work setting, such arrangements require an appointment with the professor to finalize topics and modifications to the course requirements.

### Reasonable Accommodation

Students with disabilities need to be registered with the Office of Equity and Diversity at least one to three months prior to or the onset of the academic year if they anticipate needing disability-related accommodations and/or support services. In order to register with the office, the student must self-disclose the presence of a specific disability and provide the appropriate documentation complete with diagnosis and specific limitations. The Office of Equity and Diversity will determine appropriate, legal documentation needs. If the documentation is incomplete, the student may be asked to seek additional diagnosis documentation. Students with disabilities who are requesting reasonable accommodations should contact the University of Scranton's Equity and Diversity Office at 570-941-6645. Students are encouraged to set an appointment early in the semester to discuss any needs for accommodations.

### DETERMINATION OF COURSE GRADE:

Each course assignment has been assigned a point value and has an identifiable level of measure. The participant will perform each requirement to the grade level he/she desires as follows:

<u>Grade</u>	<u>Points</u>	<u>Definition</u>	<u>% Cutoff</u>
A	100 - 95	Superior	95%
A-	94 - 92	Excellent	92%
B+	91 - 89	Very Good	89%
B	88 - 86	Good	86%
B-	85 - 83	Fair	83%
C+	82 - 80	Passing Grade	80%
C	79 - 74	Minimal Passing Grade	74%
F	74 - 0	Failure	<74%

Students who wish to explore other possible ways of achieving a desired grade in this course are invited to arrange for an appointment with the instructor to further discuss this possibility.

#### Grading Scale

A = 100-95	B- = 85-83
A- = 94-92	C+ = 82-80
B+ = 91-89	C = 79-74
B = 88-86	F = Below 74

## Appendix A

### *CRITICAL ANALYSIS REPORT*

#### A. Introduction:

A critical analysis report is a thorough review of a written work and a personal reaction to this analysis. Experience in making critiques of written works is required for the following reasons:

1. Extensive critical reading helps the student achieve a more comprehensive understanding of the concepts included in the course.
2. Critical analysis of what is read aids one in becoming a more discerning consumer of the literature in the field.
3. Evaluations of what is read assist the student in the comprehension of the implications of the reading content of his particular course of interest and concerns.
4. The written critique helps the student develop the art of effective communication.
5. The analysis helps the student develop appropriate reference citations for professional opinions on health care issues.
6. Would it serve as a sound reference source for others in health services administration?

#### B. General Requirements:

Each student is required to review two (2) articles from professional health related journals. The article must focus on relevant aspects of Healthcare Finance and Planning. Article must be published within last 2 years. Any exceptions must be approved by the instructor.

#### C. Guidelines for Review Format:

1. All papers are to be typed and double spaced. The paper is to be clear and concise; does not contain errors in spelling, punctuation, or syntax.
2. All papers are to be submitted on time to meet specific due dates.
3. At the top of the first page, and on a 3x5 inch index card, the following information must be provided using the listed headings in sequence:
  - a. Applicable General Topic:
  - b. Title of Article:
  - c. Authors Name:
  - d. Name of Journal:
  - e. Date of Journal:
  - f. Volume:
  - g. Number:
  - h. Pages (on which article appears):
  - i. Publisher of Journal

**NOTE:** A copy of the article must be submitted with the written report

4. Synopsis and Summary:

100-200 word description of the articles basic content.

5. General Theme:

A brief statement about what you felt was the author's general theme of the article.

6. Point of View:

A brief statement about what you felt concerning the author's point of view. Was the presentation objective and factual or was the presentation subjective and lacking of facts? Explain your opinion.

7. Issue Analysis:

Provide a list of the issues presented in the article.

8. Conclusions and Recommendations:

List of author's conclusions and/or recommendations.

9. Agreement or Disagreement:

Based on the author's conclusions and/or recommendations, do you agree or disagree; provide a brief justification regarding your opinion concerning your agreements and disagreements.

10. Professional Projections:

A 50-75 word statement on what you learned from the article and how you may apply this experience (negative or positive) in your professional future career.

D. Guide to Grading of the Critical Analysis Report:

The critique will be graded on the following:

- a. Appropriate article
- b. Identifying information on first page
- c. Synopsis and Summary
- d. General theme stated
- e. Point of view stated
- f. Issue analysis stated
- g. Conclusions and recommendation stated
- h. Agreement or disagreement stated
- i. Professional projections stated

NOTE: Submit copy of journal article with your report

E. Specific Requirements:

- The two (2) reviews are to be selected from two (2) separate healthcare finance/planning topics. Articles selected must be from refereed journals.

F. Penalties:

Failure to submit reviews on specific due dates may result in the deduction of one full grade for each successive class period that the review is not submitted. Failure to submit one or more reviews may result in an "incomplete" given at the time of final grades.

Special circumstances requiring an extension of the due dates will be handled on an individual basis via written justification explanation and/or request stating the particulars and forwarded to the instructor for approval and appropriate determination.

Special circumstances requiring an extension of the due dates will be handled on an individual basis via written justification explanation and/or request stating the particulars and forwarded to the instructor for approval and appropriate determination.

## Appendix B

### GUIDELINES FOR PREPARATION OF THE CASE REPORT

#### A. Definition

Each student is asked to develop a case report which is a written account of an actual administration problem encountered in an applied setting related to health services administrative experience, academic research, or community health and welfare affairs experience. The report identifies a real problem, incorporates the decisions made, and the results. The paper embraces these elements:

1. An analysis of the specific administrative problem.
2. A review of the various approaches considered to solve it
3. An analysis of the administrative decisions and actions actually taken.
4. An explanation of the reasons for these decisions and actions.
5. An analysis of the results of the administrative action taken.

#### B. Purpose

The project will enable the student to:

1. Recognize an administrative problem,
2. Develop a logical solution to the problem,
3. Analyze the results of administrative decisions/actions,
4. Organize a problem solving process and reduce this to writing,
5. Reference the health care literature in solving an existing problem,
6. Acquire general knowledge in health service administration.

#### C. Approval Process

The subject of the case report must be approved by the Instructor before the student proceeds with the project. The topic must be submitted in writing and include the following information:

1. Precise title of the case report.
2. Descriptive statement of a few sentences explaining the area of inquiry,
3. Explanation of the administrative functions to be examined in the report.
4. Statement of reasons for selecting the topic.

#### D. Selection of Subject

The selection of the subject matter is the responsibility of the student. Present or prior working experience in the health services field provides the resources for the report. In considering an administrative problem, the student should keep the following factors in mind:

1. Is it an administrative problem of some significance?
2. Is it a problem frequently encountered in the field of health services administration?

3. Does the problem involve basic administrative functions, such as planning, organization, coordination, staffing, control or evaluation?
4. Does the problem offer relevant learning opportunities for other class members?
5. Does its resolution involve original or creative thinking?

The case report must deal with administrative concepts and is not a “How to do it” report. The report must relate to function (planning, organizations, coordination, staffing, control evaluation, etc.) rather than routine procedural operations. The subject can deal with medical staff, board, education, community, relations, materials management, marketing, purchasing, etc.

\*\* The intention of this assignment is to report on a real life administrative situation that the student has participated in or has a great deal of “real situation” information. If the student does not have access to this information then a researched “administrative situation” will be utilized with permission from the instructor.

**E. Case Report Format**

The case report must clearly identify the following elements:

1. TITLE (5 points)

The title should be brief but specific enough to identify the problem it reports.

2. ORGANIZATION INFORMATION (10 points)

The case report should include the following:

- A. Size of organization.
- B. Type of organization.
- C. Type of ownership and control.
- D. Number of years in operation.
- E. Type and size of city and surrounding area served.
- F. Number, size and type of other health facilities, services, programs, or agencies in the same area.

3. GIST OF THE PROBLEM (10 points)

The case report should include a brief statement-one, two or three sentences will be satisfactory of the problem which confronted the student and which precipitated the administrative action to resolve it. Do not include details, decisions, or philosophical discussion in this summary statement.

4. DESCRIPTION: THE PROBLEM (20 points)

A statement of pertinent facts about the problem, including such information-where applicable as the following:

- A. Background
- B. Evolving complexity of the situation.
- C. Persons or groups involved and their roles.
- D. Local or historical factors contributing to the situation
- E. Other appropriate data inherent in the case problem

5. ADMINISTRATIVE DECISION (15 points)

A concise statement of the conclusions reached and the action taken to resolve the problem. Explain the selected course of action in full. Alternatives to the solution also should be examined, with reasons delineated for not following them. Report all special obstacles encountered in arriving at a solution.

6. THE RESULTS (15 points)

Document the results which followed the selected administrative action and decision. Indicate, where possible, the following:

- A. Length of time between attempted solution of a problem and an evaluation of its results.
- B. Length of time results of administrative decisions were observed.
- C. Comment where, in the opinion of the case reporter, the solution “withstood” the test of time.”

7. SOURCE MATERIAL (5 points)

Indicate specifically all source materials (texts, magazine articles, recommendations of colleagues or consultants, etc.) used in resolving the problem. This information may be embodied in the case report or listed at the end of the manuscript.

Studies, reports, legal opinions, or legislation may be used to support the premise of decision making; but, if used, they should be quoted and identified. Consultants’ reports should not be used as part of the main body of the manuscript, but may be used as an addendum.

8. REFERENCES (10 points)

Include a minimum of six (6) references from reputable journals or books.

**F. Manuscript Format (5 points)**

All case reports should be cleanly typed. The paper is to be clear and concise; does not contain errors in spelling, punctuation, or syntax. In typing, the following should be observed.

1. The original and one copy should be clearly legible.
2. Double space all copy.
3. Leave 1 ¼” to 1 ½” margins on both sides and on the top and bottom of each manuscript sheet.
4. Use standard - 8 ½”x11” - stationery for the manuscript. The original copy should be good quality photocopies.
5. Number all pages of the manuscript.
6. It should be edited carefully paying attention to punctuation, grammar, sentence structure and spelling.

**G. Length of Report (5 points)**

Well organized and thoroughly-developed case reports average 1,300-2,000 words.

## Course Outline

Date:

8/26

Topic:

### **Introduction to the Course and Instructor**

Meet Classmates

Introduction to Healthcare Finance

Review of Basic Accounting Concepts and Fundamentals

The Role of Financial Management in the Health Services Industry

Alternative Forms of Business Organizations

Organizational Structures

Health Services Settings

Third Party Payers

Managed Care Plans

Tax Laws

Review case study methodology

Review critical analysis format and style

Compare theories, models, and applications pertaining to health finance

Understand roles and responsibilities of health finance personnel

Describe the components of the income statement, balance sheet, and statement of cash flows and perform analytical applications

Explain the difference between net income and cash flow

Explain the difference between gross charges, net revenue, and net income

Planning and Budgeting

The Planning Process

Operational Planning

Introduction to Budgeting

Budget Timing and Other Issues

Budget Types

Constructing a Simple Operating Budget

Variance Analysis

Importance of planning and the budget process

Strategic Planning

Operating & Financial Plans

Revenue Forecasts

Creating Forecasted Financial Statements

Real-World Forecasting

Computerized Financial Planning Models

Financial Controls

The Cash Budget

Reading: Gapenski, Chapter 1 & Instructor Handouts

Focus on: Introduction to accounting concepts, basic finance concepts, Forms of business organizations.

Assignment: End of Chapter Questions: page 30 1.1, 1.2, 1.4, 1.5, 1.6, 1.7, 1.8 & 1.12

## Required Excel Tutorial

All students are required to complete the excel tutorial below.

<https://www.udemy.com/intro-to-microsoft-excel-2010-course/>

**9/02**

**Labor Day No Class**

**9/09**

**Health Insurance and Reimbursement**

Insurance Concepts

Third-Party Payers

Managed Care Plans

Healthcare Reform and Insurance

Generic Reimbursement Methodologies

Provider Incentives

Medical Coding

Specific Reimbursement Methods

Healthcare Reform and Reimbursement Methods

**Additional Medicare Payment Methods**

Outpatient Hospital Services

Ambulatory Surgery Centers

Inpatient Rehab Facilities

Psychiatric Hospital Services

Skilled Nursing Facility Services

Home Health Care Services

Critical Access Hospitals

Hospice Services

Ambulance Services

Reading: Gapenski, Chapter 2 & Instructor Handouts

Focus on: Healthcare Insurance & Reimbursement

Assignment: End of Chapter Questions: 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, & 2.10

## Case Study # 1

Case 13.5 IOP Boogie Clinic Forecasting. Page 189

**9/16**

### **Financial Accounting Basics and The Income Statement**

The balance sheet and Financial statement analysis.

Basic Accounting Methods

Describe the components of the income statement, balance sheet, and statement of cash flows and perform analytical applications. Explain the difference between net income and cash flow Explain the differences between gross charges, net revenue and net income

Begin discussion of the budgeting process

Income Statement Basics

Revenues

Expenses

Operating Income

Nonoperating Income

Net Income

Net Income vs Cash flow

Using Income Statement Data in financial Statement Analysis

Budget Project Discussion

Regulations and standards in Financial Accounting

Statement of Cash Flows

Reading the Financial Statement

Reading: Gapenski, Chapter 3 Instructor Handouts, Financial Accounting Tutorial

Focus on: Structure of the balance sheet, income statement, cash flow

Assignment: End of Chapter Questions: 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8 & 3.9

End of Chapter Problems: 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, & 3.9

## Case Study # 2

1.7 Financial Statement Format      page 37

9/23

### **Planning and Budgeting**

Describe the Budgeting Process

Define Strategic Planning

Describe, define and discuss the steps in the Budgeting and Planning process

Reading:      Gapenski, Chapter 8, Instructor Handouts

Focus on:      Importance of planning and the budget process  
Strategic Planning  
Introduction to Budgeting  
Budget Types  
Constructing an Operating Budget  
Operating & Financial Plans  
Revenue Forecasts  
Creating Forecasted Financial Statements  
Real-World Forecasting  
Computerized Financial Planning Models  
Financial Controls  
Variance Analysis  
The Cash Budget

Assignments: End of chapter Questions: 8.1, 8.2, 8.3, 8.4, 8.7, & 8.8

End of Chapter Problems: 8.1, 8.2, 8.3, 8.4 & 8.5

**CAR #1 DUE & Presentations**

**9/30**

**The Balance Sheet and Statement of Cash flows**

Assets  
Liabilities  
Net Assets  
Fund Accounting  
Statement of Cash flows  
Balance Sheet Transactions  
Using Balance Sheet Data in Financial Statement Analysis

Reading: Gapenski, Chapter 4 Instructor Handouts,  
Financial Accounting Tutorial

Focus on: Structure of the balance sheet, income statement, cash flow

Assignments: End of chapter Questions: 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 3.7, 4.8  
& 4.9

End of Chapter Problems: 4.1, 4.2, 4.3, 4.4, 4.5, & 4.9

**10/07**

**The Basics of Capital Budgeting**

Preparing a Capital Budget  
Analytical Applications of Capital Budgeting  
Political and Practical Applications  
Return on Investment

Reading: Gapenski, Chapter 14, Instructor Handouts

Focus on: Making capital purchase decisions in today's healthcare  
Environment  
Importance of Capital Budgeting

Project Classification  
The Role of Financial Analysis in Capital Budgeting  
Cash Flow Estimation  
Breakeven Analysis  
Using Capital Budgeting Techniques

Assignments: End of Chapter Questions: 14.1, 14.2, 14.3, 14.4, & 14.6

End of Chapter Problems: 14.1 & 14.2

## **Case Study # 3**

Case 16.1 Outer Limit Hospital page 205

10/14

**FALL BREAK – NO CLASS**

**10/21**

**Financial Condition Analysis**

The Statement of Cash Flows  
Explain and discuss Ratio Analysis  
Define Benchmarking  
Operating Indicator Analysis  
Demonstrate advanced financial analysis  
Limitations of Financial Performance analysis  
Explain and Discuss Market and economic analysis  
Financial Reporting in Health Services Industry

Reading: Gapenski, Chapter 17, Instructor Handouts

Focus on: Purpose of financial statement and operating analyses  
Review for Mid-Term

Assignments: End of Chapter Questions: 17.1, 17.2, 17.4, 17.6, & 17.8

End of Chapter Problems: 17.1, 17.2 & 17.3

# Case Study # 4

Case 4.1 East Pacific Hospital page 83

10/28

## Midterm Examination in Class

11/04 &  
11/11

## Managerial Accounting

The Basics of Managerial Accounting

Cost Classifications

Cost Behavior and Profit Analysis

Cost Classifications

Direct vs Indirect Costs

Fixed vs Variable Costs

Profit Analysis

Breakeven Analysis

Sunk Cost

Operating Leverage

Demonstrate how contribution margin is used in financial decision making

Cost Allocation Basics

Cost Allocation Methods

Healthcare Providers and the Power to Set Prices

Service Line Costing

Healthcare Providers and the Power to Set Prices

Price –Setting Strategies

Target Costing

Setting Prices Under Capitation

Making the Service Decision

Reading: Gapenski, Chapters 5, 6 & 7  
Instructor Handouts

Focus on: Cost Behaviors, profit analysis, cost allocation and pricing decisions

Assignments: End of chapter Questions: 5.1, 5.2, 5.3, 5.4, 5.5, 5.8, 6.1, 6.2, 6.3, 6.4, 6.5, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, & 7.8

End of chapter Problems: 5.1, 5.2, 5.3, 5.4, 5.9, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 7.1, 7.2, 7.3, 7.4, & 7.5.

# Case Study # 5

Case 12.1 Clean tube Laboratories page 169

11/18

## **Financial Performance of Alternative Healthcare Organizations: Long Term Care Facilities and Medical Group Practice Management**

Long Term Care Industry Review

LTC Financial Methodologies

Explain the continuum of LTC and different reimbursement regulations

Describe how LTC facilities are reimbursed

Medicare beds vs. Medicaid beds

Case mix index

Medical Data Set

Medicare reimbursement in LTC

Physician Practice Settings

How are Physicians Paid

Physician Management Models

Physician Role in Hospital Payment Systems

Relative Value Units – RVU Coding and its impact on reimbursement

Reading: Instructor Handouts

Focus on: Nursing homes, group practice management, payor mix,  
revenue generation, financial statement analysis  
Guest Speaker – LTC

**CAR # 2 DUE**

11/25

## **Basic Financial Management Concepts Revenue Cycle and Current Accounts Management**

Time Lines

Opportunity Costs

Solving for Interest Rate & Time

Time Value Analysis

Annuities

Opportunity Costs  
Using Time Value analysis  
The Many Faces of financial Risk  
Risk Aversion  
Probability Distributions  
Measuring Risk  
The Many Faces of Financial Risk  
Risk Aversion  
Profitability Distributions  
Current Account Management  
Cash Management  
Revenue Cycle Management  
Supply chain Management  
Marketable Securities Management  
Current Liability Management

Reading: Gapenski, Chapters 9 & 10 & 16

Focus on: Time Value Analysis, Financial Risk & Required Return  
In Class Problems

Assignments: End of Chapter Questions: 9.1, 9.4, 9.6, 10.1, 10.5, 10.6 &  
10.7. 16.1, 16.2, 16.4, 16.5,  
Problems: 16.6 & 16.8

### **CASE REPORT DUE**

### **CASE REPORT PRESENTATIONS**

**12/02**

### **Review**

Review of Budgeting and Accounting Process  
Financial Management of Hospitals Reviewed  
Review for Final Exam

### **CASE REPORT PRESENTATIONS**

**12/09**

**Final Exam in Class**

## Case Study Content Evaluation

During the class session #1, the instructor will break the class participants into teams of two. Each team will select a case provided by the instructor and be responsible for solving and presenting the solution in a written and oral format. The content of the paper and oral presentation should focus on:

Introduction – Stating the purpose and the importance of the case and provide an overview of the case

Organization – Describe the type of financial environment the organization in the case is operating in using the relevant course terms, concepts, principles, theories and knowledge

Techniques, methods, tools, etc. - Explain and analyze the case problem by applying the relevant course concepts, principles, theories and knowledge

Accurate use of case information/lessons - apply the relevant course terms, concepts, principles, theories and knowledge to make informed recommendations for a solution and develop a team solution. Useful lessons learned for health managers from the case need to be identified

Case Study/Oral Presentation Evaluation

Name(s):

Date:

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Criteria

Points

Comments/Suggestions

**Content**

Introduction  
(0-1)

Organization  
(0-2)

Techniques,  
Methods, tools, etc.  
(0-5)

Accurate use of  
information/Lessons  
(0-7)

**Original thinking**  
(0-10)

**Use of time**  
(0-1)

**Executive Delivery**  
(0-1)

**Visual materials,  
Handouts, etc.**  
(0-1)

**Questions to class**  
(0-2)

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Total (0-30)

## Mid-term Evaluation

You are to individually demonstrate and present a financial application of a problem given by the instructor from class session #1 thru class session #6. The problem application will be evaluated based on:

Overall synopsis of course material:  
(0-5)

Discussion and articulation of key concepts, theories, principles, etc. and describe in detail:  
(0-5)

Practical application of the concepts and tools used in class to solve problem  
(0-5)

Conclusion listing and describing 3 overall health finance competencies learned from the problem and demonstration of mastery  
(0-5)

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Total (0-20)

## References:

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- Barton, P.L. 2009. *Understanding the U.S. Health Services System*. Chicago: Health Administration Press: 2009.
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- Zelman, William N., McCue, M.J., Millikan, Alan R. and Glick, Noah D. 2003. *Financial Management of Health Care Organizations*. Blackwel Publishers Ltd: 2003.
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