



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

**HPM 740**  
**Health Care Financial Accounting**  
**(Credit Hours: 2)**

**Department of Health Policy and Management**  
**Gillings School of Global Public Health**  
**Fall 2018 Syllabus**

**Class Location:** Online

**Meeting Times:** Mondays 3:35 to 5:30 pm,  
McGavran-Greenberg PH-Rm 1305

**Course Objective**

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 entity financial reports. The course will also offer a discussion of internal control over financial reporting. This is an important component in helping to ensure that the financial statements are free from material misstatement due to fraud or error. 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 understand the role of internal control and governance and its importance in healthcare at a high level.

## **Course Learning Objectives and HPM Competencies**

<b>Course Learning Objective</b>	<b>Competencies</b>
Understand the fundamentals of accrual accounting, record basic financial transactions, and summarize transactions into financial statements	3. Analytical thinking 7. Financial skills
Identify and read the four basic financial statements of both for-profit and not-for-profit health care entities	3. Analytical thinking 7. Financial skills
Analyze the financial statements of health care entities using horizontal analysis, vertical analysis, and ratio analysis.	3. Analytical thinking 7. Financial skills
Calculate and interpret liquidity ratios, profitability ratios, turnover ratios, and capital structure ratios to analyze the financial health of an entity	3. Analytical thinking 7. Financial skills 5. Communication Skills 12. Innovative Thinking
Understand how financial information can be used for decision making in health care entities	3. Analytical thinking 7. Financial skills
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
Analyze models of governance structures, roles, and responsibilities as they apply to different organizational types	3. Analytical thinking 5. Communication Skills 12. Innovative thinking
Develop interpersonal and collaborative skills to work effectively with others toward a common goal	5. Communications skills 25. Team dynamics
Be prepared for more specialized and advanced studies (e.g., HPM 741, 742) in related areas	3. Analytical thinking 7. Financial skills

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### **Resources**

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#### *Website*

HPM 740 has its own website using Sakai software. (See <http://sakai.unc.edu>) This syllabus is on the website.

#### **Text and Readings**

##### **Required:**

1. The course textbook: 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.  
Chapters 2-4 (you can purchase the book or electronic scanned copies will be available in the library reserves for this course).

### **Articles**

The instructor may distribute articles during the semester. They can be found in the folder for the week on the Sakai website.

### **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. You will need this throughout your time in the program.

### **Web Sources**

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

- The Healthcare Financial Management Association: <http://www.hfma.org/>
- The Henry J. Kaiser Family Foundation: <http://www.kff.org>
- The Commonwealth Fund: <http://www.commonwealthfund.org/>
- Healthcare Finance News: <http://www.healthcarefinancenews.com/>
- IBIS World docs (these are available through the library)  
[https://auth.lib.unc.edu/ezproxy\\_auth.php?url=http://clients1.ibisworld.com/report/s/us/industry/overview.aspx?entid=1386](https://auth.lib.unc.edu/ezproxy_auth.php?url=http://clients1.ibisworld.com/report/s/us/industry/overview.aspx?entid=1386)
- Trustee Magazine <https://www.trusteemag.com/articles/1370-overcoming-10-barriers-to-effective-governance>

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

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### **Requirements and Expectations**

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**Students are required to attend scheduled classes including the ones that are residential and all Adobe Connect sessions which will be held online on Monday afternoon from 3:35 to 5:30 pm Eastern Standard Time. Class attendance is taken each week.**

Pre-work by students (individual assignment)

1. Review the topic for the week by doing the following (note that you are required to prepare in advance):

- Read the chapter
- Work the assigned problems in the book. This is an important step in understanding the material. (answers are up on Sakai for you to check your work)
- Prepare for any in-class activity by doing any additional assigned reading (see schedule)
- Participate in the group break-out sessions (when they are a part of class) as well as class discussions

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. You will have 2 exams on the material and if you do not do the work, it will show on the tests. The nature of this material is cumulative.

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.

**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.

**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 if needed.**

## **Assignments**

All assignments can be found on the course schedule with the instructions in the Sakai folder for the week.

## **Study Groups and End of Chapter Problems**

You will be assigned a study group for the purposes of turning in homework and other group assignments. It is your responsibility to participate in the group. Group evaluations will be considered as part of your participation grade. Those that do not participate may not include their names on the group assignment.

Problems at the end of each chapter have been assigned to help you learn the material. You will turn in selected problems with your study group. The answers to the other questions and problems will be available to you. The homework answers will be available to you after we have our class discussion.

In order to be successful in this class you will need to work the problems. If you have difficulty with the problems you should let me know so that I can help you. If you don't let me know I will assume that you understand the material. We will go over problems for each session in class.

## **Case – Write Up and Debrief**

The case will be a financial statement analysis group case on Cone Health. You will be given the materials in advance as a group assignment so that you have ample time to complete it. There will be a guide sheet with questions to be answered but you are also expected to put it in the form of a brief the write up represents 75% of the assignment grade but the other 25% will be participation in the debrief during class.

## **Governance– Write Up and Debrief**

Each group will write a 2-4 page paper and make a 10 minute presentation on a governance issue either noted in the class readings or other readings on the topic that the group may identify. Instructions can be found on Sakai.

## **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. **The exams are open note.** 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, if applicable. The final will be cumulative. The exams are to be done individually. You will sign an honor code statement that asserts that you completed all of the work yourself. The exams are constructed so that they should take no more than the allotted class time to complete.

### **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:

- Group Skills Development Pledge, Campus Instructional Consulting, Indiana University Bloomington, <http://www.iub.edu/~teaching/ourservices/assess/groupskills.shtml>
- 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)
- Forming-Storming-Norming-Performing, Wikipedia. <http://en.wikipedia.org/wiki/Forming-storming-norming-performing>
- Sholtes P, Joiner B, and Streibel, B, The Team Handbook, 3rd Edition, Oriel Incorporated, Waunakee, WI, 2003. ISBN 1-884731-26-0

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## **Evaluation Methods**

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### **Grade Components**

Grades will be based on the following point distribution:

<b>Component</b>	<b>Number of Assignments</b>	<b>Total % of Grade</b>
<b>Three group homework checks (group)</b> Group Exercises evaluate whether teams can interpret and analyze financial statements of a healthcare organization	3 (2.5% each)	7.5%
<b>Cone Health Analysis (group)</b> Group Exercise evaluates whether teams can interpret and analyze financial statements of a healthcare organization and communicate findings and recommendations	Group analysis	15%
<b>Exams (individual)</b> Midterm and Final examination evaluates whether individuals can interpret, explain, and apply what they have learned in the course to practical financial accounting problems.	2 (25% each)	50%
<b>Governance Report and Group Presentation (group)</b> Group Project Report and Presentation evaluate whether teams can perform research, synthesize what has been learned and convey their analysis and recommendations in written and oral mediums.	1	15%
<b>Discretionary (including attendance, contributions in class and peer evaluation) (individual)</b> Team contribution and individual performance and participation evaluates the extent to which individuals contribute to team performance and class discussion.	1	12.5%
<b>Total</b>		<b>100%</b>

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 assistant. **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	> 92
P	75 - 91
L	60 - 74
F	< 60

### **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 (average), regardless of your group 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. 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.**

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### **UNC Honor Code**

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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.

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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>).

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### **Additional Information on Giving and Receiving Help**

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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.* 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 through email.
  - b) Non-permissible communication includes, but is not limited to the following without the explicit permission of the professor.
    - 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): - Is it easy or hard? -What should I study? - Is this on the exam? - Do I have to do the homework assignment to answer the exam? - 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.
    - 5. Transmitting or receiving any other (general or specific) information about exam to or from anyone in the class other than the professor.

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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.

### **Student Accommodations:**

“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](mailto:accessibility@unc.edu). Students must document/register their need for accommodations with ARS before accommodations can be implemented.”