



HPM 340
Foundations of Health Care Financial Management
(Credit Hours: 3)
Department of Health Policy and Management
School of Public Health

Fall, 2011 Syllabus
Class Location (235 Rosenau Hall)
Meeting Times (TTH 2:00-3:15)

Faculty:	Kristin Reiter	TA:	Jason Mose
Office:	1104 H McGavran-Greenberg	Location:	
Email:	reiter@email.unc.edu	Email:	
Phone:	843-8619	Phone:	
Office Hours:	Mondays 9-11 a.m., and by appointment	Office Hours:	To be determined

Course Overview

The course is designed to impart a working knowledge of introductory accounting and financial management concepts, techniques, and vocabulary as they apply to health care organizations. The course is divided into three modules. In the first module we will focus on understanding the principles and practices of financial accounting, and the methods for analyzing and using financial accounting information for decision-making. In the second module we will develop skills in the valuation of cash flows, and discuss ways that health care organizations use financial markets to raise funds and invest in projects. In the final module we will explore managerial accounting concepts, and apply these concepts to organizational planning and control.

Learning Objectives and HPM Competencies

<i>Course Learning Objective</i>	<i>Competencies</i>
1 Define, explain and correctly use introductory accounting and financial management terms and concepts as they relate to health care organizations	Financial Skills
2 Read and construct basic financial reports for health care organizations using principles of financial accounting and financial management	Financial Skills

3	Perform and interpret standard financial analyses used in financial planning, decision-making and control using Microsoft EXCEL	Financial Skills Performance Measurement
4	Evaluate management problems using financial management concepts and analytic techniques and use those evaluations to make recommendations	Financial Skills Analytical Thinking
5	Evaluate the financial management implications of current issues in health care and effectively communicate conclusions through oral presentation	Analytical Thinking Information Seeking Presentation Skills

Resources

Website

HPM 340 has its own website using Blackboard software. (See <http://blackboard.unc.edu>.) This syllabus is on the website. Course materials including Power Point presentations, assignments and announcements will be posted periodically so you should check the website regularly.

Be sure to check that the email address Blackboard has for you is correct. Click on the “Bb Desktop” tab in Blackboard and then click on “Edit Your Info.” If you need to change your email address, click on “Edit Personal Information” and follow the directions. Note that you need to change your email address in both Blackboard and the On-Line Campus Directory.

Text

Required:

Gapenski, Louis C. Healthcare Finance: An Introduction to Accounting and Financial Management, 4th Edition. Chicago, Illinois: Health Administration Press, 2008.

Articles

Supplemental readings have been compiled and are available on the Health Sciences Library e-Reserves website which can be accessed through the Course Documents Folder on Blackboard. Relevant readings are identified under specific topics throughout the course schedule.

Web Sources

There are several websites that you may find useful. The websites contain various financial management tools, reports, and articles that are relevant to the material covered in this course. Review of the websites is not required. The URLs are provided as a service.

- The Securities and Exchange Commission (www.sec.gov)

- The Internal Revenue Service (www.irs.gov)
- The Healthcare Financial Management Association (www.hfma.org)
- The 'Feed the Pig' Campaign of the American Institute of Certified Public Accountants (www.feedthepig.org)
- The '360 Degrees of Financial Literacy' Project of the American Institute of Certified Public Accountants (www.360financialliteracy.org)
- The Centers for Medicare and Medicaid Services (www.cms.hhs.gov)
- The Kaiser Family Foundation (www.kff.org)
- The American Hospital Association (www.aha.org)
- The Medical Group Management Association (www.mgma.org)

Requirements and Expectations

Problem Sets

There will be nine take-home problem sets that will allow you to apply what you have learned to problems related to financial reporting, decision-making, planning and control. Problem sets are worth 10 points each and will generally consist of seven to ten questions. Five questions from each problem set will be selected for grading; however, solutions to all problems will be made available on Blackboard. Graded problems will be scored on a [0,1,2] scale with 0 reflecting no attempt to solve the problem, 1 reflecting a reasonable effort but with error(s), and 2 reflecting an entirely correct solution. Your final problem set grade will be based on your top eight out of nine scores (i.e., the lowest score will be dropped). Some assignments may be completed by hand, while others must be completed in Microsoft EXCEL and submitted electronically via Blackboard. Submission requirements will be noted on each problem set. All assignments are due by 2 p.m. on the due date unless otherwise noted. **Unless you have made arrangements with me in advance, any problem set submitted late will automatically be penalized 10% per day beginning immediately after it is due.** I encourage you to work together on homework; however, everyone must submit their own solutions to the problem sets in their own words and/or in their own spreadsheets. An identical homework solution from two or more students is an indication of cheating.

Case

Students will work in assigned groups for the purpose of completing a mini-case on reading and analyzing financial statements.

Each group is expected to read a set of financial statements that will be provided, answer questions regarding the structure and content of the financial statements, prepare a spreadsheet to analyze the financial statements using financial ratios, and prepare and submit a maximum 2-page memo summarizing findings from the financial analysis and making recommendations based on that analysis. Case solutions must be submitted via Blackboard by 2:00 pm on TUESDAY, SEPTEMBER 20, 2011. The case will be discussed in class on Tuesday, September 20, 2011.

Case grades will be based on the following criteria:

- * Correct answers to short-answer questions in Part I (10 percent)
- * Correct calculation and interpretation of financial ratios in Part II (35 percent)
- * Logical and appropriate conclusions and recommendations in final memo in Part III (35 percent)
- * Well designed and formatted spreadsheet and memo conveying useful information (e.g., professional presentation including reasonable formatting of spreadsheets and tables and proper grammar, spelling and punctuation) – Parts II and III (10 percent)
- * Quality, not quantity, of your group's contribution to the class discussion (10 percent)

Group Presentations

Students work in their assigned groups for the purpose of completing group presentations.

To reinforce the course material with examples of finance in practice, each group will choose a current issue in health care finance and present a 15-minute “management briefing” on the topic. A list of possible topics will be posted to Blackboard; however, groups may choose a topic of their own with approval of the instructor. Students are expected to identify an article from a newspaper, journal, government agency, or other credible source that will serve as the basis for the presentation. However, students should also use resources from the library, Internet or course materials to supplement the information presented in the article.

Presentations should be prepared in Power Point and submitted, along with the article or a link to the article, to the instructor at least 24 hours in advance of the scheduled presentation. The slides and article citation will be posted to Blackboard so that other students may download them prior to class.

Group assignments, additional instructions, evaluation criteria and the order of presentations will be handed out during the first week of class.

Class Participation

Students are expected to come to class prepared to participate in discussions and in-class exercises. Class preparation, including assigned readings, is integral to your learning experience. Class time will be used to reinforce, expand upon, or add to the material presented in the text.

Cell Phones and Laptops

Turn off cell phones in class and during exams. Laptops may be used in class only for taking notes and for looking up information relevant to the topic being discussed.

Other

Attendance

Class attendance and active participation are required for success in this course. The course will cover some material that is either not covered, or not sufficiently covered, in the text. Example problems will be presented in class that will aid in understanding various concepts. Students should come to each class prepared with paper, pencil and a calculator or computer.

Missed Work

Missed problem sets or exams can be made up only in cases of extreme circumstances (e.g., death in the family, serious illness) or travel related to University activities. Problem sets submitted after the due date and time will automatically be penalized 10% per day beginning immediately, unless you have made arrangements with me in advance. If you know you will miss an exam, you must notify the instructor at least one week in advance and make arrangements to take the exam prior to the scheduled exam time. Any student taking an exam early may not disclose any information related to the exam or the topics covered. Any communication with other students regarding the exam is a violation of the Honor Code of the University of North Carolina.

Evaluation Method

Grade Components

Component	% of Grade
Group presentations	10%
Case	15%
Problem sets	15%
Exam I	20%
Exam II	20%
Exam III	20%
TOTAL	100%

Grading Scale

94 to 100 (A)
90 to 93 (A-)
87 to 89 (B+)
84 to 86 (B)
80 to 83 (B-)
77 to 79 (C+)
74 to 76 (C)
70 to 73 (C-)
67 to 69 (D+)
60 to 66 (D)
Below 60 (F)

Exams

Exams are in-class, closed book, and may consist of multiple choice, true-false, short answer, problems, and brief essay questions. Exams require students to demonstrate basic knowledge and comprehension, to apply concepts to specific problems, and to analyze how different concepts apply to real-world situations. Exams cover material from required readings, lectures, problem sets, cases, in-class exercises, guest speakers, and in-class discussions. The first mid-term on September 29, 2011 covers Module 1 – Financial Accounting. The second mid-term on November 3, 2011 covers Module 2 – Corporate Finance. The final exam on December 13, 2011 (the scheduled University exam date) covers Module 3 – Managerial Accounting. **Students may bring one 8 ½ by 11 page of formulas to each exam, one side only.**

Evaluation Criteria

Evaluation for this course will be based upon the successful completion of a group presentation, case, take-home problem sets, and three exams. More specific evaluation criteria for each assignment can be found with the requirements.

UNC Honor Code

The principles of academic honesty, integrity, and responsible citizenship govern the performance of all academic work and student conduct at the University as they have during the long life of this institution. Your acceptance of enrollment in the University presupposes a commitment to the principles embodied in the Code of Student Conduct and a respect for this most significant Carolina tradition. Your reward is in the practice of these principles.

Your participation in this course comes with the expectation that your work will be completed in full observance of the Honor Code. Academic dishonesty in any form is unacceptable, because any breach in academic integrity, however small, strikes destructively at the University's life and work.

If you have any questions about your responsibility or the responsibility of faculty members under the Honor Code, please consult with someone in either the Office of the Student Attorney General (966-4084) or the Office of the Dean of Students (966-4042).

Read “The Instrument of Student Judicial Governance” (<http://instrument.unc.edu>).

Valuing, Recognizing and Encouraging Diversity

Promoting and valuing diversity in the classroom enriches learning and broadens everyone's perspectives. Inclusion and tolerance can lead to respect for others and their opinions, which is valuable in and of itself, and is critical to maximizing the learning that we expect in this program. This may challenge our own closely held ideas, as well as our personal comfort zones. The results, however, create a sense of community and promote excellence in the learning environment.

Diversity includes consideration of (1) the variety of life experiences others have had, and (2) factors related to "diversity of presence," including, *among others*, age, economic circumstances, ethnic identification, disability, gender, geographic origin, race, religion, sexual orientation, and social position.

This class will follow principles of inclusion, respect, tolerance, and acceptance that support the values of diversity.

Course Evaluation

The Department of Health Policy and Management is participating in the Carolina Course Evaluation System (CES), the University's new online course evaluation tool, enabled at the end of each semester. Your responses will be anonymous, with feedback provided in the aggregate; open-ended comments will be shared with instructors, but not identified with individual students. Your participation in CES is a course requirement, as providing constructive feedback is a professional expectation. Such feedback is critical to improving the quality of our courses, as well as providing input to the assessment of your instructors.
