

Argosy University

COURSE SYLLABUS

HM6020

Accounting and Finance for Healthcare Managers

Faculty Information

Faculty Name:

Campus:

Contact Information:

Office Hours:

Short Faculty Bio:

Course description:

This course provides accounting methods and traditional financial management concepts of risk, value, return, cost of capital and cash flow for both for-profit and non-profit organizations. Topics include: analysis of cost reports, payment capitation, corporate structure and taxation implications, governmental requirements, utilization management, case mix/payer mix, severity of illness assignment, basic tools of capital budgeting, risk analysis, tactical alternative analysis and forecasting, and an examination of how ethics in healthcare finance has affected the healthcare marketplace. Challenges addressed include balancing cost effectiveness with patient care.

Course Pre-requisites: None

Required Textbooks:

IMPORTANT: You are not required to purchase the textbook for this course. Your textbook will be available to you as an electronic book with your fully online or blended course on the eCollege platform.

Glick, N.D., McCue, M.J. & Zelman, W.N. (2009). *Financial Management of Health Care Organizations – An Introduction to Fundamental Tools, Concepts and Applications* (3rd ed.). Wiley.

Selected Website Resources:

What is a “Balanced Scorecard?” Or, dashboard, or strategic instrument panel?

http://www.greatboards.org/newsletter/2001/december/gb_2001dec_FAQ_scorecard_page_8.PDF

Centers for Medicaid and Medicare Services (CMS) ensures effective, up-to-date health care coverage and to promote quality care for beneficiaries. Its vision is to achieve a transformed and modernized health care system and will accomplish our mission by continuing to transform and modernize America's health care system. CMS' Strategic Action Plan Objectives are skilled, committed, and highly-motivated workforce, accurate

and predictable payments, high-value health care, confident, informed consumers, and collaborative partnerships. <http://www.cms.hhs.gov/home/rsds.asp>

The Centers for Medicare & Medicaid Services stays in touch with its stakeholders and the public in general through its Regional Offices, located in ten major cities across the United States and serving specific geographic areas. The Regional Offices generally serve as the agency's main link to beneficiaries, health care providers, state and local governments as well as the general public. Staff in the Regions perform day-to-day business functions for the agency's programs, Medicare, Medicaid, and the State Children's Health Insurance Program (SCHIP), including customer service; communication, education and outreach; program operations, management and evaluation; partnership with State and local health and social service programs; and improving healthcare quality and provider performance.

http://www.cms.hhs.gov/RegionalOffices/01_Overview.asp#TopOfPage

Region 1 – Boston Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont

Region 2 - New York New Jersey, New York, Puerto Rico, Virgin Islands

Region 3 – Philadelphia Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia

Region 4 – Atlanta Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee

Region 5 – Chicago Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin

Region 6 – Dallas Arkansas, Louisiana, New Mexico, Oklahoma, Texas

Region 7 - Kansas City Iowa, Kansas, Missouri, Nebraska

Region 8 – Denver Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming

Region 9 - San Francisco American Samoa, Arizona, California, Commonwealth of the Northern Mariana Islands, Guam, Hawaii, Nevada

Region 10 – Seattle Alaska, Idaho, Oregon, Washington

Healthcare Financial Management Association (HFMA) is the nation's leading membership organization for healthcare financial management executives and leaders. More than 34,000 members, ranging from CFOs to controllers to accountants consider HFMA a respected thought leader on top trends and issues facing the healthcare industry. HFMA members can be found in all areas of the healthcare system including hospitals, managed care organizations, physician practices, accounting firms and insurance companies. Vision: HFMA's vision is: "To be an indispensable resource for healthcare finance." Purpose Statement: To define, realize and advance the financial management of health care by helping members and others improve the business performance of organizations operating in or serving the healthcare field. [http://www.hfma.org/library/HFMA 2007 Outlook](http://www.hfma.org/library/HFMA%202007%20Outlook) http://www.hfma.org/NR/rdonlyres/6DBB284D-5166-4FB1-9FE2-D4D63F58FE6B/0/WP_Outlook07.pdf

HIPAA is the acronym for the **Health Insurance Portability and Accountability Act of 1996**. The Centers for Medicare & Medicaid Services (CMS) is responsible for implementing various unrelated provisions of HIPAA. For more information on **HIPAA and what it means to Health insurance reform**, please visit the [HIPAA Insurance Reform](#) portion of the CMS website. For the latest news, standards and general

information about **HIPAA Administrative Simplification**, please visit the [HIPAA Administrative Simplification](#) portion of the CMS website. This website is a resource for healthcare professionals to find information on HIPAA laws, standards and compliance. <http://www.hcfa.com>

The RAND Corporation is a nonprofit institution that helps improve policy and decision-making through research and analysis.

Health and Health Care: Documents Available Online. For more information on current research projects, please visit the [Health and Health Care Research Area](#).

<http://www.rand.org/pubs/online/health/> Much of the RAND Health division's research is published in independent journals, to find these citations, search [RAND Health Abstracts](#).

The Robert Wood Johnson Foundation contributes to the publishing of articles, books, newsletters, and resources each year. In Publications and Resources you will find useful materials to support your health and health care related efforts.

<http://www.rwjf.org/publications/>

The World Bank presents “A Practitioner’s Guide: Healthcare Financing Revisited,” which revisits in 2006 global healthcare.

<http://siteresources.worldbank.org/INTHSD/Resources/topics/Health-Financing/HFRFull.pdf>

U.S. Census Bureau, The 2007 Statistical Abstract, The National Data Book, Health Care Resources

149 - Annual Receipts/Revenue for Health Care Industries: 2000 to 2004 [[Excel 22k](#)]

150 - Receipts for Selected Health Service Industries by Source of Revenue: 2000 and 2004 [[Excel 19k](#)]

151 - Employment In The Health Service Industries: 1990 to 2005 [[Excel 19k](#)]

152 - Health Professions--Practitioners and Schools: 1990 to 2004 [[Excel 20k](#)]

153 - Physicians by Sex and Specialty: 1980 to 2004 [[Excel 25k](#)]

154 - Active Physicians, and Nurses by State: 2004 [[Excel 24k](#)]

160 - Skilled Nursing Facilities: 1980 to 2003 [[Excel 17k](#)]

161 - Nursing Homes--Selected Characteristics: 2004 [[Excel 22k](#)]

162 - Hospitals--Summary Characteristics: 1980 to 2004 [[Excel 27k](#)]

163 - Average Cost To Community Hospitals Per Patient: 1980 to 2004 [[Excel 16k](#)]

164 - Community Hospitals--States: 2000 and 2004 [[Excel 27k](#)]

193 - Substance Abuse Treatment Facilities and Clients: 1995 to 2005 [[Excel 22k](#)]

http://www.census.gov/compendia/statab/health_nutrition/health_care_resources/

Course length: 7.5 Weeks

Contact Hours: 45 Hours

Credit Value: 3.0

HSM Program Outcomes (College of Health Sciences):



HSM Program
Outcomes.pdf

Course Objectives:

1. Compare and contrast health care finance through the viewpoints of a financial manager, a process manager, and a clinical manager. (HSM Program Outcomes:1.b,1.c)
2. Develop practical applications for planning, controlling, organizing, directing, and decision-making in financial management. (HSM Program Outcomes:1.b,1.c, 4)
3. Evaluate health care organizations based on their financial information, such as their records of financial operation. (HSM Program Outcomes:1, 3)
4. Analyze cost behavior and calculate break-even analyses. (HSM Program Outcomes:1.c)
5. Compare financial data to forecast and benchmark financial operations of health care organizations. (HSM Program Outcomes:1.c, 6)
6. Appraise budgets and business plans based on financial ratios and related measures. (HSM Program Outcomes:1.c, 6)
7. Assess ethical standards related to health care finance. (HSM Program Outcomes:4)

Note to Instructors: Lectures available on PowerPoint slides

The publisher of each text offers downloads of lecture slides. If you choose to use them, email the publisher's book representative. He or she will give you a website and a login/password to download the slides. The PowerPoint slides can be adapted to your lecture needs and shared with your students each week.

LASA Alignment Table

Assignment	Program Outcomes	Assessment	Scoring
LASA 1: Case Study Analysis— Developing an Operating Budget	1.b,1.c	Analyze Budget	Rubric

Learning Assessment System Assignments (LASA): LASA field experiences and assignments are required components of this course and may not be deleted nor modified in any way. All professors teaching this course must assign the LASAs. All students taking this course must complete the assigned LASAs. Data resulting from the LASAs must be entered into the assessment system. The LASAs and their assessments are embedded in the Alignment Chart and posted below:

LASA # 1: Case Study Analysis—Developing an Operating Budget

For this assignment, you will complete the activities from the following case:



HM6020 LASA Case Study.pdf

As part of this case study analysis, you will develop an operating budget.

1. Refer to the *Case Requirements* located on pages 136–137 of the case study to guide your analysis.
2. Follow *Case Requirements* steps 1–3 to complete a current and proposed operating budget.
3. You will calculate revenue for each program, allocate specific expenses, and summarize the results in a 2- to 3-page report.
4. Use *Case Requirements* steps 4–7 to guide the content of your report.
5. Submit your report in Word format. Apply current APA standards for writing style to your work.

LASA 1 Grading Criteria	Maximum Points
Developed current operating budget that displayed appropriate and accurate analysis of relevant factors.	12
Developed proposed operating budget that displayed appropriate and accurate analysis of relevant factors.	12
Supported assertions with reasons, examples, and references to reliable sources.	8
Wrote in a clear, concise, and organized manner; demonstrated ethical scholarship in accurate representation and attribution of sources, displayed accurate spelling, grammar, and punctuation.	4
Total:	36

Assignment Table:

	Topics	Readings	Assignments
1	Looking into the financial health of healthcare organizations	<i>Financial Management of Health Care Organizations</i> Section 1: THE CONTEXT OF HEALTH CARE FINANCIAL MANAGEMENT.	
2	Operating margins and efficiency	<i>Financial Management of Health Care Organizations</i> Section 2: HEALTH	

		CARE FINANCIAL STATEMENTS.	
3	Analyzing the revenue cycle of healthcare organizations	<p><i>Financial Management of Health Care Organizations</i></p> <p>Section 3: PRINCIPLES AND PRACTICES OF HEALTH CARE ACCOUNTING.</p> <p>Section 4: FINANCIAL STATEMENT ANALYSIS.</p>	
4	Controlling organizational costs	<p><i>Financial Management of Health Care Organizations</i></p> <p>Section 5: WORKING CAPITAL MANAGEMENT.</p> <p>Section 6: THE TIME VALUE OF MONEY.</p>	LASA due next module.
5	Budgeting for organizational health	<p><i>Financial Management of Health Care Organizations</i></p> <p>Section 7: THE INVESTMENT DECISION.</p> <p>Section 10: 10 BUDGETING.</p>	LASA Due.
6	Capital Financing and decision making	<p><i>Financial Management of Health Care Organizations</i></p> <p>Section:</p> <p>Section 8: CAPITAL FINANCING FOR HEALTH CARE PROVIDERS</p> <p>Section 9: USING COST INFORMATION</p>	<p>Assignment 1: Case Study Analysis Discussion—Financial Crisis at SMH</p> <p>Organizations can experience crises due to changes in economic conditions. In an economic downturn where individuals lose their jobs, many also lose their medical insurance coverage. With fewer employees on the payroll, states receive less revenue from taxes and thus have less money to pay for Medicaid and other services. This</p>

	<p>TO MAKE SPECIAL DECISIONS</p>	<p>compounds the problem of healthcare funding. Hospitals lose out on high-margin procedures and, at the same time, see an increase in charity care in less profitable areas of the hospital.</p> <p>This assignment requires you to analyze the SMH data and develop a strategic plan that can be used in the event of a financial crisis. For your paper, you will consider the following two scenarios:</p> <ul style="list-style-type: none"> • Scenario 1: The nursing union has begun bargaining and has demanded a 10 percent increase in salaries, a guarantee of no lay-offs, and an increase in pension benefits. The increase in pension benefits has a \$1 million annual impact. • Scenario 2: Your community is suffering a significant decrease in employment. Employees are losing their health insurance. You anticipate a 10 percent decrease in patient revenue. However, your costs will not decrease to the same extent. You anticipate many of these individuals will continue to visit your emergency room (ER) and consume resources. The net impact is a significant increase in bad debt. <p>In your strategic plan, include the operating and capital requirements the organization would need in order to navigate the crisis. After you deliver your plans to the Dropbox, you may join in a discussion to compare the details of the plans.</p> <p>Write a 3- to 5-page report in Word format. Apply current APA standards for writing style to your work. Use the following file naming convention: LastnameFirstInitial_M6_A1.doc.</p> <p>By Thursday, February 18, 2010, submit your assignment to the M6: Assignment 1 Dropbox. Through Sunday, February 21, 2010, actively participate in discussion based on this assignment.</p> <p>Address the following questions in discussion:</p> <ul style="list-style-type: none"> • How often should a hospital management review the budget? • Can a hospital develop an austerity program with deep budget cost cuts without affecting patient care? • You manage an operating budget of approximately \$500,000. You have been instructed to cut your budget by 10 percent two months after you had agreed to a barebones budget for the upcoming year. What do you do if you know that the cuts will affect patient care?
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			<p>Assignment 1 Grading Criteria</p> <p>Strategic plan displays adequate analysis of the data and information from the first scenario. 12</p> <p>Strategic plan displays adequate analysis of the data and information from the second scenario. 12</p> <p>Written report adheres to APA standards for editorial style, expression of ideas, citations, and references. 4</p> <p>Actively contributed to the discussion by providing points of view with rationale, challenging points of the discussion, or drawing relationships between points of the discussion. 12</p> <p>Total: 40</p>	<p>Maximum Points</p>
7	<p>Ethics in healthcare finance</p>	<p><i>Financial Management of Health Care Organizations</i> Section 11: RESPONSIBILITY ACCOUNTING</p>	<p>Assignment 2: Peer Review</p> <p>Your facilitator will assign you the reports of two classmates. Evaluate the presentation based on the following criteria and add any other comments you may have.</p> <p>Use the following questions to guide your peer review:</p> <ol style="list-style-type: none"> 1. Do the tables tie into and support the conclusions? 2. Does the paper flow properly from problems to strategic solutions? 3. Does the paper show the importance of cost management? 4. Has the writer clearly outlined a strategic plan that matches the organization's mission? 5. Is the paper written for the appropriate audience? 6. Are tables properly formatted? 7. Are references and citations written in APA style? <p>Write a 3-page peer review in Word format. Apply current APA standards for writing style to your work. Write each review in a separate file and include the classmate's name in the filename.</p> <p>Assignment 2 Grading Criteria</p> <p>Evaluated two peer projects on specified criteria and made recommendations for improvement. 32</p> <p>Total: 32</p>	<p>Maximum Points</p>

8	Epilogue to healthcare finance issues	<i>Financial Management of Health Care Organizations</i> Section 12: PROVIDER COST-FINDING METHODS Section 13: PROVIDER PAYMENT SYSTEMS	

Grading Criteria

Grading Scale

A	100 – 93
A-	92 – 90
B+	89 – 88
B	87 – 83
B-	82 – 80
C+	79 – 78
C	77 - 73
C-	72 – 70
F	69 and below

Grading requirements

<i>Attendance/Discussion</i>	<i>15%</i>
<i>Non-LASA Assignment</i>	
<i>LASA 1</i>	<i>50%</i>
<i>Optional</i>	
<i>Optional</i>	
	<i>100%</i>

Library

All resources in Argosy University's online collection are available through the Internet. The campus librarian will provide students with links, user IDs, and passwords.

All resources in Argosy University's online collection are available through the Internet. Students can access the online collection by logging into the student portal and clicking on the library link. Library Resources: Argosy University's core online collection features over 48, 889 full-text journals and 23,000 electronic books and other content covering all academic subject areas including Business & Economics, Career & General Education, Computers, Engineering & Applied Science, Humanities, Science, Medicine & Allied Health, and Social & Behavior Sciences. Many titles are directly accessible through the Online Public Access Catalog at <http://library.argosy.edu>.

In addition to online resources, Argosy University's onsite collections contain a wealth of subject-specific research materials searchable in the Online Public Access Catalog.

Catalog searching is easily limited to individual campus collections. Alternatively, students can search combined collections of all Argosy University Libraries. Students are encouraged to seek research and reference assistance from campus librarian.

Academic Policies

Academic Dishonesty/Plagiarism: In an effort to foster a spirit of honesty and integrity during the learning process, Argosy University requires that the submission of all course assignments represent the original work produced by that student. All sources must be documented through normal scholarly references/citations and all work must be submitted using the current edition of the *Publication Manual of the American Psychological Association*. Students are encouraged to purchase this manual and become familiar with its content as well as consult the Argosy University catalog for further information regarding academic dishonesty and plagiarism.

Scholarly writing: The faculty at Argosy University is dedicated to providing a learning environment that supports scholarly and ethical writing, free from academic dishonesty and plagiarism. This includes the proper and appropriate referencing of all sources. You may be asked to submit your course assignments through “Turnitin,” (www.turnitin.com), an online resource established to help educators develop writing/research skills and detect potential cases of academic dishonesty. Turnitin compares submitted papers to billions of pages of content and provides a comparison report to your instructor. This comparison detects papers that share common information and duplicative language.

Americans with Disabilities Act Policy

It is the policy of Argosy University to make reasonable accommodations for qualified students with disabilities, in accordance with the Americans with Disabilities Act (ADA). If a student with disabilities needs accommodations, the student must notify the Director of Student Services. Procedures for documenting student disability and the development of reasonable accommodations will be provided to the student upon request.

Students will be notified by the Director of Student Services when each request for accommodation is approved or denied in writing via a designated form. To receive accommodation in class, it is the student’s responsibility to present the form (at his or her discretion) to the instructor. In an effort to protect student privacy, the Department of Student Services will not discuss the accommodation needs of any student with instructors. Faculty may not make accommodations for individuals who have not been approved in this manner.

The Argosy University Statement Regarding Diversity

Argosy University prepares students to serve populations with diverse social, ethnic, economic, and educational experiences. Both the academic and training curricula are

designed to provide an environment in which students can develop the skills and attitudes essential to working with people from a wide range of backgrounds.