COURSE DESCRIPTION

This is a required course for all Wagner students in the health management and health care financial management specializations. The topics are important and relevant, however, for any student wishing to expand his or her financial management skills. The course focuses on the related topics of planning and financial decision making as applied to health care organizations. This course will build from the skills students have acquired in the core financial management course (1021); specifically, we will in many cases review topics already familiar to students, apply them specifically to health care organizations, discuss more advanced features of these topics, and apply them to professional situations. Students will learn and practice these skills through lectures, problem solving, and case studies. The course is structured to integrate both academic and practical approaches and perspectives on current health care financial issues. Given the current (ongoing) state of flux in health care finance, current topics will be addressed; however, the course focuses primarily on those skills students will need regardless of policy outcomes.

COURSE OBJECTIVES

The primary goal of this course is to familiarize students with the tools to effectively manage, plan, and analyze the current operations of health care organizations (broadly defined). This includes a basic understanding of the unique financial environment health care organizations operate within. Another goal of the course is to reinforce the spreadsheet and quantitative skills that are essential in the financial management process. A final goal of this course is to help students learn how to communicate financial concepts clearly and effectively.

At the end of this course you should be able to:

- Discuss the financial environment of health care organizations, including such concepts as managed care, third-party payers, and differences in legal structures;
- Perform profit and breakeven analyses that account for discounted fee-for-services and capitation;
- Conduct cost allocations using multiple techniques;
- Set prices for a health care organization;
- Incorporate these topics into the financial planning and budgeting of your organization.
COURSE COMPETENCIES

Core competencies:

• The ability to synthesize evidence, and apply statistical, financial, economic and cost-effectiveness tools/techniques in organizational analysis

• An understanding of health care financing and the ability to use financial analysis as a tool for organizational control

Other related competencies:

• The ability to use information systems and evidence-based management principles for problem-solving, strategic planning and decision-making and implementing and measuring change

Assignments, exams, and class participation in the course will assess progress against these competencies, and no student will receive a B or higher without demonstration of satisfactory progress towards mastery of each competency.

COURSE MATERIALS

The required text for this course is Louis C. Gapenski, *Healthcare Finance: An Introduction to Accounting and Financial Management, 5th Edition* (Washington, DC: Health Administration Press), 2012. Throughout the syllabus, this text is referred to as “Gapenski.”

The text may be purchased from the New York University bookstore. It is also on reserve at the library.

TUTOR

TBA

GRADING

1 Case Study – 20%

3 Homework Assignments – 30% (10% each)

1 Final Exam – 50%
SUBMITTING ASSIGNMENTS

1. Assignments are due at the beginning of the class.

2. Homework should be submitted through NYU Classes. Students are responsible for ensuring that they submit the homework on-time, and that they turn in the correct file. Assignments emailed to the professor are not acceptable.

3. Hand-written assignments will not receive credit.

4. You will receive partial (one-half) credit for making a good-faith effort at the homework and case studies. The remaining one-half credit will be earned for accuracy.

CASE STUDY

1 Case Study is due during the course (in Class 5). The case is intended to apply concepts learned in the course to a professional setting, and is intended to require significant time and effort. You may have incomplete and imperfect information in the case; this also mirrors the professional world. You are expected to manage this uncertainty as well in your response. We will spend time discussing the case in class (hence, if you fail to hand in the assignment on time, I cannot give you an extension). The case and instructions are posted on NYU Classes.

SCHEDULE

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<th>Week</th>
<th>Tuesdays, 8:35 – 10:15 pm</th>
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<tbody>
<tr>
<td>1</td>
<td>September 2 – Class 1</td>
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<td>September 9 – Class 2</td>
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<td>September 16 – Class 3</td>
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<td>October 7 – Class 6</td>
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<td>October 14 – No Class (Fall Recess)</td>
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COURSE RULES AND REQUIREMENTS

1. This is an intermediate level graduate course. As such, you need to devote significant
time to this course. The material builds cumulatively, so do not fall behind. Please
complete readings BEFORE class.

2. If you need to miss class, you are responsible for finding out what you missed, including
any announcements made in class.

3. There are no extra credit assignments.

4. The final exam date is not negotiable. Please do not ask for separate accommodations
unless something occurs that is truly severe and life altering. These usually are provable
to me.

5. Academic dishonesty is unacceptable and will not be tolerated. Cheating, forgery,
plagiarism, and collusion in dishonest acts undermine Wagner’s educational mission and
your own personal and intellectual growth. You are expected to bear individual
responsibility for your work and to uphold the ideal of academic integrity. Any student
who attempts to compromise or devalue the academic process will be reported to the
administration and subject to disciplinary action.
COURSE OUTLINE

NOTE: It is assumed that students know how to read financial statements and are familiar with basic financial terms. Both of these skills should have been acquired in 1021. If you wish to review these concepts, you should read Gapenski Chapters 3 and 4 and also review the Power Point slides posted on NYU Classes.

Class 1: Course Overview, and an Introduction to the Health Care Financial Environment
We will discuss the overall structure of the course and introduce ourselves. We will then discuss alternative forms of business ownership in the health care field, third-party payers, managed care, and some recent changes in health care law that are likely to influence the finances of organizations.

Read before class: Gapenski, Chapters 1 and 2

Class 2: Cost Behavior and Profit Analysis
We will build off the breakeven analysis concepts students learned in 1021 and apply them specifically to health care organizations, with special attention paid to the effects of multiple products/services, discounted fee-for-services, and capitation have on the analysis. We will also discuss cost classifications.

Read before class: Gapenski, Chapter 5

Class 3: Cost Allocation
We will discuss different cost allocation techniques, with special attention paid to why cost allocation is essential for health care organizations because of third-party payers and capitation.

Read before class: Gapenski, Chapter 6; RVU Costing from Cleverley (on NYU Classes)

Due: Homework #1 – Problems 5.4, 5.5, 5.6, 5.7 (pages 183-184)

Class 4: Pricing and Service Decisions
We will discuss how health care organizations can determine what prices to set for services. We will also discuss how capitation and third-party payers complicate this determination.

Read before class: Gapenski, Chapter 7

Due: Homework #2 – Problems 6.3, 6.4, 6.5, 6.6 (pages 215-217)
**Class 5: Pricing and Service Decisions, continued**
We will continue our discussion of pricing, and then discuss a case study devoted to the topic.

Due: Case Study – Boston Transplant Center

**Class 6: Planning and Budgeting**
We will discuss financial planning and implementation in health care organizations.

Read before class: Gapenski, Chapter 8

Due: Homework #3 – Problems 7.1, 7.2, 7.3, 7.5, 7.6 (pages 247-250)

**Class 7: Final Exam**
Details to be provided.

**Students with Disabilities**
Students with disabilities may receive assistance and accommodation of various sorts to enable them to participate fully in courses at Wagner. To establish the accommodations appropriate for each student, please contact the Henry and Lucy Moses Center for Students with Disabilities at 726 Broadway, 2nd Floor; (212) 995-4114. I am more than happy and willing to work with students to ensure they gain the most knowledge and perform to the best of their abilities in this course. Therefore, if you are entitled to these accommodations, please avail yourself of them.