

**Indiana University**  
**H353 HEALTHCARE FINANCE II (3 cr.)**

Fall 2010 Section 16057 Monday / Wednesday 5:30-6:45 pm Location: SPEA 278	Instructor: Terri L. Renner E-Mail: use Oncourse mail (“Messages”)
Office hours: posted on Oncourse	Secretary: Jennifer Mitchner 855-7980; SPEA 341

COURSE DESCRIPTION

P: SPEA-H352. Second course in a two-course sequence focusing on the financial management of healthcare organizations. The course covers concepts in managerial accounting and finance that are critical to decision-making. These topics include evaluation of capital investment decisions, sources of financing, managerial accounting concepts (including cost behavior, profit analysis, and incremental analysis), reimbursement under various third-party payer environments, cost allocation and government program reporting.

Although H353 deals specifically with the healthcare sector, the course coverage of key topics in financial accounting, managerial accounting, and managerial finance should be of value to all management and finance majors. Its healthcare emphasis provides valuable information to consumers of healthcare services (which include all of us!) who wish to have a better understanding of the financial side of healthcare.

COURSE OBJECTIVES

1. Understand basic financial and managerial accounting issues in health care organizations.
2. Demonstrate the ability to read, interpret, and analyze financial statements.
3. Relate the recognized problems in health care finance along with suggested methods of dealing with these problems.
4. Describe sources of debt and equity financing.
5. Describe types of costs, their behavior, and their role in cost-volume-profit (breakeven) analysis and pricing decisions.
6. Describe methods of cost allocation and its relation to third-party reimbursement.
7. Describe the relationship between patient, provider, and payer in terms of financial management issues.
8. Demonstrate the ability to operate a personal computer and spreadsheet software package to solve various problems in finance.

GRADING

<u>Description</u>	<u>Points</u>	<u>Date</u>
Exam #1	100	Wednesday, September 29
Exam #2	100	Wednesday, November 3
Exam #3 (final exam)	100	Friday, December 17 (or optional Sunday, December 12)
Homework quizzes	40	
Team Project – journal article	20	
Professionalism, Participation and Attendance	<u>40</u>	
<b>TOTAL POINTS</b>	<b>400</b>	

REQUIRED TEXTBOOK

Gapenski, Louis C.: Healthcare Finance: An Introduction to Accounting and Financial Management (Fourth Edition). Health Administration Press: copyright 2008, ISBN 978-1-56793-280-5.

Supplementary materials and discussion/homework problems will be distributed throughout the semester.

**ASSIGNMENT DETAILS AND CLASS POLICIES ARE DISTRIBUTED IN CLASS TO REGISTERED STUDENTS AND ARE AN INTEGRAL PART OF THIS SYLLABUS. IT IS YOUR RESPONSIBILITY TO BE FAMILIAR WITH THESE.**

**COURSE SCHEDULE**

Please note that dates scheduled for topics and exams are tentative and may be adjusted in response to class performance. Specific reading and homework assignments will be distributed in class.

<b><u>Week</u></b>	<b><u>Material</u></b>
1	Course introduction Unit 1 – Capital Investment Decisions / Time Value Analysis
2	Unit 1 – Capital Investment Decisions / Time Value Analysis
3	Unit 1 – Capital Investment Decisions / Time Value Analysis
4	Unit 2 – Lease vs. Buy Decisions Unit 3 (Part I) – Sources of Financing – Debt and Equity
5	Unit 3 (Part I) – Sources of Financing – Debt and Equity – Interest Rates and Bonds Review for Exam #1 <b><i>EXAM #1</i></b>
6	Unit 3 (Part II) – Sources of Financing – Debt and Equity – Stocks
7	Unit 3 (Part III) – Sources of Financing – Debt and Equity – Cost of Capital
8	Unit 4 – Short-Term Decision Making / Cost-Volume-Profit Analysis
9	Unit 4 – Short-Term Decision Making / Cost-Volume-Profit Analysis
10	Unit 4 – Short-Term Decision Making / Cost-Volume-Profit Analysis Review for Exam #2 <b><i>EXAM #2</i></b>
11	Unit 5 – Cost Allocation
12	Unit 6 – Medicare and Medicaid Cost Reporting Unit 7 – Costing of Outputs / Pricing and Service Decisions
13	Unit 7 – Costing of Outputs / Pricing and Service Decisions
14	Unit 8 – Variance Analysis
15	Unit 8 – Variance Analysis Review for Exam #3 (final exam)
<b><i>FINAL EXAM</i></b>	<b><i>Friday, December 17, 7:15-9:15pm or optional Sunday, December 12, 3:00-5:00pm</i></b>