HPM 746
Introduction to Financial and Managerial Accounting for Healthcare Organizations
(Credit Hours: 4)
Department of Health Policy and Management
Gillings School of Global Public Health

Spring 2018 Syllabus

On-Campus Classes
Dates and Meeting Times: Dec 12, 2017 from 9:00 am to 4:00 pm, and late April 2018 (TBD)

Distance Learning Classes
Dates and Meeting Times: In general, class meets on Tuesdays, Jan 9-April 24, 2018 from 7:00 pm to 9:30 pm. See the Schedule for details.
Class Location: Adobe Connect Virtual Classroom

Faculty: Marci Thomas
Office: Atlanta, GA
Email: marci@unc.edu or marcithomas2007@yahoo.com
Phone: By prior appointment

TA: Megan Jarrell

Communication with Professor and TA

Initial communication is to be through email. I will try to respond to any questions within 24 hours. It may be more productive to speak by phone or to set up an adobe connect meeting. If you could like to speak with the instructor, just send an email to schedule a time.

The TA is doing double duty with two course. Therefore, please direct questions on the material to the instructor and technology or process questions to the TA.

Course Overview

Healthcare financial management draws heavily from financial accounting, managerial accounting, finance, and economics. HPM 746 specifically focuses on learning and applying key financial and managerial accounting tools and concepts to healthcare problems. It provides a broad introduction to key concepts, issues, tools, and vocabulary useful both for policy makers and administrators. Topics include: healthcare financial statements, recording transactions, financial statement analysis, full costing, differential costing, budgeting, and responsibility accounting. The course uses a number of cases and focuses upon both analytics and communication skills. Although we will touch on these topics, a
more robust discussion of healthcare financial management topics such as reimbursement, the time value of money and financing the organization are found in other courses in the curriculum.

## Learning Objectives and HPM Competencies

<table>
<thead>
<tr>
<th>Course Learning Objective</th>
<th>Competencies</th>
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<tbody>
<tr>
<td>1. Identify, define and discuss key healthcare management accounting concepts.</td>
<td>Financial Skills</td>
</tr>
<tr>
<td>2. Apply fundamental healthcare financial and management accounting skills and knowledge.</td>
<td>Financial Skills, Analytical Thinking, Performance Measurement</td>
</tr>
<tr>
<td>3. Prepare and present financial models on electronic spreadsheets and PowerPoint slides in a clear, succinct and logical manner.</td>
<td>Financial Skills, Analytical Thinking, Communication Skills</td>
</tr>
<tr>
<td>4. Achieve Objectives #2 and 3, in part, by working effectively in a team of fellow students.</td>
<td>Professionalism, Team Dynamics, Accountability</td>
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## Specific Skills and Tools

1. Apply the concepts of *accrual accounting* in analyzing the effects of management’s actions on healthcare financial statements.
2. Read and analyze *healthcare financial statements*.
3. Calculate fully allocated costs and use the tools and concepts of *full costing* in setting rates.
4. Calculate contribution margin, product margin and net income and apply the tools and concepts of *differential costing* to both a drop-add and a bundled pricing situation.
5. Prepare cash, capital and operational *budgets* and identify tradeoffs in making resource allocation decisions.
6. Use *responsibility accounting* tools and concepts in measuring divisional performance and apply key responsibility accounting tools and concepts in analyzing organizational change.
7. Prepare and present financial models on electronic spreadsheets and PowerPoint slides in a clear, succinct and logical manner.
8. Achieve these objectives, in part, by working effectively in a team of fellow students.

## Resources

**Website**

HPM 746 has its own website using Sakai software. (See [http://sakai.unc.edu](http://sakai.unc.edu)) This syllabus is on the website. We use Adobe Connect for classroom meetings. A link to the Adobe Connect Meeting Room will be on our course site.
Text and Readings

Required:


2. A course pack with most of the cases you will need can be found at http://ch.hbsp.harvard.edu/chmp/access/72168759 . You will need to use this link to get the discounted student rate. The other cases come from David Young’s Book, Management Accounting in Health Care Organizations which can be found via the link to library resources on Sakai.

3. We will also use one chapter from David Young’s Book, Management Accounting in Health Care Organizations. The link to these chapters is posted on Sakai in the library resources.

Suggested Reference Material:

1. A basic proficiency in financial accounting is required and you will be taking a proficiency exam at the end of the day during our onsite class. This course was NOT designed to make you proficient in accounting. The onsite class will be devoted to accounting concepts and the first distance class will be devoted to recording transactions. There are some good resources on accounting topics listed below but it is up to you to seek out any additional help you need. You can also make an appointment to speak with me.
   b. Overview of healthcare financial reporting https://www.youtube.com/watch?v=i683_JNqiS8

Excel

You are expected to have a basic proficiency in Excel. Though your proficiency will not be assessed at the beginning of the course, you will be assessed on the tools and techniques we cover in class. There are numerous books and Internet sites teaching these programs if you need additional help. I strongly suggest you use Google (learn Excel) to find one that fits your learning style and time.

Web Sources

Several of the most useful general sources regarding healthcare financial management issues and policy-related concerns are:

- The Henry J. Kaiser Family Foundation: http://www.kff.org
- The Commonwealth Fund: http://www.commonwealthfund.org/
• IBIS World docs (these are available through the library)

Review of websites is not required. The URLs are provided as a service.

Requirements and Expectations

Executive students are required to attend scheduled classes at the beginning and end of the semester. They are expected to attend all Adobe Connect sessions which will be held online approximately every Tuesday night 7:00-9:30 pm Eastern Standard Time. Knowing you all have busy schedules, you are allowed two “unexcused” absences for the distance portion of the course.

Pre-work by students (individual assignment)
1. Review of the topic for the week by doing the following (note that you are required to prepare in advance):
   - Read the chapter and work as many problems as you feel you need to in order to understand the material.
   - There are 2 class meetings devoted to each chapter.
     - The first week I will go over the content in the chapter and work a selected problem. If there is time I may be able to work more than one if time permits.
     - The second class is for application. We do not have the resources to check the individual homework submissions for 45 students. And past experience shows that you would not want us to grade it. Accounting, whether financial or managerial, is not something you can read, grasp and move on. It involves working problems, just like other mathematical course. You will have the opportunity in the second class to work as a group to turn in one answer. This means that you need to do the work individually first. The submission that is turned in will be the grade for all students in the group (you will have two opportunities to identify those that did the work and were ready for the class session and those that were not). Your group will have 30 minutes in class to refine the submission.
     - Sometimes the second week’s work for a chapter will be a case and not homework problems. I have tried to use as many cases as possible because they simulate issues that could be encountered in the healthcare environment. The instructions for homework problems also apply here. You will submit one spreadsheet for the group. In addition, there will be a series of discussion questions to answer and your group will be called upon to answer one or more of them in the class discussion. You should appoint a spokesperson to field the questions for the week.

2. In-class work (group assignment): Finalize the answers to the homework problems or case study and turn them in at the end of the break-out session. We will then put the answers up on Sakai after the debrief. Students that are not present will need to find a way to contribute to the group effort or they will not receive credit for the assignment. Roll is taken each week. If you are going to miss a week, you should let me know.
This is a large class so it is imperative that you take responsibility for your learning. I am here to help you but it is your responsibility to reach out to me. You will have 2 tests (not cumulative) on the material and if you do not do the work, it will show on the tests.

One thing that I was taught when I went through the accounting program- you have to push the pencil. Just reading the material will not generally be enough to make you proficient. There is NO substitute for working the problems. If you need help, you will need to let me know.

Participation is strongly encouraged (see discretionary points below). Please have the following available during class:
- Your text
- Downloaded materials relevant to the session

Since Sakai is the primary course management and communication system, you are expected to be comfortable with the following functions: accessing files, downloading files, depositing files. Adobe Connect will be used for weekly sessions. You can access the URL for the online sessions from Sakai. You should be able to use these tools: listen, talk and share. A computer headset or headphones and microphone are required to participate in the online conferences. Please do your best to comply! A webcam is not required for this course, but can be useful for working in groups.

YOU ARE RESPONSIBLE FOR CHECKING THE SAKAI SITE FOR UPDATES. THEY WILL BE POSTED UNDER ANNOUNCEMENTS.

Words to the Wise (from previous students):

Due to the cumulative nature of much of the material, it is extremely difficult to catch up once you get behind. Approach the material like you would a language course. You must practice, practice, and practice in order to learn the material. Remember, for most people, healthcare financial management is not a course where you can just read the material and succeed.

Discussion Forums: Discussion forums will be developed as needed.

Assignments

All assignments can be found on the course schedule.

Current Events

Each group will create an activity around a current event. The topics and dates are assigned. The current events help to bring the material to life. This is an opportunity for students to be creative. Some have designed games, others have written short case studies from a current event and asked the other groups to play certain roles. The objective is to get all of the groups involved in the discussion. The course schedule has a list of the groups, the dates they will present their current events and the topic area. Current event presentations last between 30 and 45 minutes and can involve breakout groups. The due date for the current event write ups is midnight Friday before you are scheduled to present the following Tuesday. They are scheduled beginning in late January to provide students with the time to prepare.
Other Important Schedule and Assignment Notes

The syllabus and the course schedule may need to be updated during the semester to reflect the actual pace of the class, new materials/speakers and to meet students’ preferences and learning needs. Any changes will be communicated to the class. They will be posted in announcements. Be sure to read the announcements.

All spreadsheets that are turned in should be “printer ready”. Failure to do this results in point deductions.

Exams

There will be two exams in the course: Midterm and Final. For each exam you will be responsible for all material relating to the topics covered, including lectures and discussions, recorded materials, readings, handouts, and cases. The final will not be cumulative. The exams are to be done individually, with no help other than that from the instructor. The TA will be available to help you with technology. As you will have approximately 1 week to complete the exam, no late exams will be accepted, unless under the most drastic of circumstances.

Group Activities

Realizing that you have very busy schedules, class activities have been structured to minimize out-of-class group meetings. However, this places an additional emphasis on you being prepared for class activities through completing assigned reading and individual prep work. Each student is assigned a group.

Participation

Participation is an important part of any graduate course. The following are the activities that will be reviewed to decide your participation grade:

A. Being prepared for class.
B. Participation in group case work.
C. Participation in discussions in class.

Group participation strategies are discussed more fully in the following:

- Lehner F, Aids for Giving and Receiving Feedback, Problem-Based Learning Program, Ohio University, [http://www.oucom.ohiou.edu/fd/AIDS FOR GIVING AND RECEIVING FEEDBACK.htm](http://www.oucom.ohiou.edu/fd/AIDS FOR GIVING AND RECEIVING FEEDBACK.htm)
## Evaluation Methods

### Grade Components

Grades will be based on the following point distribution:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percent Value Each</th>
<th>Number of Assignments</th>
<th>Total % of Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biosketch Form</td>
<td>1%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Accounting Proficiency Assessment (See note)</td>
<td>1%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Case Preparation and In class homework. The cumulative point value will not change.</td>
<td>4%</td>
<td>6</td>
<td>24%</td>
</tr>
<tr>
<td>Exams</td>
<td>20%</td>
<td>2</td>
<td>40%</td>
</tr>
<tr>
<td>Current Event Write Up and Presentation</td>
<td>25%</td>
<td>1</td>
<td>25%</td>
</tr>
<tr>
<td>Discretionary (including peer evaluation)</td>
<td>9%</td>
<td>1</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Note: You are not graded on the amount of the assessment that is right or wrong. You are graded on turning it in or not.

All assignments are due promptly when assigned. Late assignments will be accepted until the start of class and penalized 10% per day, unless arrangements have been made ahead of time with the instructor or teaching assistants. **Assignments that are to be submitted electronically will not be considered to be “turned in” until they have been submitted in the appropriate assignment section in Sakai and labeled according to the directions.** Emailed submissions are not considered to be turned in.

The following scale will be used to convert points to class grade.

- H > 90
- P 75-90
- L 65-74
- F < 65

### Evaluation Criteria

- Individual performance will be based on the exams, pre-case activities, peer evaluation and discretionary, using the above scale. **Note: To earn a “P”, you must average at least 75% on your exams, and peer feedback, regardless of your group case scores.**

- Performance on group cases will be based on the group’s score in meeting the criteria stated in the assignment.

- The discretionary points will be made up of a number of factors including: 1) Quantity and quality of participation in class. Quantity of participation includes volunteering in class with answers, insights or examples and responding when called on. Quality, well, sorry, but that’s subjective. 2) Attendance (noted above for executive students). However, also note that if you are not present on other days, you are not available to be called on and participate. 3) Other indications of unusual effort or outstanding work. 4) Please note, poor peer feedback on
teamwork will be weighted extremely heavily in the negative direction, to the extent that you may receive no discretionary points. Given this emphasis on group participation, if you have to miss a class, you should make sure to arrange with your team ahead of time to fulfill your group obligations.

UNC Honor Code

The principles of academic honesty, integrity, and responsible citizenship govern the performance of all academic work and student conduct at the University as they have during the long life of this institution. Your acceptance of enrollment in the University presupposes a commitment to the principles embodied in the Code of Student Conduct and a respect for this most significant Carolina tradition. Your reward is in the practice of these principles.

Your participation in this course comes with the expectation that your work will be completed in full observance of the Honor Code. Academic dishonesty in any form is unacceptable, because any breach in academic integrity, however small, strikes destructively at the University's life and work.

If you have any questions about your responsibility or the responsibility of faculty members under the Honor Code, please consult with someone in either the Office of the Student Attorney General (966-4084) or the Office of the Dean of Students (966-4042).

Read “The Instrument of Student Judicial Governance” (http://instrument.unc.edu).

Additional Information on Giving and Receiving Help

To be clear, any violation of these is a violation of the honor code:

A. Regarding homework. Homework is designed for you to help learn/apply the material. Realizing that you may want/need help at this stage, it is permissible to help one another, in the spirit that it is an individual assignment. No “cutting and pasting” from another’s assignment 😊.

B. Regarding exams. The purpose of exams is to assess each student’s mastery of the material. Realizing that you may study with others, I encourage that up to the point where a classmate you are studying with has opened the exam. To be more explicit: Once you have opened the exam, you are not to communicate with others in the class about it. This also means you can’t receive any help or study with anyone who has opened the exam.

a) Treat your communication with others about the exams as if you were taking them in a classroom at the same time—do not communicate with one another in any way about the exam, rather communicate with the professor or TAs through email.

b) Non-permissible communication includes, but is not limited to the following without the explicit permission of the professor or TAs:

1. Asking classmates if the exam is up or where to find the exam
2. Asking any classmate general questions about the exam or giving a classmate answers to such questions as: 1. Is it easy or hard? 2. What should I study? 3. Is this on the exam? 4. Do I have to do the homework assignment to answer the exam? 5. What did you think of this question?

3. Sending, in any form, copies of the exam, in whole or in part, to others.

4. Sending answers to any question on the exam to others Transmitting or receiving any other (general or specific) information about exam to or from anyone in the class other than the professor and TA.

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**Recognizing, Valuing, and Encouraging Diversity**

The importance of diversity is recognized in the mission statement of HPM. In the classroom, diversity strengthens the products, enriches the learning, and broadens the perspectives of all in the class. Diversity requires an atmosphere of inclusion and tolerance, which oftentimes challenges our own closely-held ideas, as well as our personal comfort zones. The results, however, create a sense of community and promote excellence in the learning environment. This class will follow principles of inclusion, respect, tolerance, and acceptance that support the values of diversity.

Diversity includes consideration of: (1) life experiences, including type, variety, uniqueness, duration, personal values, political viewpoints, and intensity; and (2) factors related to “diversity of presence,” including, among others, age, economic circumstances, ethnic identification, family educational attainment, disability, gender, geographic origin, maturity, race, religion, sexual orientation, social position, and veteran status.

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**Course Evaluation**

The Department of Health Policy and Administration is participating in the Carolina Course Evaluation System (CES), the university’s new online course evaluation tool, enabled at the end of each semester. Your responses will be anonymous, with feedback provided in the aggregate; open-ended comments will be shared with instructors, but not identified with individual students. Your participation in CES is a course requirement, as providing constructive feedback is a professional expectation. Such feedback is critical to improving the quality of our courses, as well as providing input to the assessment of your instructors.