



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

HPM 742

Health Care Finance I

(Credit Hours: 3)

Department of Health Policy and Management
School of Public Health

Fall 2017 Syllabus

Class Location: MG 2308

Meeting Times: Mondays, 9:05am-12:05am

Faculty: Paula H. Song, PhD
Office: Room 1105A
McGavran-Greenberg Hall

Email: psong@unc.edu

Phone: (919) 445-9370

Office Hours: TBD

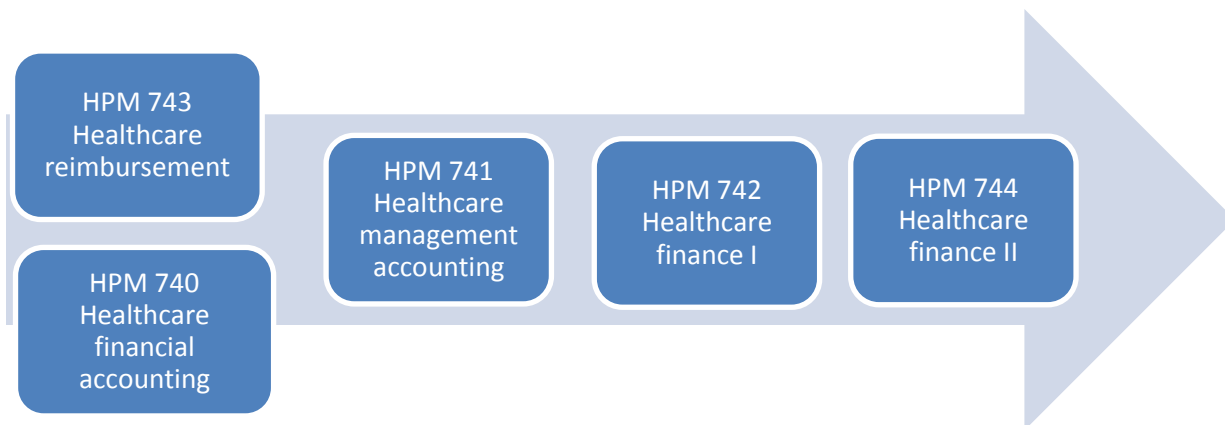
Course TA: Miriam Aziz

Email:

Office Hours: TBD, and by appointment

Course Overview

This course focuses on financial management, analysis and decision-making and the use of spreadsheets to help make better financial decisions. The course includes the healthcare environment, basic financial management concepts, capital acquisition and cost of capital. HPM 742 is the 4th in a 5-course sequence in healthcare financial management. After completion of the course, students should have an operational knowledge of financial management theory and concepts and be able to apply these ideas to real world healthcare settings and be prepared for advanced topics in healthcare financial management covered in HPM 744.



Learning Objectives and MHA Competencies

MHA Competencies and Competency Levels

The MHA program has developed a set of broad [competencies](#) that we address at multiple points during the program. These competencies help guide the program's priorities as well as the design of individual courses. The MHA competencies relevant to HPM 742 are:

MHA Competencies	
3 Analytical thinking	The ability to understand a situation, issue, or problem by breaking it into smaller pieces or tracing its implications in a step-by-step way. It includes organizing the parts of a situation, issue, or problem systematically; making systematic comparisons of different features or aspects; setting priorities on a rational basis; and identifying time sequences, causal relationships, or if-then relationships.
5 Communication skills	Communicates effectively orally and in writing with a wide range of people in varying settings.
7 Financial skills	Understands and communicates financial and accounting information, evaluates budgets, and makes sound long-term investment decisions.
12 Innovative Thinking	The ability to apply complex concepts, develop creative solutions, or adapt previous solutions in new ways.
15 Performance measurement	The ability to understand and use statistical and financial methods and metrics to set goals and measure clinical as well as organizational performance; commitment to and employment of evidence-based techniques.
25 Team dynamics	The ability to work in a collaborative manner in a team setting, effectively assuming roles of participant and leader where appropriate, and consistently contributing in a manner that increases team performance, growth, and learning.

CAHME requires course syllabi to specify the level of competence students are expected to achieve for every course competency:

MHA Competency Levels	
Basic	Course includes introduction to and/or some practice in developing this competency, and assessment component is able to confirm that students understand what the competency is and has some limited ability or skill in this area
Intermediate	Course emphasizes developing this competency, and assessment component is able to confirm that students have achieved moderate or average competence in this area
Advanced	Course places major emphasis on developing this competency, and assessment component is able to confirm that students have achieved notable or above average to major or significant competency in this area

HPM 742 Learning Objectives and Assessment Methods

The goal of this course is to teach managers of healthcare businesses how they can apply financial management theory and concepts to make better decisions—that is, decisions that promote the financial well-being of the organization. More specifically, the course has four learning objectives:

HPM 742 Learning Objectives	
1	Describe the framework for financial decision making in healthcare organizations (the healthcare environment)
2	Value future dollar amounts and define and measure financial risk (basic financial management concepts)
3	Estimate the value of the types of capital available to healthcare organizations (capital acquisition)
4	Measure the costs associated with a business's financing and determine how much debt versus equity capital should be used to finance the business's assets (cost of capital and capital structure)

Each course learning objective is evaluated using one or more of the following assessment methods:

HPM 742 Assessment Methods	
Cases	Evaluate whether teams can analyze, perform calculations, and develop solutions to practical healthcare finance problems
Concept quizzes	Evaluate whether individuals can explain theory and concepts of healthcare finance
Problem sets	Evaluate whether individuals can analyze, perform calculations, and develop solutions to textbook healthcare finance problems
Case quizzes	Evaluate whether individuals can analyse and perform calculations to practical healthcare finance problems
Teamwork	Evaluates whether individuals contribute to team performance and class discussion

Learning Objectives and MHA Competencies

The relationships between the MHA program competencies and HPM 742 is depicted below. An example of how to interpret the table for competency 5 is as follows:

- **Competency:** MHA students are expected to communicate effectively orally and in writing with a wide range of people in varying settings.
- **Competency level:** The course places major emphasis on developing this competency.
- **Learning objectives:** Communication skills are important for explaining capital acquisition, cost of capital and capital structure, capital allocation and the other topics.
- **Assessment methods:** Cases are used to assess whether students have achieved notable or above average to major or significant competency in communication skills.

MHA Program		HPM 742 Healthcare Finance	
Competency	Competency Level	Learning Objectives	Assessment Methods
3 Analytical thinking	Intermediate	1,2,3,4	Problem sets Case quizzes Cases
5 Communication skills	Advanced	3,4	Cases
7 Financial skills	Intermediate	1,2,3,4	Concept quizzes Problem sets Case quizzes Cases
12 Innovative Thinking	Intermediate	3,4	Cases
15 Performance measurement	Intermediate	1,2,3,4	Problem sets Case quizzes Cases
25 Team dynamics	Intermediate	1,2,3,4	Teamwork

Resources

Website

HPM 742 has its own website on Sakai (https://sakai.unc.edu/portal/site/hpm742_2017).

Text

Understanding Healthcare Financial Management (UHFM)

Seventh Edition, Louis C. Gapenski and George H. Pink, AUPHA Press / Health Administration Press, ISBN 978-1-56793-0, 817 pages.

UHFM is available at CourseSmart, Kno, ByrteWave, Chegg, and VitalSource. You can see these options listed on the book's HAP web page:

e-book

<http://www.ache.org/publications/product.aspx?pc=2283> (look under "Purchase e-books tab")

Cases in Healthcare Finance (CIHF)

Fifth Edition, Louis C. Gapenski and George H. Pink, AUPHA Press / Health Administration Press, 2010, ISBN 978-1-56793-342-0, soft cover 245 pages.

CIHF is available at CourseSmart, Kno, ByrteWave, Chegg, and VitalSource. You can see these options listed on the book's HAP web page:

<http://www.ache.org/publications/product.aspx?pc=2254> (look under "Purchase e-books tab")

Articles

A variety of articles will be made available on Sakai by the instructor throughout the course.

Web Sources

A variety of web sources are provided on the course website.

Requirements and Expectations

Concept Quizzes:

Concept quizzes consist of a 2 part model of five true-false and five multiple choice questions about the key concepts from the UHFM chapter. They are open-book, focus on foundational concepts, and do not require calculations. The questions are designed to test nuances of understanding. They push you by asking questions that are logical extensions of the content, not just what the textbook says. They ensure that all students have read the UHFM chapter and are prepared for class discussion.

Pre-Class Concept Quiz

Individuals take a 10 question, true-false concept quiz *before* the class in which the concepts are discussed. Thirty (30) minutes is given to complete a quiz and submit answers. It is scored immediately so that a student has immediate feedback. It may be retaken once and the higher

score from the two attempts will be recorded. Each successive quiz has different questions. For more difficult questions, an explanation of the correct answer is provided when an incorrect answer is entered. **Any concept quiz not submitted by 9:00 am on the day of the class when concepts are discussed receives 0 percent.**

In-Class Concept Quiz

Teams will have an opportunity *during* class to discuss the 10-question multiple choice concept quiz. Forty-five (45) minutes are given for teams to discuss a quiz and for individuals to submit answers. The purpose of this approach is to allow teams to work together to determine the best answer to each question, and at the same time allow individuals to make the final decision for their own quiz submission. It may be taken once only. When the in-class MC quiz closes, answers can no longer be submitted, and correct answers are released. **Any in-class MC quiz not submitted by 11:00 am on the day of the class when concepts are discussed receives 0 percent.**

Mini-Cases:

Each UHFM chapter has a mini-case on a worksheet within an Excel file. Mini-cases consist of questions about the calculations in a chapter. To prepare for a mini-case analysis, **individuals practice calculations in chapter models**. During class teams use Google spreadsheets (for instructions please see <http://www.google.com/drive/apps.html>) to work collaboratively until a solution is achieved. Each team will submit their mini-case solution on Sakai during class by 11:45am. Then, the Instructor leads discussion of the mini-case using a spreadsheet with correct solutions. Mini-cases ensure that individuals & teams have tried the key calculations from the UHFM chapter and are prepared for practice problems. They will not be graded for numerical accuracy.

Post-class Practice Problems:

Each UHFM chapter has ten problems on worksheets within an Excel file. Problems one to five include annotated solutions, often with a step-by-step explanation of how the solution is derived. Problems six to ten do not include solutions – individuals solve these problems on their own or in consultation with their team. On-line problem sets (“Post-class PS Quizzes”) consist of 5 multiple choice questions about problems six to ten. They draw questions from pools, so each student has different questions. Students will also submit their accompanying spreadsheet with their work as part of the quiz. The post-class problems ensure that all students have tried the key calculations from the UHFM chapter and are prepared for a case.

Individuals take the post-class problem set on-line any time before 5:00pm on the Friday following the class when concepts are discussed. They can only be taken once and there is no time limit. When the problem set closes, answers can no longer be submitted, and correct answers are released. **Any problem set not submitted by the assigned due date receives 0 percent.**

Pre-class Cases Quizzes

Each case in CIHF has an Excel spreadsheet. All of the case spreadsheets can be downloaded from the course website. There are no quizzes for cases 11,12, and 24 but there are for 16,17, and 18. Case quizzes consist of up to 20 questions about the input variables included in a case spreadsheet.

Pre-Class Activities

Individuals review cases and case spreadsheets. This includes thinking about some of the conceptual questions, performing the calculations, selecting input data and “playing” with the spreadsheet to get a sense of how it works and its sensitivity to changes in input data values.

Individuals take a case quiz online any time before 9:00 am on the day of the case. A case quiz can only be taken once. At 9:00 am, a case quiz closes, answers can no longer be submitted, and correct answers are released. **Any pre-class case quiz not submitted by 9:00am on the day of the case receives 0 percent.**

Cases

Pre-Class Activities

Individuals should come to a case analysis with an understanding of the case, calculations or input data for a spreadsheet, and draft answers to the questions.

In-Class Activities

Team members use Google spreadsheets to work collaboratively on a case until a solution is achieved. All cases are completed using the spreadsheets available from the course website. In the spreadsheet, create a tab labeled “Team” and list all of the members who are in class. *Neat and tidy spreadsheets are easier to follow and evaluate.* Please ensure cells have formulae and not values produced by formulae. A team uploads its case solution to the website 30 minutes prior to the end of the class session. During the remaining 30 minutes of class, the instructor leads discussion of the case and presents three key learning points. All teams are expected to participate in the case discussion.

Post-Class Activities

The instructor and teaching assistant evaluate each team analysis of a case and email feedback and grade to each team within a week after class.

Team Contribution and Class Participation & Preparedness

Team Contribution: Team contribution is assessed by peer evaluations. The mid-term peer evaluation provides individuals and teams with feedback about their performance during the first half of the course to help them improve during the second half. The end-of-term peer evaluation provides feedback about their performance during the entire course and a numerical basis for assignment of individual grades for team contribution.

Mid-term Peer Evaluation

In the middle of the term, the Mid-term Peer Evaluation form is completed by every individual. Evaluation forms will be made available on the course site. **Credit is earned for on-time completion of the evaluation.**

The instructor prepares a summary of the mid-term peer evaluations for each individual, including all of the comments made by all team members. **The summary for a particular individual is provided to the individual only and the source of all ratings and comments is anonymous.** The average peer ratings tell Jane Smith that she is a good team member but she should try to participate more in the discussion. The comments tell the team the types of behavior changes that would improve team performance.

End-of-term peer evaluation

At the end of the term, the End-of-term Peer Evaluation form is completed by every individual. The instructor prepares a summary of the end-of-term peer evaluations for each individual, including all of the comments made by team members. **The summary for a particular individual is provided to the individual only and the source of all ratings and comments is anonymous.**

Class Participation and Preparedness

Active and meaningful class participation is integral to the success of the course. Class attendance is necessary, but not sufficient, for adequate participation. Students will have ample opportunity to participate in class through lecture discussions, individual exercises, and group presentations. Participation will be evaluated by both student and instructor based on the “Class Participation and Preparedness Self-Evaluation Form.” In the middle of the term, each student will complete a participation self-evaluation. The instructor will provide feedback at this time so the student has ample opportunity to adjust their class participation during the remainder of the semester.

Final Examination

The final exam is 3 hours in duration, in-class, open-book, and covers the entire course. The exam consists of problems that are similar to the in-class problems, concept quizzes and practice problems throughout the course. It will be a combination of interpretative questions as well as questions requiring calculations. All calculation questions can be achieved using a personal computer with spreadsheet application or scientific calculator.

Evaluation Method

Grade Components

<i>Component</i>	<i>% of Grade</i>
Team grade:	
5 Case analyses	25%
Subtotal	25%
Individual grade:	
7 Pre-class TF concept quizzes	14%
7 In-class MC concept quizzes	14%
6 sets of PS quizzes	12%
3 case quizzes	6%
Team contribution and class participation	10%
Final examination	19%
Subtotal	75%
TOTAL	100%

Team Evaluation

5 case analyses (Cases 12, 13,16, 17, 18) evaluate whether teams can analyze, perform calculations, and develop and communicate solutions to practical healthcare finance problems.

Individual Evaluation

7 Pre-class concept quizzes (Ch.3-9) evaluate whether individuals can explain theory and concepts of healthcare finance.

7 In-class concept quizzes (Ch 3-9)evaluate whether individuals can explain theory and concepts of healthcare finance

6 sets of practice problems (Ch 4-9) evaluate whether individuals can analyze, perform calculations, and develop solutions to practical healthcare finance problems.

3 case quizzes (Cases 16, 17, 18) evaluate whether individuals analyze, identify reasonable assumptions, and perform calculations related to practical healthcare finance problems.

Team contribution and Class Participation evaluates the extent to which individuals contribute to team performance and class discussion.

Final examination evaluates whether individuals can apply what they have learned in the course to practical healthcare finance problems.

Missed Classes

If a student misses a class with a case, the team has to pick up the slack but the absent member still benefits from the team work. If the absent individual has a good reason for being gone, explains the reason to the team, and does their best to make amends, most teams will gladly extend the benefit. If, however, members have doubts about the reason for the absence, feel

like the member is trying to “freeload” or both, then the absence is likely to be viewed unfavorably and may not be forgotten when the peer evaluations come around. So, if you have to be absent for a case, let your peers know in advance and make sure that you do your best to make up for it.

Grading Scale

- 92 or above (H)
- 75 to 91 (P)
- 60 to 74 (L)
- Below 60 (F)

Evaluation Criteria

	<i>Description</i>
H	<p>A grade in this range is for exceptional work at the graduate level. The work must be exceptional in both its analytics and presentation. The analysis must show an exceptional understanding of the issues in the case and applicable methods. The written analysis must be insightful in perspective, presented in an exceptionally clear manner, and conform to generally accepted writing conventions such as spelling and grammar. It identifies and clearly addresses all materially significant issues. Tables and charts, [though integrated into the paper], must stand-alone, provide clarity and/or insight to the point being made, and be exceptionally clear in their presentation. Tables and charts should be used to help the reader quickly and clearly understand major points. [Thus they should not be repeated in the text, but only introduced and their key points summarized.] The appendices should be pertinent to the reader’s understanding of the points being made and be presented in a manner which is exceptionally easy to follow. The numerical analysis contained in the appendices must go beyond that generally expected, be appropriate and insightful, free of material errors and be presented in an exceptionally clear manner. In general, the written analysis has the following characteristics: problem definition is precise; all calculations are correct; all interpretations of calculations are appropriate; no major analyses are missing; the flow of analysis is logical; the narrative is succinct and comprehensible; comprehensive understanding of the problem and the solution is demonstrated; and there are no errors in grammar or spelling.</p>
P	<p>A grade in this range is for generally acceptable work at the graduate level. The work must be acceptable in both its analytics and presentation. The written analysis must show a firm understanding of the issues in the case and the applicable methods, and communicate at a relatively high, but not exceptional level. The written analysis is logically presented and easy to follow, and conforms to the criteria given above in regard to the use of tables, appendices and generally accepted writing conventions. The methods used are appropriate and validly applied, free of any major errors, and presented in a clear manner. Though</p>

	difficult to define, no major section should look like it needs at least one more draft to clearly communicate.
L	A grade in this range is for a low level of work at the graduate level. Though it shows a basic acquaintance with the issues and methods, it has either a significant deficiency in one of the following areas or several smaller but cumulatively important deficiencies in several of the following areas: recognizing and addressing key points, identification and use of appropriate analytical tools, calculation errors and ability to clearly communicate through the use of prose, tables and graphics, and appendices.
F	Below acceptable graduate level work.

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>).

Valuing, Recognizing, and Encouraging Diversity

Promoting and valuing diversity in the classroom enriches learning and broadens everyone's perspectives. Inclusion and tolerance can lead to respect for others and their opinions and is critical to maximizing the learning that we expect in this program. This may challenge our own closely held ideas and personal comfort zones. The results, however, create a sense of community and promote excellence in the learning environment. Diversity includes consideration of (1) the variety of life experiences others have had, and (2) factors related to "diversity of presence," including, *among others*, age, economic circumstances, ethnic identification, disability, gender, geographic origin, race, religion, sexual orientation, social position. ***This class will follow principles of inclusion, respect, tolerance, and acceptance that support the values of diversity.***

Disability Accommodation

UNC-CH supports all reasonable accommodations, including resources and services, for students with disabilities, chronic medical conditions, a temporary disability, or a pregnancy complication resulting in difficulties with accessing learning opportunities. All accommodations are coordinated through the UNC Office of Accessibility Resources & Services (ARS), <http://accessibility.unc.edu>; phone 919-962-8300, email accessibility@unc.edu. Students must document/register their need for accommodations with ARS before any accommodations can be implemented.

Course Evaluation

The Department of Health Policy and Management participates in the UNC-CH's online course evaluation system, enabled at the end of the semester by Scantron Class Climate. 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 course evaluation is an expectation, since providing constructive feedback is a professional obligation. Feedback is critical, moreover, to improving the quality of our courses, as well as for instructor assessment.
