### Course Information*

- **Course:** 90831- Advanced Financial Management of Health Care  
- **Offering:** Mini 4 (6 units)  
- **Location:** Room1003 Hamburg Hall  
- **Time:** 6:00 PM  
- **Dates:**  
  - Thursday March 17, 2016 – First Class  
  - Thursday April 28, 2016 – Final Class  
  - Final Exam: Week of May 2, 2016  
  - Final grades due – May 9, 2016 by 4pm  
- **Instructor:** Denis Lukes  
  - Phone: 412-585-4411  
  - Email: denisl@andrew.cmu.edu  
- **Office hours – By Appointment**

### Prerequisites

- 90830 – Introduction to Financial Management of Health Care  
- 90861 – Health Policy  
- Excel Proficiency (defined as creating formulas for calculations, formatting cells, etc)

### Course Description*

This mini-course builds upon the student’s learning basis from Introduction to Financial Management of Health Care (course 90-830). Advanced Financial Management of Health Care is designed to provide students with a general understanding of health systems financial management - including a conceptual framework, financial tools, and management techniques. The subjects covered will provide the background and analytic skills for students to evaluate select financial matters encountered in the overall management of health systems.

The course includes lectures, substantial reading assignments and real world examples and discussions. Initial lectures include a historical perspective on health systems financial management issues, including the evolution of third party payors and various payment/reimbursement systems. This will also include issues impacting payments received from Medicare and commercial managed care insurers. Lectures will focus on federal and state health care policy decisions and the increasing impact on health systems finances. This background section will also include a theoretical and practical review of standard health systems financial management reports and effective techniques for using them. The course includes a section on integrated delivery systems and the currently evolving accountable care organizations – arrangements between hospitals, physician organizations, long term care providers and managed care insurers. It will also address a number of initiatives the Center for Medicare and Medicaid Services (CMS) has in process or has proposed.
The principal topic areas for the course are:

- Changing third party payment systems, Medicare/Medicaid impact, and implications for financial decision-makers.
- Benchmarking analyses.
- Key financial aspects of strategic business planning, forecasting and budgeting.
- Financial statement interpretation and analysis for hospitals, physician practices, long term care providers and managed care insurers.
- Expense management and cost analysis for hospitals and physician practices.
- Capital formation for hospitals and physician practices.
- Managed care organization financial issues and cost management techniques.

- Shifting financial responsibilities, increasing patient financial responsibility and the impact of transparency.

- Increasing financial pressures on community hospitals.

- Financial considerations across the continuum of care.

**Course Materials**

**TEXTBOOK AND SUPPLEMENTAL READINGS**

*Essentials of Health Care Finance (Seventh Edition).*
Cleverley, William; Song, Paula; and Cleverley, James.
Sudbury, Massachusetts: Jones and Bartlett Learning, 2011

**Supplemental Readings and Documents (available on Blackboard):**

Healthcare Council of Western Pennsylvania FLASH Survey FY 6/30/15
(includes Financial Analysis and Market Payor Mix)
Assigned “Current Issues and Key Information” Readings (Articles or Professional Summaries of specific topics)

Students are encouraged to scan professional journals, industry newsletters and online sources such as Modern Healthcare, Healthcare Financial Management Association, Becker’s Hospital Review, Wall Street Journal / local newspapers, and other sources for articles related to current health systems financial issues. Current events will be covered as appropriate.
| Evaluation Method* | Mechanisms will be used to evaluate student performance during the course. Examples are attendance, participation, quiz, homework, test, final exam |
Learning/Course Objectives*

The primary objectives of this course are:

- Develop a framework from which past, current, and future health systems financial management issues can be analyzed and evaluated.
- Learn and apply analytical techniques for the strategic and operational planning and financial management of health care organizations.
- Develop an understanding of the

Grading Scale*

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
<th>Points</th>
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<tbody>
<tr>
<td>A+</td>
<td>99.0-100%</td>
<td>99</td>
</tr>
<tr>
<td>B+</td>
<td>88.0-90.9%</td>
<td>88</td>
</tr>
<tr>
<td>C+</td>
<td>80.0-82.9%</td>
<td>80</td>
</tr>
<tr>
<td>A</td>
<td>94.0-98.9%</td>
<td>94</td>
</tr>
<tr>
<td>B</td>
<td>90.0-93.9%</td>
<td>90</td>
</tr>
<tr>
<td>C-</td>
<td>71.0-73.9%</td>
<td>71</td>
</tr>
<tr>
<td>A-</td>
<td>91.0-93.9%</td>
<td>91</td>
</tr>
<tr>
<td>B-</td>
<td>81.0-83.9%</td>
<td>81</td>
</tr>
<tr>
<td>C</td>
<td>74.0-77.9%</td>
<td>74</td>
</tr>
<tr>
<td>C-</td>
<td>71.0-73.9%</td>
<td>71</td>
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The grade of A+ is reserved for truly exceptional performance.

COURSE PERFORMANCE EVALUATION AND GRADING SCALE

Individual performance will be evaluated based upon the submitted case studies, midterm exam, final exam, study questions submissions, and class attendance/participation. The average final grade per Heinz College policy is expected to be between an A- and B+. Final grades will be curved to achieve the expected Heinz College average grade target.

All exams are closed book and will consist of multiple choice, true/false, and short answer essay questions. There are no make-up exams. If you miss one exam, your final grade will be determined based upon all other completed work. If you miss both exams, you will fail the course.

<table>
<thead>
<tr>
<th>Exams/Assignments</th>
<th>Percentage</th>
<th>Points</th>
<th>Grading Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Financial Statement</td>
<td>A+</td>
<td>99.0-100%</td>
<td>A 94.0 - 98.9%</td>
</tr>
<tr>
<td>&amp; Ratio Case Study</td>
<td>20%</td>
<td>60</td>
<td>A- 91.0 - 93.9%</td>
</tr>
<tr>
<td>Exam #1</td>
<td>20%</td>
<td>60</td>
<td>+ 88.0 - 90.9%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40%</td>
<td>120</td>
<td>B 84.0 - 87.9%</td>
</tr>
<tr>
<td>Study Questions (2 sets)</td>
<td>20%</td>
<td>60</td>
<td>C 81.0 - 83.9%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>300</td>
<td>C- 71.0 - 73.9%</td>
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Below is an overview of the course outline.

**TOPICAL OUTLINE / ASSIGNMENTS**

See the **Assignments & Homework Schedule Deadlines** file under the Syllabus folder on Blackboard. The spreadsheet includes weekly lecture topics, advanced reading assignments, case study and study questions submission dates, and Exam #1 and Final Exam dates. This document is your guide to successful completion of this course.

Case Study Folder (Hospital Financial Statement and Ratio Analysis) will be accessible on Blackboard two weeks prior to the due date. Study Questions will be available approximately one week prior to the due date.

This course covers a wide range of health care financial and policy topics, in addition to the student's acquisition of various management tools. Feedback from prior students encourages the following approach:

- Read all assigned materials before class (both textbook and articles), including PowerPoint lecture slides.
- Review all class notes and assigned reading material highlights again prior to subsequent class session. Each class will begin with a brief period for outstanding questions/clarifications of previous materials.
- Stay current with assignments. Your investment of time in the beginning of the course schedule will pay dividends in subsequent class sessions.
| Plagiarism and cheating notice* | Plagiarism and other forms of academic misrepresentation are taken extremely seriously. Misrepresentation of another’s work as one’s own is widely recognized as among the most serious violations.

The violation is clearly flagrant when it occurs as plagiarism on a required paper or assignment. A minor offense of Plagiarism will result in a loss of half a grade on the assignment. Multiple plagiarism offenses on one assignment will result in a failure on the assignment. Plagiarism on more than one assignment will result in a course failure.

Cheating on an examination, regardless of whether it is a take-home or in-class an examination is considered a major offense. This offense is a deliberate, intentional choice by the student and of the highest concern to Heinz College. The minimum punishment for such offenses is a course failure but can involve expulsion from the program. To comply with University policy, all violations of the academic integrity policy will be reported to the Associate Dean and the University’s Dean of Student Affairs. |

| Course Policies & Expectations * | COURSE POLICIES AND EXPECTATIONS

**Homework Submissions:** This includes the two case studies and two study question sets. The submitted homework deadline date and time listed on the Assignments and Homework Deadline Schedule document is a “hard” deadline. There is no partial credit for late assignments submission. All assignments must be submitted via the Blackboard Assignments tab. Follow the instructions in each case study folder.

For the case studies, submit only MS Word and Excel files (unprotected). Use the Excel files provided in the Case Study Folders. Do not send ZIP or PDF files. Keep the files to a reasonable size (do not add elaborate graphics, etc.)

**Communication:** You are expected to check the Blackboard course site announcement section and your email daily for messages from the instructor or teaching assistant. Changes may be made to the Blackboard site and contents during the semester as appropriate. These changes will be communicated to you via announcements and/or emails, but you are responsible for adapting to these changes.

The instructor and teaching assistant are available primarily through email. You should typically expect a response within twenty-four hours, although it may take longer on weekends. Phone calls are acceptable in emergency or unusual situations.

**Electronic devices:** No laptops, tablets, or similar devices are allowed in class. The weekly lecture PowerPoint slides will be available on Blackboard each Tuesday, prior to our class session. You should print these slides in notes or multiple slides format for note taking during the lecture.

Cellphones, Blackberry’s, etc. must be turned off and put away. Checking your phone, emailing or texting is not permitted during class session.

No student may record or tape any lecture or classroom activity without the express written consent of the instructor. |
Decorum: Appropriate professional business conduct is expected in class. Everyone should be treated with mutual respect.

Beverages (coffee, soda, water) may be brought to class. No meals, pizzas, take out containers, snacks, etc. are permitted during class sessions.

Academic Integrity: Students should review CMU’s Academic Integrity Guidelines at http://www.cmu.edu/policies/documents/AcademicIntegrity.htm. You are not permitted to be in possession of any assignments, case studies or exams from another student either from the current semester or previous semesters, regardless of form: electronic or paper. Possession of or sharing such files or documents constitutes an infraction of the academic policies of this course. If you are caught with any academic integrity infraction, you will fail this course. If you have any questions, please contact the instructor.

Special Accommodations: Students should present their accommodation letter from the Equal Opportunity Services Office to the instructor the first week of class. The instructor will review each request given the provisions of the accommodations letter and notify the student of the final decision.

BIBLIOGRAPHY

For additional current information related to the financial management of health systems, the following periodicals are suggested:


- Modern Healthcare. (Weekly publication with daily online updates) Crain Communications

- Becker’s Hospital Review (Monthly publication) and Becker’s CFO Report (Daily online updates) Becker’s Healthcare Publications

*Required in all syllabi.