

PPD 510A: FINANCIAL MANAGEMENT OF HEALTH SERVICES

Spring 2017, VKC 151, 4 Units



Associate Professor: D. Lannie Tonnu, MBA, CPA, CGMA

Office Hours: By appointment

Email: dtonnu@usc.edu

Phone: (323) 314-3876

Class Dates & Times	
Monday evenings	6:00 p.m. – 9:20 p.m.

COURSE DESCRIPTION

This course is an introduction to Finance specific to the health care sector. A basic understanding of financial decision points, tools and analysis is imperative in order for managers, leaders and executives to make informed financial and operational decisions. The course will expose you to basic financial accounting principles, theories, scenarios and techniques applied in today's financial management of health care organizations.

Prerequisite: PPD 516

COURSE OBJECTIVES

Upon completing this course, the student will be able to:

- understand and communicate basic financial accounting terms, different forms of businesses, revenue cycle processes, budgeting techniques and pricing decisions
- analyze financial statements and performance
- evaluate capital financing or investment decisions

REQUIRED TEXT AND SUPPLEMENTARY MATERIAL

- Louis C. Gapenski, *Healthcare Finance: An Introduction to Accounting and Financial Management*, 6th edition (Chicago, IL; Health Administration Press, 2015)
- Louis C. Gapenski, *Cases in Healthcare Finance*, 5th edition
- Supplemental readings and assignments may be assigned via Blackboard
- Calculator
- Spreadsheet software, e.g. MS Excel

ACADEMIC CONDUCT

Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Section 11, Behavior Violating

University Standards <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/>. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>. USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own. All students are expected to understand and abide by these principles. SCampus, the Student Guidebook, contains the University Student Conduct Code (www.usc.edu/scampus), where the recommended sanctions are located in Appendix A. Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: <http://www.usc.edu/student-affairs/SJACS/>. Information on intellectual property at USC is available at: <http://usc.edu/academe/acsen/issues/ipr/index.html>.

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the Office of Equity and Diversity <http://equity.usc.edu/> or to the Department of Public Safety <http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us>. This is important for the safety whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. The Center for Women and Men <http://www.usc.edu/student-affairs/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage <http://sarc.usc.edu> describes reporting options and other resources.

STATEMENT FOR STUDENTS WITH DISABILITIES

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to TA) as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. Website and contact information for DSP: http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html, (213) 740-0776 (Phone), (213) 740-6948 (TDD only), (213) 740-8216 (FAX) ability@usc.edu.

EMERGENCY PREPAREDNESS/COURSE CONTINUITY IN A CRISIS

In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies. Please activate your course in Blackboard with access to the course syllabus. Whether or not you use Blackboard regularly, these preparations will be crucial in an emergency. USC's

Blackboard learning management system and support information is available at blackboard.usc.edu.

PPD 510A COURSE COMPETENCY OUTLINE

COMPETENCY	BLOOMS TAXONOMY LEVEL	DATE(S)	METHODS	ASSESSMENT
DOMAIN 1: Knowledge of Health Care Environment				
1.2 Use, understand and apply the basic principles of economics and evidence-based techniques to health care.	Understanding	Every Class	Lecture Homework Case Discussion	Class participation, Homework, Exam, Project
DOMAIN 2: Critical Thinking and Analysis				
2.1 Demonstrate the ability to understand a situation, issue or problem by breaking it into smaller pieces and tracing its implications in a step-by-step manner	Understanding	Every Class	Lecture Homework Case Discussion	Class participation, Homework, Exam, Project
2.2 Apply complex concepts, develop creative and innovative solutions or adapt previous solutions in new ways	Analyzing	Every Class	Lecture Homework Case Discussion	Class participation, Homework, Exam, Project
DOMAIN 3: Business and Management Knowledge				
3.1 Understand and explain financial and accounting information, and understand and apply financial methods to set goals and measure organizational performance.	Analyzing	Every Class	Lecture Homework Case Discussion	Class participation, Homework, Exam, Project
3.2 Understand and use administrative and clinical decision support tools in process and performance improvement.	Understanding	Every Class	Lecture Case Discussion	Class participation, Exam, Project
DOMAIN 5: Communication				
5.1 Demonstrates the ability to facilitate a group, and to prepare and present cogent business presentations	Evaluating	Every Class	Lecture Case Discussion	Class participation, Project
5.2 Demonstrates the ability to persuade others to support a point of view, position, or recommendation, while assessing and responding to the feelings and concerns of others	Evaluating	Every Class	Lecture Case Discussion	Class participation, Project
DOMAIN 6: Leadership				
6.2 Demonstrates the ability to work as a team member and to support and value diverse opinions and perspectives	Evaluating	Every Class	Lecture Case Discussion	Class participation, Project

COURSE REQUIREMENTS AND FINAL GRADE DETERMINATION

ASSIGNMENT	DUE DATE	% OF GRADE
Class Preparation and Participation	Weekly	10%
Case Study	As Assigned	15%
Homework Assignments	Weekly	20%
Midterm	March 6	20%
Final Exam	WEDNESDAY May 3	20%
Final Project	April 17- April 24	15%
TOTAL		100%

Class Preparation and Participation: Class discussions by all students contribute to the overall learning experience. The quality of these discussions is based upon each student's preparation prior to class and active engagement in the exchange of thoughts, concepts and ideas. Each student is expected to have completed all readings and assignments prior to each scheduled class. Full class attendance is expected.

Case Study Discussion: 10 cases will be assigned in advance. Students will be expected to have reviewed the cases and be prepared to participate in the case discussions in class, both individually and as part of assigned teams. A case paper needs to be turned in during the week following the class discussion. These papers can be done individually or as group projects. Evaluation will be based on the quality of the contribution to the team and class discussion in addition to the paper.

Homework Assignment: Assignments are given in order to support the applicable concepts covered in text and related financial problem solving. These will primarily consist of assigned questions and problems from the end of each chapter in the text. Assignments need to be posted in Blackboard on or before the due date.

Mid-term Exam: A mid-term exam will cover readings, class lectures, homework assignments and problems

Final Exam: An in-class closed-book final examination will be given on the last day of class, covering the second half of the semester.

Final Project: To facilitate integrating the concepts and tools you learn from this course, your group is required to work with a client to analyze a critical financial issue facing the

organization. The selected topic should be relevant to health care finance and address financial risk analysis, decision points or financial and/or operational issues. Examples of appropriate topics include: capital equipment acquisition; service line analysis; financial operations variance analysis and action plan initiatives; new venture development/acquisition forecasting; and budgeting scenarios. The groups should start making initial contacts immediately after the mid-term exam. An executive report and a 10-15 min oral presentation will be due toward the end of the semester. The final work product should be well-organized and professional. The oral presentation of the financial project should be given in a manner as if presenting to a corporate board or finance committee.

USC GRADING POLICY

GRADE	CRITERIA
A	Work of excellent quality
B	Work of good quality
C	Minimum passing for graduate credit
D	Failed in courses for graduate credit
E	Failed

ADDITIONAL POLICIES

Incomplete (IN) is assigned when work is not completed because of documented illness or other “emergency” occurring after the twelfth week of the semester (or the twelfth week equivalent for any course that is scheduled for less than 15 weeks).

Registrar’s Note: Recommended definition of emergency: “A situation or event which could not be foreseen and which is beyond the student’s control, and which prevents the student from taking the final examination or completing other work due during the final examination period. Also note that as defined above, a student may not request an IN before the end of the twelfth week (or twelfth week equivalent for any course scheduled for less than 15 weeks); the rationale is that the student still has the option to drop the course until the end of the twelfth week (or twelfth week equivalent). The grade of IN exists so there is a remedy for illness or emergency which occurs after the drop deadline.

Marks of IN must be completed within one year from the date of the assignment of the IN. If not completed within the specified time limit, marks of IN automatically become marks of IX (expired incomplete) with the exception of thesis, dissertation, and non-letter-graded courses, and are computed in the GPA as a grade of F (zero grade points). A student may petition the Committee on Academic Policies and Procedures (CAPP) for an extension of time to complete an Incomplete. Extensions beyond the specified time limit are rarely approved, particularly if the student has enrolled in subsequent

PPD 510A COURSE OUTLINE

DATE	TOPIC	ASSIGNMENT
January 9	Introduction, Chapters 1&2 Income Statement and Balance Sheet, Chapters 3 & 4	

January 16	HOLIDAY, no class	
January 23	Organizational Costing and Profit Analysis Chapter 5	EOC Problems 3.1, 3.5, 4.9 <i>Front Street Hospital Ethics Mini Case</i>
January 30	Departmental Costing and Cost Allocation, Chapter 6	EOC Problems 5.4, 5.9 <i>Tulsa Memorial Hospital Case</i>
February 6	Service Line Costing and Pricing, Chapter 7	EOC Problems 6.3, 6.4 <i>Big Ben Medical Center Case</i>
February 13	Planning and Budgeting, Chapter 8	EOC Problems 7.2, 7.4, 7.6 <i>New England Healthcare Case</i>
February 20	HOLIDAY, no class	
February 27	Review Case discussion	EOC Question 8.2 EOC Problem 8.4 <i>Cascades Mental Health Clinic Cascade</i>
March 6	Mid-Term Exam (Chapters 1-8)	
March 13	Spring Recess	
March 20	Time Value Analysis, Chapter 9 Financial Risk and Required Return, Chapter 10	<i>Cambridge Transplant Center Case</i>
March 27	Debt & Equity Financing , Chapter 11 through page 390 Chapter 12 through page 426	EOC Question 9.7 EOC Problems 9.3, 9.4, 9.15 <i>Gulf Shores Surgery Centers Case</i>
April 3	Capital Budgeting & Project Risk Analysis, Chapters 14 & 15	EOC Questions 11.2, 11.3, 11.4, 11.5, 12.3, 12.4, 12.6
April 10	Revenue Cycle and Current Asset Management, Chapter 16 Financial Condition Analysis, Chapter 17	EOC Problems 14.7, 15.3 <i>Coral Bay Hospital Case</i>
April 17	Group Presentations	EOC Question 16.4 EOC Problem 16.6 EOC Problems 17.4 <i>River Community Hospital Case A</i>

April 24	Group Presentations Class Review	<i>Milwaukee Regional Health System Case</i>
May 1	Study day – No Class	
Wednesday May 3	Final Exam (Chapters 9-12, 14-17)	

APPENDIX A: ACADEMIC DISHONESTY SANCTION GUIDELINES

Violation	Recommended Sanction for Undergraduates*
Copying answers from other students on any course work. **	F for course.
One person allowing another to cheat from his/her exam or assignment.	F for course.
Possessing or using material exam (crib sheets, notes, books, etc.) which is not expressly permitted by the instructor.	F for course.
Continuing to write after exam has ended.	F for course.
Taking exam from room and later claiming that the instructor lost it.	F for course and recommendation for further disciplinary action (possible suspension).
Changing answers after exam has been returned.	F for course and recommendation for further disciplinary action (possible suspension).
Fraudulent possession of exam prior to administration	F for course and recommendation for suspension.
Obtaining a copy of an exam or answer key prior to administration	Suspension or expulsion from the university; F for course
Having someone else complete course work for oneself.	Suspension or expulsion from the university for both students; F for course.
Plagiarism – Submitting other’s work as one’s own or giving an improper citation.	F for course.
Submission of purchased term papers or papers done by others.	F for the course and recommendation for further disciplinary action (possible suspension).
Submission of the same assignment to more than one instructor, where no previous approval has been given.	F for course.
Unauthorized collaboration on an assignment.	F for the course for both students.
Falsification of information in admission applications (including supporting documentation).	Revocation of university admission without opportunity to reapply.
Documentary falsification (e.g., petitions and supporting materials; medical documentation).	Suspension or expulsion from the university; F for course when related to a specific course
Plagiarism in a graduate thesis or dissertation.	Expulsion from the university when discovered prior to graduation; revocation of degree when discovered subsequent to graduation. ***

* Assuming first offense

** Exam, quiz, tests, assignments or other course work.

*** Applies to graduate students