NEW SCHOOL UNIVERSITY
MILANO GRADUATE SCHOOL

HEALTHCARE FINANCE: BASIC TOOLS FOR NON-FINANCIAL MANAGERS

FALL SEMESTER 2006
Thursday, 6:00 – 7:50 pm

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COURSE OBJECTIVES AND DESCRIPTION

The primary objective of this course is to enhance the students' understanding of financial management principles - particularly as they relate to decision-making in health care organizations. We will review both common and unique analysis tools and techniques, become familiar with financial statements, learn the budget development process, and utilize performance measurement tools.

The first half of the course will focus on an overview of health care finance, managerial accounting, and financial analysis. The second half will continue with managerial accounting and financial analysis and will concentrate on the various tools used in financial management. Throughout the course, we will discuss unique issues and concerns that result as a consequence of the regulatory framework of health care organizations and employ case studies and/or real-life examples to illustrate major topics. At the conclusion of the course, you should be comfortable enough to read and analyze financial statements and budgets and have the ability to decipher an organization's financial and operating performance. One of my primary course objectives is to provide the student with a practical (real world) and working knowledge of financial management and analytical techniques.

TEXTBOOK

Required

Judith J. Baker, R. W. Baker; Health Care Finance – Basic Tools for Non-financial Managers; Jones and Bartlett Publishers; 2004; (978) 443-5000; info@jbpub.com

COURSE REQUIREMENTS

- Readings assigned for class should be completed prior to class meeting and discussion. Class attendance and participation will count for 15% of your grade.

- Homework problems and/or case analysis will be assigned each week and reviewed. The homework will cover the current week's lesson. We will attempt to review the assignments during the following class. This will count for 20% of your grade.

- Mid-term examination: 30% of grade.

- Final examination: 35% of grade

- There may be written assignments for the student to complete that help the student become more familiar with the course material and can measure the student's ability to analyze and communicate the principles learned in the course. The student can earn "extra credit" by completing these assignments.

Problems and written assignments are to be completed in Microsoft Excel or Word and, if possible, submitted as e-mail attachments prior to the start of the following class when due.

A working knowledge of Excel would be helpful for most problem and case solutions.

e-mail should be submitted with the following subject line:
New School University
Course Name
Homework/Assignment #
Date
Student Name

TOPICS FOR CLASS DISCUSSION

I – Health Care Finance Overview
Weeks 1,2

- Background
- Introduction to Health Care Finance
- What Does the Health Care Manager Need to Know?

Reading: Baker - Chapters 1, 2, 3

Homework: Assignment Exercises 2-1, 2-2, 3-2

II – Managerial Accounting and Financial Analysis
Weeks 3,4

- Revenue Recognition and Analysis
- Expense Recognition and Analysis

Readings: Baker - Chapters 4, 5

Homework; Assignment Exercises 4-1, 4-2, 5-1

III – Managerial Accounting and Financial Analysis
Weeks 5,6

- Cost Classifications
- Cost Behavior and Break-Even Analysis

Readings: Baker - Chapters 6,7

Homework: Assignment Exercises 6-1, 7-1, 7-2, 7-3

IV – Review and Mid-Term Examination
Week 7

V – Managerial Accounting and Financial Analysis
Weeks 8,9

- Staffing and FTEs
- Comparative Data and Forecasts
- Common Sizing
- Trend Analysis

Reading: Baker – Chapters 8, 9

Homework: Assignment Exercises 8-1, 8-2, 9-1, 9-2

VI – Managerial Accounting and Financial Analysis
Weeks 10,11

- Budgeting and Variance Analysis
- The Time Value of Money (time permitting)

Reading: Baker – Chapters 10,11

Homework: Exercise Assignments 10-1, 10-3, 11-1, 11-2, 11-3, 11-4, 11-5

VII – Financial Management Tools
Weeks 12,13

- Financial Statements and Reporting
- Performance Measures – Financial and Operating Ratios

Reading: Baker – Chapters 12, 13, 14

Homework: Exercise Assignments 12-1, 13-1, 13-2, 13-3

VIII – Review and Final Examination
Week 14