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.

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 insurance concepts;
- 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;
- Manage the short-term resources of 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 and Kristin L. Reiter, Healthcare Finance: An Introduction to Accounting and Financial Management, 6th Edition (Chicago, IL: Health Administration Press), 2016. Throughout the syllabus, this text is referred to as “Gapenski and Reiter.”

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

Students should also have a calculator that can do simple calculations. It does not need to have time value of money capabilities. The calculator cannot be on a smart phone.

GRADING

5 Homework assignments – 25% (5% each)

1 Problem set – 40%

1 Final Exam – 35%
HOMEWORK

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, that they have completed the assigned problems, and that they turn in the correct file. Assignments emailed to the professor are not acceptable.

3. Hand-written assignments will not receive credit. Students are encouraged to use Excel to complete the assignments.

4. Students will receive credit for making a good-faith effort. This means that all assigned problems are attempted. You may discuss questions with me prior to the due date. I will post solutions at the end of each class, and can answer questions in the brief time available. I will also post solutions to NYU Classes.

SCHEDULE

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<tr>
<th>Week</th>
<th>Mondays, 4:55 – 6:35 pm</th>
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<tbody>
<tr>
<td>1</td>
<td>September 12 – Class 1</td>
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<td>September 19 – Class 2</td>
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<td>September 26 – Class 3</td>
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<td>October 3 – Class 4</td>
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<td>October 10 – No Class</td>
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<td>October 17 – Class 5</td>
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<td>7</td>
<td>October 24 – Class 6</td>
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<td>October 31 – Class 7 (Final Exam)</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 and Reiter 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 healthcare insurance and reimbursement methods and, more importantly, how different reimbursement structures influence provider incentives.

Read before class: Gapenski and Reiter, Chapters 1 and 2
Assignment #1: Questions 2.1, 2.2, 2.3, 2.6, 2.7 (on page 67). Then, read “How Obamacare Costs Are Hammering Insurers” (posted on NYU Classes, from Forbes), and briefly discuss this article in terms of the questions (2.1-2.7).

Class 2: Cost Behavior and Profit Analysis at the Organizational Level
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 and Reiter, Chapter 5, including Chapter Supplement
Assignment #2: 5.3 (not part d), 5.4, 5.6, 5.8 (on pages 191-193).
Due: Assignment #1

Class 3: Departmental Costing and 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 and departmental managers.

Read before class: Gapenski and Reiter, Chapter 6, including Chapter Supplement
Assignment #3: 6.3, 6.4, 6.5, 6.6 (on pages 226-227).
Due: Assignment #2
Class 4: Service Line Pricing, Costing, and Decisions
We will discuss how health care organizations cost individual services, and then methods providers can use to determine prices for these services. We will also discuss how capitation and third-party payers complicate this determination.

Read before class: Gapenski and Reiter, Chapter 7, including Chapter Supplement
Assignment #4: 7.2, 7.3, 7.7, 7.8a, 7.8b (on pages 257-261)
Due: Assignment #3

Class 5: Revenue Cycle and Current Asset Management
We will discuss cash budgeting and revenue cycle management, which has become an increasingly crucial aspect of successful financial management in healthcare especially since the implementation of the ACA.

Read before class: Gapenski and Reiter, Chapter 16
Assignment #5: 16.3, 16.4, 16.5, 16.6 (on pages 634-635)
Due: Assignment #4

Class 6: Review and Guest Lecture
Due: Assignment #5

Class 7: Final Exam
Due: Problem Set

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) 998-4980; mosescsd@nyu.edu. 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.