

# Financial Management of Health Service Organizations

## FIN 750

### I. INSTRUCTOR INFORMATION

Instructor: Daniel Mefford, C.P.A., M.B.A., FACMPE  
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Office Hours: By appointment either prior to or after class. Please make appointments directly with instructor by phone or email.

### II. COURSE SCHEDULE AND DESCRIPTION

Classes will meet one evening a week from 6:00-8:30 pm at the Center for Global Health Systems, Management, and Policy, Miami Valley Research Park in Kettering.

This course covers the financial management function in health care organizations including operating and capital budgeting processes along with budgetary and financial controls. The class will employ an extensive use of financial analysis tools for the health care organization. A short course in finance and accounting foundations will also be taught for those students selecting this course.

### III. COURSE OBJECTIVES

We will introduce the basic financial management concepts of risk, value, return, cost of capital and cash flow. We will consider these concepts as they apply to business decisions and decision-making for both for-profit and not-for-profit organizations, emphasizing the health care industry.

Upon completion of this course, the student will:

- Understand the principles of business organization as found in the healthcare environment.
- Understand the unique nature of the third party payer system.
- Understand the basics of accounting and financial statement interpretation.
- Understand the basic financial concepts such as risk, return and time value of money.
- Recognize the impact of capital decisions on cost of capital for healthcare organizations.
- Recognize operational and capital budgeting as means of risk analysis, tactical alternative analysis and forecasting.

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- Understand the impact on organizational financial position of accounts receivable, inventory, and cash management, along with other aspects of working capital management.

### IV. PREREQUISITES

Participation in this course requires enrollment in the Certificate in Health Care Management Program, Master of Public Health program, or permission of the instructor.

### V. MODE OF INSTRUCTION

The main concepts and theory will be presented in lecture format; however, the class will also be very participatory, especially with regard to assigned readings and their respective application to real life situations. As a result, class participation by students is vital, required and will be actively promoted by the instructor.

In addition to in-class discussions, this course is mixed-mode and, as a result, will utilize WebCT, an Internet-based tool, to further our discussion while not in class. Students are required to log-on to WebCT and be actively involved in the discussions going on throughout the quarter.

### VI. ATTENDANCE

While attendance is required at all class sessions, this instructor certainly recognizes the demands graduate education places on full-time working professionals. With that said, *the greatest benefit of this course will come from the group discussions taking place in class*. Studying a textbook and reading the articles provided will only contribute to a limited understanding of the course content.

### VI. ASSIGNMENTS AND GRADING

In order to stimulate learning through self-investigation, students are required to complete the following assignments and will receive an overall grade based on the weighting detailed below.

- a. Participation is based on three components:
  - i. In class discussion requires one to simply be involved in group discussions and to take an active role in the oral evaluation of the required policy reading each session.

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- ii. WebCT discussions require that the student either respond to questions posted by the instructor on the Discussion Board or add substantially to an answer presented by a fellow student.
  - iii. A short, in-class presentation regarding a real life example of the financial concepts considered in this course will be given by each student.
- b. A Final exam will be available after the final class session and will be posted on the WebCT site.

The overall course grade will result from the weighting formula below.

Participation	50%
In class discussion (20%)	
WebCT discussion (20%)	
In Class Presentation (10%)	
Final Exam	50%

### VII. COURSE OUTLINE AND READINGS

All necessary textbooks will be provided at the first class. Journal articles and other readings will be made available through the Wright State University Course Reserve Web site.

#### Provided Texts:

Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley

#### Course Schedule

<b>Week 1</b>	<b>Introduction and Overview: Financial Environment of Health Care</b>
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Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley-Chapters 1, 2, 3

<b>Week 2</b>	<b>Introduction and Overview: Managed Care</b>
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Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley-Chapter 4

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<b>Week 3</b>	<b>Basics of Accounting and Finance</b>
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Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley-Chapters 5, 6, 7

<b>Week 4</b>	<b>Basics of Accounting and Finance (Continued)</b>
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Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley-Chapter 5, 6, 7

<b>Week 5</b>	<b>Analytical Tools and Principals</b>
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Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley-Chapter 8, 9

<b>Week 6</b>	<b>Strategic Planning</b>
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Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley-Chapter 10

<b>Week 7</b>	<b>Cost Concepts and Decisionmaking</b>
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Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley-Chapters 11, 12

<b>Week 8</b>	<b>Budgeting and Control</b>
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Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley-Chapters 13, 14

<b>Week 9</b>	<b>Financial Mathematics, Capital Project Analysis</b>
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Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley-Chapter 15, 16

<b>Week 10</b>	<b>Business combinations Capital Financing Working Capital and Cash Budgets</b>
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Essentials of Health Care Finance, Fifth Edition by Andrew Cameron, and William O. Cleverley-Chapters 17, 18, 19, 20

<b>Week 11</b>	<b>Case Presentations &amp; Final Exam</b>
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