

## PPD 510B: FINANCIAL MANAGEMENT OF HEALTH SERVICES

Spring 2020, RGL 209, 2-units



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The mission of the USC Sol Price School of Public Policy is to improve the quality of life for people and their communities, here and abroad. We achieve this mission through education and research that promote innovative solutions to the most critical issues facing society.

My goal for this class and every class I teach is to prepare you to get a great job and have a successful career in healthcare. This is not a theoretical class. I work for OptumCare Medical Group, which is a managed care company, and I am responsible for the P/L's for three multispecialty group practices for about 20,000 patients and 200 employees. We will discuss the real-life challenges that I face every day in healthcare finance trying to deliver great patientcare, while keeping costs down and my patients out of the hospital.

Class Dates & Times	
Thursday Evenings	6:30 p.m. – 8:20 p.m.

### COURSE DESCRIPTION

510a: Accounting principles, financial reports, managerial finance, financial planning, capital investments, working capital analysis; elements of budgeting and reimbursement; performance standards; reporting; developing a management system.

510b: Changing practices, emerging issues, strategies and innovations in financial planning, management, and regulation; federal and state policies and requirements.

This course provides students an overall understanding of best practices in financial management and addresses current topics and issues facing healthcare executives today. The course will present an orientation to various principles and concepts critical to the effective financial management of healthcare organizations, specifically addressing the following topics:

- Healthcare Reform – Strategic alternatives/transformation toward population health management and value-based care delivery
- The Capital Management Cycle
- Creditworthiness
- Integrated Strategic and Financial Planning
- Merger and Acquisitions/Strategic Partnerships – Current Topics and Trends
- Clinical Integration and Hospital-Physician Alignment Strategies
- Value-Based Care and Consumerism
- Capital Allocation
- Strategic Cost Management

Lectures and case studies will be incorporated to provide a basic understanding of these topics and to provide a common language and approach to the financial issues that healthcare organizations must address to be successful.

## LEARNING OBJECTIVES

- Using Bloom’s Taxonomy in developing course learning objectives.

Course Learning Objectives	Cognitive / Affective	Level
1. Given the challenges in this highly evolving and competitive business, use the tools and techniques necessary to ensure that healthcare executives understand how the mission and vision of healthcare organizations can be fulfilled through sound business principles and practices.	Affective	Organizing
2. Demonstrate an ability to apply a common language critical for financial and non- financial managers, providers, and trustees of all types of healthcare organizations to be effective participants and leaders in understanding the principles of financial management.	Cognitive	Application
3. Expose students to contemporary financial issues facing healthcare organizations today and require the application of methodologies to support critical analysis and strategic decision making.	Cognitive	Syntheses

- There are three main domains of learning. These domains are **cognitive** (thinking), **affective** (emotion/ feeling), and psychomotor (physical/kinesthetic).
  - The taxonomy of the Affective Domain used in this course is **Organizing**.
    - Organizing:** This refers to the learner’s internalization of values and beliefs involving (1) the conceptualization of values; and (2) the organization of a value system. As values or beliefs become internalized, the learner organizes them according to priority.
  - Taxonomies of the Cognitive Domain used in this course are:
    - Application:** The ability to use learned material, or to implement material in new and concrete situations.
    - Synthesis:** The ability to put parts together to form a coherent or unique new whole.
- Graduates of the USC Price MHA program will demonstrate 15 core competencies, organized by 6 domains. The main purpose of this competency-based curriculum is to help faculty and students focus on the key knowledge, skills and abilities that students need to develop overall and within each course while they are enrolled in the MHA program so they can succeed in the workforce once they graduate.

The following competency levels indicate what is expected of students to achieve for the competencies this course emphasizes.

- Beginning (B)** - Recall facts and basic concepts and be able to explain their meaning.
- Intermediate (I)** - Integrate ideas and draw connections between them. Use information in new situations.
- Advanced (A)** - Justify a decision or position and produce new or original work.

MHA Competency	Level (B/I/A)	Course Objective(s)	Assessment Methods
<b>Domain 1: Knowledge of Health Care Environment</b>			
1.1 Apply complex concepts, develop creative and innovative solutions, and adapt previous solutions in new ways.	Intermediate	1-2	Case Study, Math Problems, Final Exam, Group Project
<b>Domain 2: Critical Thinking and Analysis</b>			
2.1 Demonstrate the ability to consider the business, demographic, ethnocultural, political, and regulatory implications of decisions, and to develop strategies that improve the long-term success and viability of the organization.	Intermediate	1-3	Case Study, Final Exam, Peer Evaluation
<b>Domain 3: Business and Management Knowledge</b>			
3.1 Understand and use the formal and informal decision-making structures in healthcare organizations and the healthcare industry and demonstrate ability to analyze and improve an organization's processes.	Beginning	2-3	Case Study, Final Exam, Peer Evaluation, Group Project
<b>Domain 4: Policy and Community Advocacy</b>			
4.1 Align one's own and the organization's priorities with the needs and values of the community.	Intermediate	2-3	Case Study, Peer Evaluation, Group Project
<b>Domain 5: Communication</b>			
5.1 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	Beginning	1-3	Case Study, Math Problems, Peer Evaluation, Group Project
<b>Domain 6: Leadership</b>			
6.1 Understand how to establish a compelling organizational vision and goals for an organization	Advanced	1-2	Case Study, Final Exam, Peer Evaluation

## REQUIRED TEXT

- William O. Cleverley and James O. Cleverley, *Essentials of Health Care Finance*, 8<sup>th</sup> edition (Jones & Bartlett Learning, 2018)

## COURSE REQUIREMENTS AND FINAL GRADE DETERMINATION

ASSIGNMENT	DUE DATE	% OF GRADE
Class Preparation and Participation	Weekly	10%
Homework Assignments	Weekly	15%
Midterm	3/5/20	25%
Final Project	4/23/20	25%
Final Exam	4/30/20	25%
<b>TOTAL</b>		<b>100%</b>

**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. Attendance will count towards participation.

**Homework Assignments:** Assignments are given in order to support the applicable concepts covered in text and class discussions. Assignments need to be posted in Blackboard before the start of class for that week. You must be in class for discussion to get credit for homework assignments.

**Chapter Case-studies** – Every week run 5-step Marshall process below – post copy of notes to Blackboard before class in any format – I want to see process. Groups are fine.

### Marshall Case-Study Method

1. Uncover the various potential problems, challenges & opportunities
2. Select most critical problem(s), challenge(s) and/or opportunity(ies). Prioritize
3. Create a multitude of potential solutions
4. Choose the solution(s) that has the potential to be the most effective
5. Translate your solution(s) into an effective implementation plan

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

**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:** You will be formed into groups of 2 representing executive officers in a consulting firm. You will name your firm and create a mission, a vision and set of core values for your company. Your group is required to work with a healthcare client of your choosing to analyze a critical financial issue facing the organization and then make strategic recommendations based on the concepts and tools you learn from this course. Your strategy should address financial risk analysis, decision points or financial and/or operational issues. An executive report and a 10-minute

oral presentation will be due on 3/23/19. The final work product should be well-organized and professional. The oral presentation of the financial project will be graded separately and should be given in a manner as if presenting to a corporate board or finance committee. Airtime should be equal for each person in the group. If you use PowerPoint slides, they must be to support your presentation only with minimum text and in bullet format - no paragraphs or staring at the screen for long periods of time. This means you have to practice and rehearse out loud. Learning how to present now will differentiate you from your peers. It is a skill that you will use for the rest of your careers no matter what your path.

**Feedback:** You will also be expected to provide feedback to groups on their presentations – everyone will give one positive and one negative comment. Giving and receiving feedback is another skill that will set you apart from your peers. We will be respectful and courteous. Anyone being disrespectful online or in class will receive a zero.

### 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

### PPD 510B COURSE OUTLINE

WEEK	DATE	TOPIC	READINGS AND HOMEWORK
Week 1	Jan 16	Introduction, Syllabus, Financial Decision Making	<b>Read:</b> EHF Ch.1 and Ch. 2
Week 2	Jan 23	Mission, Vision & Values, Getting Paid – Billing and Coding	<b>Read:</b> EHF Ch.3, <b>Hmk:</b> Form Groups, Case Study Ch. 2
Week 3	Jan 30	<i>No Class – Orlando Family Physician Case-Study Assignment</i>	<b>Read:</b> EHF Ch. 4 <b>Hmk:</b> Group M&V
Week 4	Feb 6	Financial Environment, Revenue Determination	<b>Read:</b> EHF Ch. 5 <b>Hmk:</b> Orlando Family Physicians – Paper and Presentation
Week 5	Feb 13	Legal, Regulatory, Compliance and Community Benefit	<b>Read:</b> EHF Ch. 6 <b>Hmk:</b> Case-Study Ch. 6
Week 6	Feb 20	Guest Speaker: Angela Shiah (Finance Director, Optum) Insurance & Managed Care	<b>Read:</b> EHF Ch. 7 <b>Hmk:</b> Case-study Ch. 7
Week 7	Feb 27	Analyzing Financial Position, Mid-term Review	<b>Read:</b> EHF Ch. 11 <b>Hmk:</b> Study
Week 8	Mar 5	<b>Mid-Term Exam</b>	
Week 9	Mar 12	Strategic Financial Planning	<b>Read:</b> EHF Ch. 13 <b>Hmk:</b> Case-study Ch. 13, Form New Groups (2) – M&V for team
Week 10	Mar 19	<b>Spring Recess, No Class</b>	
Week 11	Mar 26	Capital Project Analysis, LinkedIn and Job Search	<b>Read:</b> EHF Ch. 19 <b>Hmk:</b> Case-study Ch. 19, get final project companies approved and

			submit chapter case-study for individual presentation.
<b>Week 12</b>	<b>Apr 2</b>	Consolidations & Mergers, discuss final project including executive summary	<b>Read:</b> EHF Ch. 20, <b>Hmk:</b> Individual Case-Study Presentation. Case-study Ch. 20
<b>Week 13</b>	<b>Apr 9</b>	Credit Ratings, Capital Formation	<b>Read:</b> EHF Ch. 21 <b>Hmk:</b> Case-study Ch. 21
<b>Week 14</b>	<b>Apr 16</b>	Working Capital & Cash, job search follow-up	<b>Read:</b> EHF Ch. 22 <b>Hmk:</b> Create LinkedIn profile, Networking Assignment
<b>Week 15</b>	<b>Apr 23</b>	Networking Presentation, LinkedIn and Job Search Check-in, final exam review	<b>Hmk:</b> Work on projects
<b>Week 16</b>	<b>Apr 30</b>	Final Project - Group Presentations	
<b>Final Exam</b>	<b>May 7</b>	<b>Final Exam – 7:00 p.m. to 9:00 p.m.</b>	

### 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](http://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](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](mailto: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](http://blackboard.usc.edu).

**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



**STUDENT JUDICIAL AFFAIRS AND  
COMMUNITY STANDARDS**

**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