



PPD 510A: FINANCIAL MANAGEMENT OF HEALTH SERVICES

Via Zoom, 4 Units

Faculty: Eric Delgado, MBA, FHFMA, CPA

Office Hours: by appointment

Email: ericdelg@usc.edu

Phone: 562-243-3861

| 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 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 healthcare organizations' financial management.

Prerequisite: PPD 516

COURSE OBJECTIVES

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

- understand and communicate basic financial and cost 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

- Kristin L. Reiter & Paula H. Song, *Healthcare Finance: An Introduction to Accounting and Financial Management*, 7th edition (Chicago, IL; Health Administration Press, 2020). ISBN: 978-1640551862
 - From here on, this book is referred to as the “**Textbook.**”
- George H. Pink & Paula H. Song, *Gapenski's Cases in Healthcare Finance*, 6th edition (Chicago, IL; Health Administration Press, 2016). ISBN: 978-1567939651
 - From here on, this book is referred to as the “**Casebook.**”
- Supplemental readings and assignments may be assigned
- Calculator
- Spreadsheet software, e.g., Microsoft 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.

DIVERSITY, EQUITY, AND INCLUSION

- Our classroom offers an environment where individuals of varying opinions, experiences, and backgrounds are able to learn without fear of being silenced.
- Inclusion authentically brings traditionally excluded individuals and/or groups into processes, activities, and decision/policy making.
- We will hold one another accountable for maintaining these ideals.

SUPPORT SYSTEMS

Student Health Counseling Services - (213) 740-7711 – 24/7 on call
engemannshc.usc.edu/counseling

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call
suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-4900 – 24/7 on call
engemannshc.usc.edu/rsvp

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office of Equity and Diversity (OED) | Title IX - (213) 740-5086
equity.usc.edu, titleix.usc.edu

Information about how to get help or help a survivor of harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following protected characteristics: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations.

Bias Assessment Response and Support - (213) 740-2421

studentaffairs.usc.edu/bias-assessment-response-support

Avenue to report incidents of bias, hate crimes, and microaggressions for appropriate investigation and response.

The Office of Disability Services and Programs - (213) 740-0776

dsp.usc.edu

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

USC Support and Advocacy - (213) 821-4710

studentaffairs.usc.edu/ssa

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101

diversity.usc.edu

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call

dps.usc.edu

Non-emergency assistance or information

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, Participation, and Teamwork | Weekly | 5% |
| Blackboard Discussion Forum (initial posting and the subsequent reply) | Bi-Weekly | 3% |
| Group Topical Presentation | As Assigned | 1% |
| Homework Assignments | Weekly | 16% |
| Case Study | As Assigned | 16% |
| Quizzes | As Assigned | 3% |
| Midterm | 3.15.2021 | 20% |
| Final Project | 4.19.2021 | 16% |
| Final Exam | 5.10.2021 | 20% |
| TOTAL | | 100% |

Assignments are aligned with the learning objectives, meaning that each assignment serves to measure student performance on at least one learning objective.

Class Preparation and Participation and Teamwork: Class discussions by all students contribute to the overall learning experience. These discussions' quality is based upon each student's preparation before class and active engagement exchanging thoughts, concepts, and ideas.

Each student is expected to have completed all readings before each scheduled class. Students will be randomly called upon to present topics covered in a chapter for that scheduled class. Full class attendance is expected.

Each student brings a unique and important perspective and set of experiences to the program. Thoughtful questions and reflections enrich the overall learning and discussion. We expect students to learn as much from each other as from the faculty and the course work. As such, active and timely participation is critical to students' success in the program. Participation is expected across the following areas:

- Preparation: the extent of reading, analyzing, and understanding the material, demonstrated by contribution to the discussion.
- Contribution to the discussion: the extent to which a student will volunteer answers, ask relevant questions, express unique opinions, and analyze the contributions of others.

- **Group skills:** the extent to which a student allows others to contribute, avoids class domination, shares ideas with others, assists others, provides positive feedback to others, and exhibits tolerance and respect for others.
- **Communication skills:** the quality of expression, clarity, conciseness, appropriate vocabulary, and confidence.
- **Attendance:** includes presence and punctuality—for virtual sessions, assignments, and work conducted with the group and group members.
- **Teamwork:** team collaboration is an essential part of learning and contribution. Each student will be assigned to a group.

Blackboard Discussion Forum (initial posting and the subsequent reply): This is designed to fully engaging and involving current issues, challenges, and opportunities in healthcare and healthcare finance. Each student will submit an initial posting with the specified timeframe and are required to reply to at least one of the postings from other students before the deadline.

Group Topical Presentation: Each group will have an opportunity to select, research, and present a healthcare finance topic.

Homework Assignment: Assignments are given to support the applicable concepts covered in the textbook. These will primarily consist of questions and problems in the book and other assignments as needed.

Case Study: 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. Write-ups for the cases are required and need to be posted on Blackboard before the due date. The total score earned for the case study assignment will be based on the quality of the team's contribution, the case write-up, and class discussion.

Quizzes: Five quizzes are created to regularly assess your comprehension of the course's topics and progression to ensure you're staying up to date.

Mid-term Exam: A closed-book mid-term exam will cover readings, class lectures, homework assignments, and problems through the first half of the semester.

Final Exam: A closed-book final examination will cover readings, class lectures, homework assignments, and problems through the second half of the semester.

Group Projects: To facilitate integrating the concepts and tools you learn from this course, you will be assigned a group project. You will be assigned to a team at the beginning of the semester to work on group projects. One paper per group project is to be submitted for each team, on behalf of all the members. The final work product should be well organized and professional as if you were to present it to a corporate board or finance committee or the

executive management team. Detailed requirements, instructions, and timeline will be distributed in advance. Group Project is submitted through Blackboard only.

Peer Assessment: The assessment is designed to motivate students to engage with the course and team members, participate in class discussions and group projects more proactively, and enhance collaborative work, provide feedback and assessment of their learning and their team members. The Peer Assessment is strictly confidential. The assessment form will be distributed in advance.

LATE ASSIGNMENTS

All assignments and projects must be turned in on time. An outline of the late policy is as follows:

- For all assignments submitted on Blackboard, submissions which are
 - (1) on-time, students will receive 100% of the grade-point value potential.
 - (2) within 24 hours of the due date, students will receive 90% of the grade-point value potential.
 - (3) within 48 hours of the due date, students will receive 80% of the grade-point value potential.
 - (4) **beyond 48 hours of the due date, submissions will not be accepted or graded, and the student will receive no credit.**

LATE POLICY EXCEPTIONS

If you are unable to complete an assignment due to illness or family emergency, please see the instructor as soon as possible to get an extension. A doctor's note is required as proof of illness or emergency.

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.

PPD 510A COURSE OUTLINE

| DATE | TOPIC | ASSIGNMENT |
|------------|---|---|
| January 18 | HOLIDAY (NO CLASS) | Review course syllabus Submit team constitution (due 1.24) Blackboard Discussion Forum Posting #1 (Self-Introduction) (due 1.24) Readings: <i>Textbook:</i> Chapters 1, 2, 3 & 4 |
| January 25 | Introduction Overview of the Syllabus and Course Overview of Healthcare Finance Chapters 1, 2, 3 & 4: <ul style="list-style-type: none"> • The Healthcare Environment • Healthcare Finance Basics • Financial Accounting Basics, Income Statement and Statement of Changes • The Balance Sheet and Statement of Cash Flows | EOC Questions and Problems (due 1.31): <i>Questions</i> 1.2, 1.4, 1.6, 1.8, 1.10, 2.1, 2.3, 2.5, 2.7, 2.9, 3.1, 3.3, 3.5, 3.7, 3.9, 4.2, 4.4, 4.6, 4.8 & 4.9 <i>Problems</i> 3.2, 3.3, 3.5, 3.7, 3.9, 4.2, 4.3, 4.5, 4.8 & 4.9 Final Project: Part 1a, Company selection (due 2.7) |
| February 1 | Chapter 17: <ul style="list-style-type: none"> • Financial Condition Analysis • Market Value Ratios, Common Size Analysis, Percentage Change Analysis, and Economic Value Added | EOC Questions and Problems (due 2.7): <i>Questions</i> 17.1, 17.3, 17.5, 17.7 & 17.9 <i>Problems</i> 17.1, 17.3, 17.5, 17.6, 17.7 & 17.8 Readings: <i>Textbook:</i> Chapter 17 Case #1 (due 2.14): <i>Casebook</i> – Commonwealth Health Plans (Assessing HMO Performance) Blackboard Discussion Forum Posting #2 (due 2.7) Final Project: Part 1b, Company overview (due 2.14) |
| February 8 | Chapter 5: <ul style="list-style-type: none"> • Cost Behavior, Organizational Costing, and Profit Analysis | EOC Questions and Problems (due 2.14): <i>Questions</i> 5.1, 5.3, 5.5, 5.7 & 5.9 <i>Problems</i> 5.1, 5.3, 5.5, 5.7 & 5.9 Readings: <i>Textbook:</i> Chapter 5 Final Project: |

| | | |
|--------------------|--|--|
| | | Part 1c, Financial analysis (due 2.21) Quiz #1 |
| February 15 | HOLIDAY (NO CLASS) | Readings: <i>Textbook:</i> Chapter 6 Case #2 (due 2.28): <i>Casebook</i> – Tulsa Memorial Hospital (Break-even analysis) |
| February 22 | Chapter 6: <ul style="list-style-type: none"> • Departmental Costing and Cost Allocation | EOC Questions and Problems (due 2.28): <i>Questions</i> 6.1, 6.2, 6.5 & 6.7 <i>Problems</i> 6.1, 6.2, 6.5 & 6.6 Readings: <i>Textbook:</i> Chapter 6 |
| March 1 | Chapter 7: <ul style="list-style-type: none"> • Service Line Costing and Pricing | EOC Questions and Problems (due 3.7): <i>Questions</i> 7.1, 7.3, 7.5, 7.7 & 7.9 <i>Problems</i> 7.1, 7.3, 7.5, 7.7 & 7.9 Case #3 (due 3.21): <i>Casebook</i> – Cambridge Transplant Center (Marginal Cost Pricing Analysis) Quiz #2 |
| March 8 | Chapter 9: <ul style="list-style-type: none"> • Time Value Analysis | EOC Questions and Problems (due 3.21): <i>Questions</i> 9.1, 9.3, 9.5, 9.7 & 9.9 <i>Problems</i> 9.1, 9.3, 9.4, 9.5, 9.7, 9.9, 9.11, 9.13, 9.15 Readings: <i>Textbook:</i> Chapter 9 Blackboard Discussion Forum Posting #3 (due 3.21) |
| March 15 | MID-TERM EXAM (CHAPTERS 1-7 & 17) | Final Project: Part 2a, Capital investment selection (due 3.21) |
| March 22 | Chapter 16: <ul style="list-style-type: none"> • Revenue Cycle and Current Accounts Management | EOC Questions and Problems (due 3.28): <i>Questions</i> 16.1, 16.3, 16.5 & 16.7 <i>Problems</i> 16.2, 16.4, 16.6 & 16.8 Readings: |

| | | |
|-----------------|---|--|
| | | <p><i>Textbook:</i> Chapter 16</p> <p>Final Project: Part 2b, Capital investment analysis (due 3.28)</p> <p>Case #4 (due 4.4)</p> <p><i>Casebook</i> – Milwaukee Regional Health System (Revenue Cycle Management)</p> <p>Quiz #3</p> |
| March 29 | <p>Chapter 10:</p> <ul style="list-style-type: none"> Financial Risk and Required Return | <p>EOC Questions and Problems (due 4.4): <i>Questions</i> 10.2, 10.4, 10.6, 10.8 & 10.10 <i>Problems</i> 10.1, 10.3, 10.5, 10.7 & 10.9</p> <p>Readings: <i>Textbook:</i> Chapter 10</p> <p>Final Project: Part 2c, Capital investment analysis (due 4.4)</p> <p>Blackboard Discussion Forum Posting #4 (due 4.4)</p> |
| April 5 | <p>Chapters 11 & 12</p> <ul style="list-style-type: none"> Long-Term Debt Financing Equity Financing and Securities Markets | <p>EOC Questions and Problems (due 4.11): <i>Questions</i> 11.2, 11.4, 11.6, 11.7, 12.1, 12.3, 12.5, 12.7 & 12.9 <i>Problems</i> 11.2, 11.4, 11.6, 11.8, 12. 1, 12.3, 12.4, 12.6, 12.8, 12.10 & 12.11</p> <p>Readings: <i>Textbook:</i> Chapters 11 & 12</p> <p>Case #5 (due 4.18): <i>Casebook</i> – Pacific Healthcare (B) (Stock Valuation)</p> <p>Quiz #4</p> |
| April 12 | <p>Chapters 13 & 15</p> <ul style="list-style-type: none"> Capital Structure and the Cost of Capital Project Risk Analysis | <p>EOC Questions and Problems (due 4.18): <i>Questions</i> 13.1, 13.3, 13.5, 13.7, 13.9, 15.1, 15.3, 15.5, 15.7 & 15.9 <i>Problems</i> 13.1, 13.3, 13.5, 13.7, 13.9, 15.1, 15.3, 15.4, 15.5 & 15.7,</p> <p>Readings: <i>Textbooks:</i> Chapters 13 & 15</p> <p>Blackboard Discussion Forum Posting</p> |

| | | |
|-----------------|--|---|
| | | #5 (due 4.19) Final Project: Submit the paper (due 4.19) |
| April 19 | Chapters 8 & 14: <ul style="list-style-type: none"> • Financial Planning and Budgeting • Capital Budgeting | EOC Questions and Problems (due 4.25): <i>Questions</i> 8.1, 8.3, 8.5, 8.7, 14.1, 14.3, 14.5, 14.7 <i>Problems</i> 8.1, 8.3, 8.5, 8.7, 14.2, 14.4, 14.7, 14.10 & 14.11 Readings: <i>Textbook:</i> Chapters 8 & 14 Quiz #5 |
| April 26 | Final Project Group Presentation | |
| May 3 | STUDY PERIOD (NO CLASS) | |
| May 10 | FINAL EXAM (CHAPTERS 8-16) | |

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