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;
- Understand how these topics all tie into the financial planning and budgeting of your organization.
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.

In addition, students will be responsible for completing four case studies on topics covered in this course. These case studies will be posted to Blackboard.

GRADING

5 Homework Assignments: 25% (5% each)

4 Case Studies: 40% (10% each)

1 Final Examination: 35%

SUBMITTING ASSIGNMENTS

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

2. You may email assignments to me. You must email assignments prior to class time, or you will not receive credit. You should bring a copy of your homework assignment to class regardless.

3. Hand-written assignments will not receive credit. Please staple assignments. Failure to do so will result in the loss of points.

4. Homework is graded on a good-faith effort, not for accuracy. However, you must attempt ALL assigned problems or you will lose points.

CASE STUDIES

Students are expected to complete four case studies during the course. All students MUST complete the final case on ethics – which is due on the day of the final examination. Four other case studies based on the prior week’s material will be posted, and students must complete three of the four. Instructions are included on Blackboard.
Each class, we will spend time discussing the case study. Therefore, please come ready to discuss – if you did not complete that particular case study, at least read the case study before class so you can ask questions and be involved.

**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.

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COURSE OUTLINE

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: A Review of Financial Statements
In this class we will review how to read organizational financial statements, with an emphasis on health care organizations. All students began learning this skill in 1021, and some students will have taken additional accounting courses as well. This class is intended to ensure that all students are at a minimum comfortable with financial statements terms, structure, and presentation.

Read before class: Gapenski, Chapters 3 and 4

Homework #1 Due: Gapenski, Problems 2.1-2.5 (page 62)

Class 3: 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

Homework #2 Due: Gapenski, Problems 3.2-3.4 (pages 104-106); and Problems 4.5-4.6 (pages 141-142)

Case Study #1 Due (Optional)
Class 4: Cost Allocation
We will discuss different cost allocation techniques, with special attention paid to why proper cost allocation is essential for health care organizations because of third-party payers and capitation.

Read before class: Gapenski, Chapter 6

Homework #3 Due: Gapenski, Problems 5.2-5.6 (pages 183-184; note: you do NOT have to complete part a of 5.5)

Case Study #2 Due (Optional)

Class 5: Pricing and Service Decisions
In this class, we will discuss how health care organizations can determine what prices to set for its services. We will also discuss how capitation and third-party payers complicate this determination.

Read before class: Gapenski, Chapter 7

Homework #4 Due: Gapenski, Problems 6.3-6.7 (pages 215-217)

Case Study #3 Due (Optional)

Class 6: Planning and Budgeting
We will discuss financial planning and implementation in health care organizations. We will also review the topics covered throughout the semester.

Read before class: Gapenski, Chapter 8

Homework #5 Due: Problems 7.1-7.5 (pages 247-249)

Case Study #4 Due (Optional)

Class 7: In-Class Examination
Students will complete an in-class examination on the topics covered in the first six classes. Students are encouraged to use one page of notes during the exam. Further details will be provided beforehand.

Case Study #5 Due (Mandatory)
**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.