



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

HPM 740
Health Care Financial Accounting
(Credit Hours: 2)
Department of Health Policy and Management
School of Public Health

Fall 2017 Syllabus
Class Location: MG 2306
Meeting Times: Mondays 3:35-5:30pm

Faculty: Paula H. Song, PhD
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Course TA: Miriam Aziz
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Office Hours:

Course Overview

This course introduces concepts of financial accounting to the non-accountant user of financial information. Basic accounting transactions, financial report preparation, concepts of accrual vs. cash accounting, not-for-profit health care accounting, and the analysis of health care organization financial reports. After completion of the course, students should have an operational knowledge of financial accounting concepts, vocabulary, the accounting cycle, and the ability to interpret and analyze financial statements. Students should have the ability to assess internal controls that help to ensure complete and accurate financial reporting at a high level.

Learning Objectives and HPM Competencies		
	<i>Course Learning Objective</i>	<i>Competencies</i>
1	Understand the fundamentals of accrual accounting, record basic financial transactions, and summarize transactions into financial statements	3. Analytical thinking 7. Financial skills
2	Identify and read the four basic financial statements of both for-profit and not-for-profit health care organizations	3. Analytical thinking 7. Financial skills
3	Analyze the financial statements of health care organizations using horizontal analysis, vertical analysis, and ratio analysis	3. Analytical thinking 7. Financial skills
4	Calculate and interpret liquidity ratios, profitability ratios, turnover ratios, and capital structure ratios to analyze the financial health of an organization	3. Analytical thinking 7. Financial skills 5. Communication skills 12. Innovative Thinking
5	Understand how financial information can be used for decision making in health care organizations	3. Analytical thinking 7. Financial skills
6	Understand the controls that are important for an entity to have at a high level to help to ensure complete and accurate financial reporting	3. Analytical thinking 7. Financial skills
7	Develop interpersonal and collaborative skills to work effectively with others towards a common goal	5. Communication skills 25. Team dynamics
8	Be prepared for more specialized and advanced studies (e.g., HPM 741, 742) in related areas.	3. Analytical thinking 7. Financial skills

Resources

Website

HPM 740 has its own website on Sakai (<http://sakai.unc.edu/portal>).

Text

William N. Zelman, Michael J. McCue, Noah D. Glick and Marci Thomas. *Financial Management of Health Care Organizations*, 4rd Edition, Jossey-Bass, 2015. ISBN-978-1-118-46656-8; ISBN-978-1-118-46659-9. (Selected chapters available through course reserves on Sakai)

Articles

A variety of articles will be distributed by the instructor throughout the course on the course website.

Web Sources

A variety of web sources are provided in the course website

Requirements and Expectations

Pre-Class Activities

Individuals should read and be prepared to discuss all of the assigned readings before class.

In-Class Activities

Each class session will be a combination of lecture and in-class group exercises. Most in-class group exercises will be directly related to the completion of the group financial analysis project.

After-Class Activities

Individuals should review notes and assigned readings, and complete individual exercises and group assignments before the scheduled due date.

Individual Exercises:

Individual exercises will be assigned weekly. These assignments will be in the form of on-line quizzes, brief (1-2 page) memos or evaluations, or short exercises. The individual exercises will follow class discussion and are designed to be completed prior to the next class session per the course schedule. They will provide you and me with an indication of how well you are meeting the learning objectives. Online quizzes can be taken at your convenience during the

week after class and prior to the next class meeting. They will be timed, however, they are open-book and open-note. They will consist of a combination of multiple choice and short-answer questions with minimal calculations. The lowest individual exercise score will be dropped.

Group Financial Analysis Project

There will be one major group project which will be completed by groups of 4-5 students. Groups will be assigned by the instructor. Groups will select a health care organization and perform a complete financial analysis. The project will allow you to apply the skills, tools, and concepts you are learning in class. Each group will be responsible for identifying a health care organization to conduct a financial analysis.

Each team will conduct their own financial analysis by answering all of the questions on the 8 group assignment exercises, as well as producing a 5 page report (exclusive of a 1 page Executive Summary; exclusive of any tables or appendices) detailing their financial analysis. More information on the group financial analysis will be provided on the course website.

Case Study

There will be one case study that will analyzed by groups of students. The case study will be administered in a “Mini-Case Competition” style. Each team will receive the case in class and will have 3 days to conduct a case analysis and develop a 5-7 slide powerpoint presentation. Based on the analysis and powerpoint slides, the instructor and TA will select the top 3 teams to advance to the final round and present their analysis to the class and the case authors (from Grant Thornton). Final round teams will be selected to advance based on the quality of the technical analysis, feasibility and innovativeness of recommendations. The judges (i.e. class) will vote on the best presentation. The 1st place team will receive 1 extra credit point to their overall course grade, 2nd place team will receive .5 extra credit points and 3rd place teams will receive .25 extra credit points. Grant Thornton will then debrief on the case.

Team Contribution and Participation

Team contribution is assessed by peer evaluations. The peer evaluation provides individuals and teams with feedback about their performance during the entire course and a numerical basis for assignment of individual grades for team contribution. Peer evaluation forms will be provided on the course website. Credit will be assigned for on-time completion of evaluation forms.

The instructor prepares a summary of the 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.

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.

Midterm & Final Examination

The midterms and final exam are both 1 hour 50 min in duration, in-class, open-book. The final exam covers the entire course. The exam consists of problems that are similar to the in-class problems, individual exercises, and group project. 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>
Group grade:	
7 Group Project Assignments	14%
Group Final Report & Presentation	11%
1 Case Analysis	5%
Subtotal	30%
Individual grade:	
10 Individual Short Assignments	30%
Team contribution and class participation	10%
Midterm Exam	15%
Final Exam	15%
Subtotal	70%
TOTAL	100%

Group Evaluation

7 Group Project Exercises evaluate whether teams can interpret and analyze financial statements of a healthcare organization.

Group Project Report and Presentation evaluate whether teams can analyze financial statements, perform calculations, and convey their analysis and recommendations in written and oral mediums.

1 Case Analysis evaluate whether teams can analyze financial statements to explain an organization's operations and inform strategic options.

Individual Evaluation

10 Individual Exercises evaluate whether individuals can explain theory and concepts of financial accounting and related topics. The lowest score of the individual exercises will be dropped in the final calculation of the course grade.

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

Midterm and Final examination evaluates whether individuals can interpret, explain, and apply what they have learned in the course to practical financial accounting 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, let your peers know in advance and make sure that you do your best to make up for it.

All assignments are due at the beginning of class on the specified dates, unless otherwise specified. Delays due to unforeseen events (e.g., serious illness, death in family, hardware/software failure, etc.) will be treated on a case-by-case basis by the instructor and will require documentation for the extenuating circumstance. You will be expected to take all exams at the scheduled time. If for some reason you feel that extenuating circumstances preclude you being able to take an exam on the scheduled date, you must make arrangements with the instructor ahead of time. Exceptions are extremely rare and will be considered on a case-by-case basis. Once you take an exam, it will be final. Under no circumstances will a student be able to retake a test or exam.

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 what is 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 difficult to define, no major section should look like it needs at least one more draft to clearly communicate.</p>
L	<p>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.</p>
F	<p>Below acceptable graduate level work.</p>

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 Services

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 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.
