

Advance
HS420 Health Services: Financial Management
Spring 2008

3 Credits

Day: Tuesday and Thursday
Class times: 11-12:30pm
Dates: 2/31/08-5/8/08
Spring break: 3/17/08-3/24/08

Course Description: Explores financial management issues, including: reimbursement, costs, budgeting, financial and statistical reports and evaluation methods for services and responsibilities. Financial requirements by regulatory agencies.

Course Objectives:

1. Identify issues in health care organizations' financial management
2. Apply basic accounting skills to organizational financial issues
3. Evaluate financial market issues
4. Apply financial planning principles to health care organizations
5. Identify economic principles in health care applications
6. Identify the impact of regulatory agencies on the economic issues in health care

Competencies:

Writing of evaluative papers
Computer skills, including: word processing, Internet utilization, power point use and spread sheets
Development and utilization of research skills

Required Texts:

Baker, Judith J. and R.W. Baker (2006). *Health Care Finance, Basic Tools for Nonfinancial Managers, 2nd Ed.* Massachusetts: Jones and Bartlett Publishers
ISBN: 978-0-7637-2660-7

References:

(McLean) McLean, Robert A. (1997). *Financial Management in Health Care Organizations.* Albany, NY: Delmar Publishers.

(Feldstein) Feldstein, Paul J. (1999). *Health Care Economics, Fifth Ed.* Albany, NY: Delmar Publishers.

Wolper, Lawrence F. (1999). *Health Care Administration.* Maryland: Aspen Publishers

Allen, James (1996). *Nursing Home Administration, Third Ed.*

Methodologies:

Classes will include lecture, presentations, interaction and group work.

Class Participation:

This is a vital part of learning. You are expected to come to class prepared and ready to participate. This means that you need to read assignments **prior to class**. A lack of participation will reflect on your

ability to assimilate and utilize the materials presented.

Attendance: Attendance is essential to understanding and successful completion of the course.

Late assignments: Assignments are expected on time. For every day that an assignment is late, you will lose one grade. This applies to all assignments and/or tests.

Grades:

Grading will be done on the following percentages			
100-95%	A	67-69%	D+
90-94%	A-	64-66%	D
87-89%	B+	60-63%	D-
84-86%	B	59%	F
80-83%	B-		
77-79%	C+		
74-76%	C		
70-73%	C-		

Grades are determined on a cumulative score.

Grading Criteria: Tests: 2/3 Project: 1/3

Tests: Tests will consist of narrative and calculations. They may be in any of the following formats: essay, multiple choice, true-false, fill in the blank. Test questions may be taken from the lecture materials, reading materials and/or Internet sites listed.

Project: In the previous course of HS320, you developed the beginning of a business plan. Based on the ideas developed for that project, you will complete the process of the business plan.

You will develop the following:

- Table of organization
- Staffing patterns (reference regulatory requirements)
- Operating budget and justification
 - Projected expenditures
 - Projected revenues (reference sources for revenues)
- Capital budget and justification
 - Equipment, furniture, etc.
 - Building/renovation costs
- Cost/patient day
 - Include hidden costs (i.e. preparation for inspections, JCAHO fees, etc)
- Breakeven point
 - Projected length of accounts receivable and payable
- Cost of employee turnover
 - Training costs
 - Orientation time

Recruitment

- Benefit costs

Presentation:

As a group, you will be expected to provide a complete “sales” presentation of your business plan. You should consider power point and graphics. The presentation should be viewed as if you were presenting your proposal to the CEO of a major health care organization.

- 20% Visuals
- 40% Clarity of content
- 30% Ease of presentation
- 10% Continuity

Project grading criteria

Written project:

- 20%- Grammar, spelling, layout for clarity, appearance (5 points each)
- 80%- Clarity and coverage of each of the eight (8) areas outlined (10 points each)

HS420 Course Calendar

This course calendar is a guide. Dates and subjects may change. Notice of any changes will be given in class.

Dates	Topic	Reading	Tests
1/31	Introduction		
2/5-7	“Health Care is Different/Health Care is the Same” (McLean) National Health Care Expenditures www.hcfa.gov/stats/NHE-Oact/tables		
2/12-14	Agency Problems and Agency Costs – Chapter 2 (McLean) The Administrator’s Role as Financial Manager (Allen 3.1)		
2/19-21	Accounting and Cash Flow Analysis (McLean)		
2/26-28	Cost Behavior (McLean)		
3/4-6	Inpatient and Outpatient Reimbursement (Wolper)		
3/11-13	Managed Care (Wolper and HCFA)		
3/25-27	Balance Sheets Organizational Diagnostics: Financial Statement Analysis (McLean)		
4/1-3	Budgeting and Variance Analysis (McLean) Budgets and Budgeting (Allen)		
4/8-10	Basics of Capital Budgeting (McLean)		
4/15-17	Time Value of Money		
4/22-24	Introduction to the Economics of Medical Care – Chapter 1 (Feldstein)		
4/29-5/1	Production of Health – Chapter 2 (Feldstein) PAPER DUE		
5/6	Overview of Medical Care Sector – Chapter 3 (Feldstein)		
5/8	PRESENTATION		

Internet Sites: <http://william-king.www.drexel.edu/top/prin/txt/Cost/Ch7ToC.html>
<http://nbs1.ntu.edu.sg/ab212/week4/slides/sld001.htm>

Internet Sites: Managed Care Contracting
<http://www.medscape.com/SCP/DBT/1999/v11.n03/d6417.vale/d6417.vale-04.html>
<http://www.medscape.com/CBuppert/GreenSheet/2000/v02.n04/gree0204.html>
<http://www.managedcaregroup.com/mcrless.htm#S1>
<http://www.medscape.com/medscape/MoneyMedicine/journal/2000/v01.n01/mm0101.lark/mm0101.lark.html>

<http://www.samhsa.gov/search/search.html> In the search area type in:
managed care contracting (“A Guide for Providers of Mental Health and
Addictive Disorder Services in Managed Care Contracting”)

Internet sites: <http://www.cityu.edu.hk/afdragon/teach/budget.html>
Budgeting
<http://www.webster.edu/~charngil/Narrative%20Balance%20Sheet.PDF>
“Narrative Budget sheet”
<http://www.webster.edu/~charngil/capsum.html>
“Factors to Consider in Determining Capital Expenditures”
<http://www.webster.edu/~charngil/handouts%20and%20articles.html>
Text Notes: Chapter 1, 3, 4, 9

Internet sites: <http://fpc.net66.com/Overview.html>
<http://www-ec.njit.edu/~mathis/interactive/index.html>
<http://www.studyfinance.com/lessons/timevalue/index.html>
<http://trainers.com/icb/math.html>
http://www.harcourtcollege.com/finance/students/timevalue_rq.htm