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| DEREE COLLEGE SYLLABUS FOR:  |  | US CREDITS: 3/0/3 |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| HM 4250 BUDGETING AND FINANCIAL MANAGEMENT IN HEALTHCARE – LEVEL 6 |  | UK CREDITS: 15    |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| (June 2015)  |  |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| PREREQUISITES:   | AF 2006 Financial Accounting<br>FN 3105 Foundations of Corporate Finance   |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| CATALOG DESCRIPTION:   | Financial strategic management in healthcare organizations. Theoretical and practical issues in health care organizations, financial analysis for planning, capital budgeting, management control, cost accounting, pricing and rate setting in health care organizations.   |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| RATIONALE:   | Future managers should be familiar with the analysis and interpretation of financial information necessary in strategic and capital expenditures decisions, and with aspects of organizational control and performance evaluation in health care organization.   |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| LEARNING OUTCOMES:   | As a result of taking this module, the student should be able to:<br><br>1. Explain the unique features of the health care industry and evaluate their effect on financial management, pricing decisions and the exercise of control and performance evaluation.<br>2. Explain the use of financial analysis and budgeting in planning, decision making and control and integrating it with long-range planning in the health care industry.<br>3. Compare and contrast alternative performance measurement techniques and summarize their usefulness in health care organizations.  |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| METHOD OF TEACHING AND LEARNING:                                   | In congruence with the teaching and learning strategy of the college, the following tools are used:<br><br>➤ Class lectures and seminar-style class discussion of key terms and concepts with appropriate examples. Use of case studies.<br>➤ Use of appropriate software applications necessary for data analysis.<br>➤ Use of concept maps to provide an overview of topics discussed.<br>➤ Office hours: students are encouraged to make full use of the office hours of their instructor, where they can ask questions, see their exam paper, and/or go over lecture material.<br>➤ Use of innovative hi-tech technological infrastructure, where instructors post lecture notes, assignments instructions, timely announcements, as well as additional resources.<br>➤ Guest lectures<br>➤ Field visits (students engagement/project involvement) |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| ASSESSMENT:  | <table><tr><td colspan="2">Summative:</td></tr><tr><td>Mid-term Exam (2-hours)</td><td>50%</td></tr><tr><td>Final Project (2,300 – 2,500 words)</td><td>50%</td></tr><tr><td colspan="2">Formative:</td></tr><tr><td>Case studies, Quizzes, assignment preparation</td><td>0%</td></tr><tr><td></td><td></td></tr></table><br>The formative assessment aims to prepare students for the summative  |                   |  | Summative: |  | Mid-term Exam (2-hours) | 50% | Final Project (2,300 – 2,500 words) | 50% | Formative: |  | Case studies, Quizzes, assignment preparation | 0% |  |  |
| Summative:   |  |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| Mid-term Exam (2-hours)  | 50%  |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| Final Project (2,300 – 2,500 words)                                | 50%  |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| Formative:   |  |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
| Case studies, Quizzes, assignment preparation                      | 0%   |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |
|  |  |                   |  |            |  |                         |     |                                     |     |            |  |   |    |  |  |

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|   | <p>assessments.</p> <p>The midterm assessment tests Learning Outcomes 1 and 2.</p> <p>The final project tests Learning Outcomes 1, 2 and 3, with emphasis on 3.</p>  |
| <b>INDICATIVE READING:</b>  | <p><b>REQUIRED READING:</b></p> <p>Zelman, W.N., McCue, M. J., Glick, N. D., and Thomas, M. (2014). <i>Financial Management of Health Care Organizations: An Introduction to Fundamental Tools, Concepts and Applications</i>. San Francisco, CA: Wiley, 4th Edition.</p> <p><b>RECOMMENDED READING:</b></p> <p><b>A. BOOKS</b></p> <ul style="list-style-type: none"> <li>Berger, S. (2014). <i>Fundamentals of Health Care Financial Management: A practical Guide to Fiscal Issues and activities</i>. Jossey-Bass. 4th Edition.</li> <li>Dlugacz, Y. D. (2009). <i>Value Based Health Care: Linking Finance and Quality</i>. San Francisco, CA: John Wiley &amp; Sons, Inc.</li> </ul> <p><b>B. ARTICLES</b></p> <ul style="list-style-type: none"> <li>Aidemark, L., &amp; Fumck, E. (2009). Measurement and Health Care Management. <i>Financial Accountability and Management</i>, 25(2), 253-276.</li> <li>Jørgensen, B., &amp; Messner, M. (2010). Accounting and strategising: A case study from new product development. <i>Accounting Organization and Society</i>, 35(2), 184-204.</li> <li>Niles, N. J. (2010). A Case Study in Strategic Financial Planning In Health Service Organizations. <i>Journal of Business Case Studies</i>, 6(5), 23-30.</li> <li>Pettersen, I., J. (2014). Managerialism and Profession-Based Logic: The use of Accounting Information in Changing Hospitals. <i>Financial Accountability and Management</i>, 30(4), 363-382.</li> <li>Runy, L. (2005). Integrating strategic and financial planning. Retrieved July 27, 2009 from <a href="http://www.hhnmag.com">http://www.hhnmag.com</a>.</li> <li>Sussman, J. (2007). And now, for the million-dollar question, how much can we afford to spend? The Healthcare Executive's Guide to Allocating Capital. <i>Chicago: Health Administration Press</i>: 64-70.</li> </ul> |
| <b>INDICATIVE MATERIAL:</b><br>(e.g. audiovisual, digital material, etc.) | <p><b>REQUIRED MATERIAL:</b><br/>N/A</p> <p><b>RECOMMENDED MATERIAL:</b><br/>N/A</p>   |
| <b>COMMUNICATION REQUIREMENTS:</b>  | Written case analysis submitted using appropriate terminology.   |
| <b>SOFTWARE REQUIREMENTS:</b>   | Blackboard, MS Office, search engines  |
| <b>WWW RESOURCES:</b>   | Students are expected to use the internet at their own discretion to select information on the module. Useful sources include: Healthcare Administration Press; Financial Accountability and Management; Journal of Business Case Studies.   |

**INDICATIVE CONTENT:**

- The context of healthcare financial management
- Healthcare financial statements
- Financial statement analysis
- The planning and control of capital expenditure
- Sources of capital finance for healthcare providers
- Monitoring of budget performance
- Provider cost-finding methods
- Provider payment systems