Course Overview

HPM 741 focuses on the application of key managerial accounting tools and concepts to management issues in health care. Topics include: full costing, cost behavior, incremental costing, activity-based costing, responsibility accounting, budgeting, and measuring and reporting performance. The course is case-based and focuses on both analytics and communication skills.

Learning Objectives, HPM Competencies and Assessment Methods

<table>
<thead>
<tr>
<th>Course Learning Objective</th>
<th>Competencies</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>By the time students finish this course, they should be able to...</em></td>
<td><em>Through this course, students will further develop the following knowledge, skills, and abilities...</em></td>
<td><em>This competency is assessed in the following course requirements...</em></td>
</tr>
<tr>
<td>Identify, define and discuss key healthcare management accounting concepts</td>
<td>Financial Skills</td>
<td>Cases 1-4, individual and team components</td>
</tr>
<tr>
<td>Apply fundamental healthcare management</td>
<td>Financial Skills, Analytical Thinking</td>
<td>Cases 1-4 team component;</td>
</tr>
</tbody>
</table>

Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.
accounting skills and knowledge to solve problems and make recommendations

| Prepare and present financial models on electronic spreadsheets in a clear, cogent manner | Financial Skills, Analytical Thinking, Communication Skills | Team case presentation; Cases 1-4, team components; Case peer evaluations |
| Achieve objectives 1 through 3, in part, by working effectively in a team of fellow students | Professionalism, Interpersonal awareness and emotional intelligence, accountability | Individual peer evaluations; reflections |

Resources

Website
HPM741 uses the Sakai course management system (http://sakai.unc.edu). This syllabus is on the website. Course materials including Power Point presentations, assignments and announcements will be posted periodically so you should check the website regularly. If you are having any problems using Sakai, please contact the UNC Helpdesk at 962-HELP or Nancy Beach at nbeach@email.unc.edu.

Text

Supplemental Readings
Supplemental readings are included periodically throughout the course. Citations for any supplemental readings are included in the course schedule for the class session to which they relate. All supplemental readings are available through the University Library e-reserves system. The link is posted on Sakai.

Web Sources
Several of the most useful general sources regarding healthcare financial management issues and policy-related concerns are provided below. Review of the websites is not required. The URLs are provided as a service.

- The Healthcare Financial Management Association: http://www.hfma.org. As a student, you may join AT NO COST.
- The American Hospital Association: http://www.aha.org
- The Medical Group Management Association: http://www.mgma.org
The Henry J. Kaiser Family Foundation: www.kff.org
The Commonwealth Fund: http://www.commonwealthfund.org/
Healthcare Finance news: http://www.healthcarefinancenews.com

EXCEL
All students completing an advanced healthcare financial management course are expected to be proficient in Excel. Yet, in a course like this, with many group assignments, there is a tendency to default to the group “expert” to create the spreadsheet. This may have the advantage of obtaining a higher grade, but comes with the major disadvantage of some class members not learning an important skill. **There are two ways to gain important Excel skills in this course. You may want to try them both.**

1. The participatory approach.
   Establish and follow these two rules in your group:
   • Before the group gets together to solve the case, each member must first turn in their own spreadsheet analysis to the group.
   • After the final group model is developed, the creator of that spreadsheet must walk all members through each of the “bells and whistles” so that the other members of the group can acquire those skills.

2. The individual approach.
   Use an individual tutorial:
   • As a student at UNC, you have access to Lynda.com (an on-line tutorial warehouse). In addition, I have found Google and YouTube to be valuable resources for learning EXCEL

Requirements and Expectations

**Attendance and Class Participation**
**Attendance is required for presentations and exams.** I do not take attendance on other days; however, class attendance and active participation are required for success in this course. The course will cover some material that is either not covered, or not sufficiently covered, in the text. Example problems will be presented in class that will aid in understanding various concepts. If you miss a class, you are responsible for getting notes from a classmate and following up with the instructor or the TA to go over anything you do not understand. Please have the following available during each class session:

- Your text
- Downloaded materials relevant to the session
- Materials you have handed in
- Your laptop

Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.
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.

**Assignments**

Your text is a case-based text; there are no problems at the end, just embedded problems and answers, and practice cases. You will work practice cases during class, individually or in groups, and we will go over the solutions together. Although not graded, I ask that you submit your solutions to Sakai so I know that you tried. Doing the practice cases is important preparation for exams.

Individual assignments consist of “pre-case” assignments that are designed to prepare you for the cases and assess your individual understanding of key concepts. These are described further under the sub-head “Cases”. **ASSIGNMENT DUE DATES AND TIMES ARE LISTED IN THE COURSE SCHEDULE.** You should turn in assignments using the appropriate link on the Sakai page. We will discuss certain assignments in class on the dates they are due. Others must be made available to discussants in advance to allow them to prepare; thus, **NO LATE ASSIGNMENTS WILL BE ACCEPTED except in cases of extreme circumstances (i.e., death in the family, you are hospitalized).**

**Exams**

There will be two exams in the course: a midterm and a final. For each exam you will be responsible for all material for the topics covered, including lectures and discussions, in-class activities, readings, handouts, and cases. The final will be cumulative; however, it will be more heavily weighted toward material covered after the midterm. The exams are to be done individually with no outside help. Any unauthorized collaboration on exams is considered a violation of the Honor Code.

**Cases**

There will be 4 required group cases in this course. Each of the four cases will have an individual pre-case assignment that must be completed individually by each person in the course prior to working on the group case. For each of the 4 group cases, groups will be assigned one of two roles. Groups assigned the first role (presenting groups) will present the results of their analysis. Groups assigned the second role (evaluating groups) will ask questions of the presenting groups, participate in case discussions, provide electronic feedback on the presentations, and provide a peer review of one other group’s case solution. Each of the groups in the course will be a presenting group on 1 case and an evaluating group on 3 cases. **All groups (presenting and evaluating) must submit their case solution for grading.** Further instructions are provided below.

**Presenting Groups:** Presenting groups are required to analyze the case, make a presentation from their Excel workbook (No PowerPoint), and answer questions from the evaluating group(s).
a. You are required to turn in your Excel worksheets (case solution) to Sakai by 9:00 a.m. on the Tuesday before the presentations. All members of the group must participate in the presentation. The distribution among group members should be approximately equal. All members of the team are responsible for understanding all elements of the case. You can divide and conquer, but you must make sure that, in the end, everyone is familiar with the key components of the case analysis and the model. Time Requirements: Presentations should be approximately 20 minutes.

b. You will be graded on both your presentation and your EXCEL model and related discussion. You will be judged on how well your spreadsheet is developed so that it can be used both as a communication tool and a working document (for example, can you change assumptions and see effects)?

c. Your presentation should be organized from general to specific. For example, begin with a statement of the problem and your conclusions and recommendations. Follow with a description of your approach, key assumptions, results & findings. Finally, discuss sensitivity analysis, detailed assumptions and calculations as necessary. You must present using your EXCEL file – no PowerPoint is allowed. This may be different from what you normally do in your place of work or the way you have been trained, but is required. To do this you will likely have to judiciously use multiple Excel worksheets or various functions available in EXCEL (hide/unhide; grouping; pivot tables; drop down boxes; if statements; etc.). Graphics and textboxes can also be very effective for communicating important information quickly. Be sure to view your presentation file from the audience perspective to make sure text and colors are formatted in a way that make them visible from a distance.

Evaluating Groups: Evaluating groups are required to analyze the case and turn in their Excel model and related discussion. All work (including discussion) is to be completed in EXCEL. Evaluating groups will also provide feedback to both of the presenting groups, and provide a peer review of one other group’s case solution. Feedback should address the content of the analysis, the reasonableness of assumptions, and the clarity of the presentation (oral and/or visual). An electronic survey form will be available in Sakai on the day of the presentations to allow you to provide feedback to the presenting groups. An evaluation form will also be provided for the peer reviews. Remember, you are helping your colleagues prepare for the workplace so feedback should be constructive and substantive. Comments like “great job”, while appreciated, are not detailed enough to be really helpful. Try to provide specific feedback on aspects of the case solution that were particularly strong, and areas where there was opportunity for improvement. As a general guideline, please do not say anything that you would not feel comfortable saying to the group in person. Your feedback should be constructive, but respectfully delivered.

a. Evaluating groups are required to turn in Excel worksheets (case solution) to Sakai by 9:00 a.m. on the Tuesday before the presentations. Because you will not have the chance to explain your thinking and analysis in a presentation, your case solution should be detailed enough to function as a stand-alone document. Your solution should include a statement of the problem, any relevant background, your conclusions and recommendations, documentation of your thinking, approach and critical assumptions, and
any necessary explanation of the model to allow a reasonably informed reader to follow it easily. Graphics may also be helpful for displaying key information. __All information must be provided in EXCEL. No supplemental word or powerpoint files are allowed.__

b. Evaluating groups will be graded on their submitted case solutions and their submission of high quality, completed peer review forms. Comments provided electronically to the presenting groups will remain anonymous. Groups will know which group is providing a peer review of their case solution; however, no comments will be attributed to individuals.

**Individual Peer Evaluations**

Participation is an important part of any graduate course, and a critical component of a case-based course such as this one. Following are the activities that will be reviewed to decide your participation grade:

A. Being prepared for class and group meetings  
B. Meaningful participation in group case work  
C. Being present during class sessions

Participation will be assessed using a midterm and a final individual peer evaluation. In each of these evaluations, you will be asked to review your own performance as well as the performance of each member of your team. Your individual peer evaluation grade will be based on the average of the evaluations you receive on your own performance from other members of your team. However, if you fail to turn in a peer evaluation of yourself and your team members, your grade for the peer evaluation will be a zero. Your colleagues deserve feedback from you, just as you deserve feedback from them.

**Reflections**

“[Reflection] involves stepping back from an event or experience to analyse it from different perspectives, with a view to improving future performance.” -The University of Manchester, Faculty of Humanities Study Skills Website. Available at: [http://www.humanities.manchester.ac.uk/studyskills/essentials/reflective_learning/reflective_learning.html](http://www.humanities.manchester.ac.uk/studyskills/essentials/reflective_learning/reflective_learning.html). Accessed: 08 January 2016.

Throughout the semester, you will be asked to submit six reflections. There are twelve possible weeks, so you can choose which six weeks work best for you. These reflections are short “diaries” of key events, experiences or concepts learned and your reactions to them. Each reflection should be no more than half a page and should be based on the following guidelines:

1. Provide a brief description of an event, experience, or concept related to this course that you found meaningful during the week. This could be an interaction with a fellow student or team member; an observation about your learning style or study habits; an experience trying to learn a new concept; or a concept itself that you found particularly challenging or meaningful – really, anything that you feel you can learn from.
2. Think about your initial reactions to the event, experience or concept. What did you think, feel, or believe?
3. Provide a brief account of the actions you took in response to the event, experience or concept. What did you do? How did you behave? What approach did you take?
4. Reflect on the event or experience, and your subsequent actions or reactions, and provide a brief description of what you learned. What did you do well? What would you do differently? What approaches worked? What didn’t work? How might you use or apply this information going forward?

**Communication**
The easiest way to communicate with me or the TA is through email. For everything else course-related (announcements, posting of assignments, submitting assignments, discussion forums, group work, etc.) please use the course site on Sakai. http://sakai.unc.edu/. As a matter of protocol, please address questions to TA first. You are much more likely to get a quick response

**Cell Phones and Laptops**
Turn off cell phones in class and during exams. Laptops may be used in class only for taking notes, completing in-class activities, and for looking up information relevant to the topic being discussed.

**Other**

**Missed Work**
All assignments are due promptly on the due date. Late assignments will not be accepted except in cases of extreme circumstances (e.g., death in the family, serious illness). If you miss a significant assignment, such as a case, due to extreme circumstances, your grade may be determined based on reweighting of other assignments and/or exams at the discretion of the instructor. **Assignments which are to be submitted electronically will not be considered to be “turned in” until they have been submitted in the appropriate assignment “drop-box” in Sakai and labeled according to the directions.** Emailed submissions are not considered to be turned in.

**Using or Posting Course Materials to Outside Websites**
Posting course materials to websites such as CourseHero is a violation of the Honor Code of the University of North Carolina. Similarly, use of course materials posted to websites such as CourseHero is considered unauthorized assistance and is also a violation of the Honor Code.
Evaluation Method

**Grade Components**
Grades will be based on the following point distribution:

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percent Each</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Midterm Exam</td>
<td>1</td>
<td>20.0</td>
<td>20</td>
</tr>
<tr>
<td>Final Exam</td>
<td>1</td>
<td>20.0</td>
<td>20</td>
</tr>
<tr>
<td>Pre-case Activities</td>
<td>4</td>
<td>3.0</td>
<td>12</td>
</tr>
<tr>
<td>Weekly Reflections</td>
<td>6</td>
<td>0.5</td>
<td>3</td>
</tr>
<tr>
<td>Individual Peer Evaluations*</td>
<td>2</td>
<td>2.5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Individual</strong></td>
<td></td>
<td></td>
<td>60</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presenting Group Case Solution/Presentation</td>
<td>1</td>
<td>10.0</td>
<td>10</td>
</tr>
<tr>
<td>Evaluating Group Case Solution</td>
<td>3</td>
<td>8.0</td>
<td>24</td>
</tr>
<tr>
<td>Case Peer Evaluations</td>
<td>3</td>
<td>2.0</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td></td>
<td></td>
<td>40</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>100</td>
</tr>
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</table>

*Your individual peer evaluation grade will be based on the average of the evaluations you receive on your own performance from other members of your team. However, if you fail to turn in a peer evaluation of yourself and your team members, your grade for the peer evaluation will be a zero. Your colleagues deserve feedback from you, just as you deserve feedback from them.

The following scale will be used to convert points to class grades:**

- H 92 and above
- P 75 to 91
- L 60 to 74
- F 59 and below

**Please note that in order to receive a P or H in the course, your grades on your individual work must average at least 75%. In other words, your team cannot pull you up from a grade of L or F. You must demonstrate sufficient mastery of the material yourself. No questions regarding any grades will be addressed more than one week after the graded assignments have been returned.

Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.
Evaluation Criteria

- Individual performance will be based on the exams, pre-case activities, reflections, and peer evaluations using the above scale. Performance on individual pre-case assignments will be based on meeting the criteria stated in the assignments, using the above scale.
- Performance on group cases will be based on the group’s score in meeting the criteria stated in the assignments, using the above scale.
- Performance on the reflections will be based on meeting the criteria stated in the syllabus.
- Performance on peer evaluations of group cases will be based on the group’s score awarded for providing meaningful and constructive feedback, using the above scale. Peer evaluations of cases are expected to be thorough and rigorous. Feedback should include both areas of strength as well as opportunities for improvement. All feedback should be delivered in a respectful manner.

<table>
<thead>
<tr>
<th>Description</th>
<th>H</th>
<th>P</th>
<th>L</th>
</tr>
</thead>
<tbody>
<tr>
<td>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, be 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 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. The numerical analysis 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 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.</td>
<td>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 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, charts 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.</td>
<td>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...</td>
<td></td>
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</tbody>
</table>

Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.
deficiencies in several of the following areas: recognizing and addressing key points, identification and use of appropriate analytical tools, calculation and interpretation, or ability to clearly communicate through the use of prose, tables and graphics.

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](http://instrument.unc.edu)).

**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.
If at any time you feel that I, as the instructor am, or anything about this course is failing to meet your expectations with regard to diversity and inclusion, please reach out to me or the TA either in person or anonymously (e.g., a note under my door) to let us know. This is a partnership and I hope you will feel empowered to tell us if there are things that need to be improved. I am Safe Zone trained.

**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](http://accessibility.unc.edu); phone 919-962-8300 or email accessibility@unc.edu. **Students must document/register their need for accommodations with ARS before any accommodations can be implemented.**

**Course Evaluation**

HPM participates in the UNC-CH’s online course evaluation system, enabled at the end of each 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.
# HPM 741

**Management Accounting for Health Care Administrators**  
*Department of Health Policy and Management*  
School of Public Health

## CLASS SCHEDULE

<table>
<thead>
<tr>
<th>Session1.1</th>
<th>10Jan</th>
<th>Course Overview and Introduction; The Role of Management Accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale:</strong></td>
<td></td>
<td><em>This session provides an overview of course content and describes how the course is structured and operates. This session also introduces the field of management accounting and its importance to health care management.</em></td>
</tr>
</tbody>
</table>
| **Session Learning Objectives:** | | • Know what the course will cover  
• Know how the course is structured, including its website, readings, exams, cases and group presentations  
• Know what is expected of students  
• Be able to articulate the importance of and role of management accounting in health care management |
| **Key Concepts:** | | • Cost  
• Cost drivers  
• Value |
| **Readings / Preparation:** | | Syllabus and Schedule  
Read Chapter 1 in Young, Management Accounting in Health Care Organizations, 3rd Edition  
Read Kaplan RS and ME Porter. 2011. *How to Solve the Cost Crisis in Health Care*. Harvard Business Review. September. Pages 46-50 ONLY (stop when you get to the section heading “Costing the Patient: A Simple Example”. We will finish the article later in the course. |
| **In-class Activity:** | | Team Charter Development; Cost Discussion  
Practice Case: Central Valley Primary Care Associates (if time permits) |
| **Deliverable:** | | Team Charter due to Sakai by 12:05 pm, January 10th (i.e., by the end of this class). |

*Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.*
<table>
<thead>
<tr>
<th>Session 1.2</th>
<th>17Jan</th>
<th>Full Cost Accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale:</strong></td>
<td><strong>This session provides an in-depth discussion of full-cost accounting concepts including the rationale, uses, vocabulary and methods of full-cost accounting.</strong></td>
<td></td>
</tr>
</tbody>
</table>
| **Session Learning Objectives:** | • Understand the rationale for and potential uses of full-cost accounting  
• Define and correctly apply full-cost accounting vocabulary  
• Conduct a step-down cost allocation to determine the full cost of services  
• Evaluate a current service pricing scheme using full-cost accounting data and use this information to formulate two alternative pricing solutions |
| **Key Concepts:** | • Full cost  
• Cost object  
• Cost center  
• Direct and indirect costs  
• Overhead  
• Service and mission centers  
• Allocation basis  
• Allocation rate  
• Direct and step-down cost allocation |
| **Readings/Preparation:** | Read Chapter 2 and Appendix 2B in Young, *Management Accounting in Health Care Organizations*  
Read Practice Case Mossy Bog Laboratories  
Read Case 1: Harbor City Community Center |
| **In-class Activity:** | Practice Case: Mossy Bog Laboratories  
Practice Problem: Wellspring Community Hospital |
| **Deliverable:** | **Reflection Due by 9:00 am Wednesday, January 17th** |

<table>
<thead>
<tr>
<th>Session 1.3</th>
<th>24Jan</th>
<th>Cost Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale:</strong></td>
<td><strong>This session provides an in-depth discussion of cost behavior in relationship to volume, and the use of cost-volume profit analysis</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.*
| Session Learning Objectives: | • Define, identify and estimate fixed, variable, step-function, and semi-variable costs  
• Prepare single and multi-product cost-volume-profit analyses and apply them to decision-making  
• Prepare a contribution income statement and apply it to decision-making  
• Discuss the effects of product mix on cost-volume-profit analysis |
|---|---|
| Key Concepts: | • Fixed, variable, step-function and semi-variable costs  
• Unit contribution margin  
• Contribution income statement  
• Cost-volume-profit analysis |
| Readings/Preparation: | Read Chapter 3 in Young, Management Accounting in Health Care Organizations  
Read Practice Case: Huntington Hospital in Young, Management Accounting in Health Care Organizations  
Read Practice Case: Jiao Tong Hospital in Young, Management Accounting in Health Care Organizations |
| In-class Activity: | Practice Case: Huntington Hospital  
Practice Case: Jiao Tong Hospital  
Discuss Harbor City Community Center Pre-Case Solution |
<table>
<thead>
<tr>
<th>Deliverable:</th>
<th>Harbor City Community Center Individual Pre-Case Activity due to Sakai by 9:00 am Wednesday, January 24th</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reflection Due by 9:00 am Wednesday, January 24th</td>
</tr>
<tr>
<td>Session 1.4</td>
<td>31Jan</td>
</tr>
<tr>
<td></td>
<td>Differential Costing</td>
</tr>
</tbody>
</table>

**Rationale:**
This session provides an in-depth discussion of the distinction between full costs and differential costs and when each should be used.

**Session Learning Objectives:**
- Compare and contrast full costs and differential costs
- Correctly use differential costs versus full costs for decision making
- Understand the role of sunk costs in alternative choice decision making
- Understand the role of allocated overhead in alternative choice decision making

**Key Concepts:**
- Differential cost
- Sunk cost
- The strategic perspective
- Contribution
- Allocated overhead and its effect on alternative choice decision making
- Non-quantitative considerations in alternative choice decision making

**Readings/Preparation:**
Read Chapter 4 in Young, *Management Accounting in Health Care Organizations*


Read Practice Case: Narcolarm, Inc. in Young, *Management Accounting in Health Care Organizations*

**In-Class Activities:**
Practice Case: Narcolarm, Inc.

Group time to work on Case 1: Harbor City Community Center (time permitting)
<table>
<thead>
<tr>
<th>Deliverable:</th>
<th>Reflection Due by 9:00 am Wednesday, January 31st</th>
</tr>
</thead>
<tbody>
<tr>
<td>Session 1.5</td>
<td>07Feb Harbor City Community Center Case Presentations, Discussion and Feedback</td>
</tr>
<tr>
<td>Readings/ Preparation:</td>
<td>Review your case solutions</td>
</tr>
<tr>
<td></td>
<td>Read Case 2: Boston University Medical Center Hospital</td>
</tr>
<tr>
<td>In-Class Activities:</td>
<td><strong>Harbor City Community Center Final Case Presentations</strong></td>
</tr>
<tr>
<td></td>
<td>Peer Reviews of Harbor City Community Center Case Solutions</td>
</tr>
<tr>
<td></td>
<td>Time to work on Boston University Medical Center Hospital Individual Pre-Case Activity (Time Permitting)</td>
</tr>
<tr>
<td>Deliverables:</td>
<td><strong>Case 1: Harbor City Community Center Final Group Case Solution due to Sakai by 9:00 am, Tuesday, February 6th</strong></td>
</tr>
<tr>
<td></td>
<td>Peer reviews of Case 1: Harbor City Community Center due to Sakai by 12:05 pm, Wednesday, February 7th</td>
</tr>
<tr>
<td></td>
<td>Reflection due by 9:00 am Wednesday, February 7th</td>
</tr>
<tr>
<td>Session 1.6</td>
<td>14Feb Activity-Based Costing</td>
</tr>
<tr>
<td>Rationale:</td>
<td><em>This session provides an in-depth discussion of activity-based costing including cost-drivers and types of activities comprising an activity-based costing system.</em></td>
</tr>
<tr>
<td>Session Learning Objectives:</td>
<td>• Understand and be able to apply cost drivers in an activity-based costing system</td>
</tr>
<tr>
<td></td>
<td>• Discuss the uses and advantages of activity-based costing as compared to traditional costing systems</td>
</tr>
<tr>
<td>Key Concepts:</td>
<td>• Activity-based costing</td>
</tr>
<tr>
<td></td>
<td>• Cost driver</td>
</tr>
<tr>
<td></td>
<td>• Product diversity</td>
</tr>
<tr>
<td></td>
<td>• Relative cost factor</td>
</tr>
<tr>
<td></td>
<td>• Volume diversity</td>
</tr>
<tr>
<td></td>
<td>• Time-driven activity-based costing</td>
</tr>
</tbody>
</table>

*Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.*
| Readings / Preparation: | Read Chapter 5 in Young, *Management Accounting in Health Care Organizations*  
Read Practice Case: Lincoln Dietary Department in Young, *Management Accounting in Health Care Organizations*  
Read Practice Case: Owen Hospital in Young, *Management Accounting in Health Care Organizations* |
| In-class Activities: | Discuss Boston University Medical Center Pre-Case Solution  
Practice Case A: Lincoln Dietary Department  
Practice Case B: Owen Hospital |
| Deliverable: | **Boston University Medical Center Individual Pre-Case Activity due to Sakai by 9:00 am Wednesday, February 14th**  
**Reflection due by 9:00 am Wednesday, February 14th** |
| Session 1.7 | 21Feb  
Responsibility Accounting and Designing a Responsibility Accounting Structure |
| Rationale: | *This session provides an overview of responsibility accounting and an in-depth discussion of responsibility accounting structure design as it relates to incentives, effectiveness and employee motivation* |
| Session Learning Objectives: | • Understand the relationship between cost accounting and responsibility accounting  
| | • Define different types of responsibility centers and know the basis for choosing among them  
| | • Discuss the phases of the management control process  
| | • Understand the relationship between the responsibility accounting structure and managers’ incentives  
| | • Define and apply transfer prices in a responsibility accounting system  
| | • Design a responsibility accounting structure to optimize performance, incentives and motivation  

| Key Concepts: | • Discretionary expense center  
| | • Standard expense center  
| | • Investment center  
| | • Profit Center  
| | • Responsibility center  
| | • Transfer price  
| | • Goal congruence  
| | • Fairness  

| Readings/Preparation: | Read Chapters 6 and 7 in Young, Management Accounting in Health Care Organizations  
| | Read Practice Case: Akron Public Health Department in Young, Management Accounting in Health Care Organizations  
| | Read Practice Case: Valley Hospital in Young, Management Accounting in Health Care Organizations  

| In-class Activities: | Practice Case: Akron Public Health Department  
| | Practice Case: Valley Hospital  
| | Group time to work on Case 2: Boston University Medical Center Hospital (time permitting)  

| Deliverable: | **Reflection due by 9:00 am Wednesday, February 21st**
<table>
<thead>
<tr>
<th>Session 1.8</th>
<th>28Feb</th>
<th>Boston University Medical Center Case Presentations, Discussion and Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Readings/ Preparation:</td>
<td></td>
<td>Review your case solutions</td>
</tr>
<tr>
<td>In-Class Activities:</td>
<td></td>
<td>Boston University Medical Center Final Case Presentations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Peer Reviews of Boston University Medical Center Case Solutions</td>
</tr>
<tr>
<td>Deliverables:</td>
<td></td>
<td>Case 2: Boston University Medical Center Final Group Case Solution due to Sakai by 9:00 am, Tuesday, February 27th</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Peer reviews of Case 2: Boston University Medical Center due to Sakai by 12:05 pm, Wednesday, February 28th</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reflection due by 9:00 am Wednesday, February 28th</td>
</tr>
<tr>
<td>Session 1.9</td>
<td>07Mar</td>
<td>MIDTERM EXAM 1 (in-class)</td>
</tr>
<tr>
<td>Rationale:</td>
<td></td>
<td>Exams require students to demonstrate basic knowledge and comprehension, to apply concepts to specific problems, and to analyze how different concepts apply to real-world situations.</td>
</tr>
<tr>
<td>Deliverable:</td>
<td></td>
<td>Midterm Individual Peer Evaluations (of yourself and your team members) due to Sakai by 9 a.m. Wednesday, March 7th</td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
<td>The midterm exam is in-class, closed book, and may consist of multiple choice, true-false, short answer, problems, and/or brief essay questions. The exam covers material from required readings, lectures, cases, in-class exercises, and in-class discussions. The midterm covers topics from Young Chapters 1, 2, 3, 4, 5, and 6.</td>
</tr>
<tr>
<td>Session 1.10</td>
<td>14Mar</td>
<td>SPRING BREAK – NO CLASS</td>
</tr>
<tr>
<td>Session 1.11</td>
<td>21Mar</td>
<td>Time Value of Money and Programming</td>
</tr>
<tr>
<td>Rationale:</td>
<td></td>
<td>This session provides a discussion of long-range planning and budgeting, often referred to as capital budgeting. In addition, the session will cover basic time value of money concepts.</td>
</tr>
</tbody>
</table>
## Session Learning Objectives:

- Define payback period, net present value and internal rate of return and discuss their strengths, weaknesses and role in capital budgeting
- Conduct payback, net present value and internal rate of return analyses and apply the results to decision-making
- Explain the issues involved in choosing a discount rate for capital projects and calculate a weighted average cost of capital
- Analyze the effect of taxes and accelerated depreciation on capital investment decisions
- Explain the importance of qualitative considerations in capital budgeting
- Evaluate and interpret quantitative and qualitative analyses to make a recommendation in a capital investment decision

## Key Concepts:

- Discount rate
- Weighted Average Cost of Capital
- Payback period
- Net present value
- Internal rate of return

## Readings/Preparation:

- Read Chapter 8 in Young, *Management Accounting in Health Care Organizations*
- Read Practice Case: Erie Hospital in Young, *Management Accounting in Health Care Organizations*
- Read Case 3. Green Valley Medical Center

## In-class Activities:

- Practice Exercises – Time Value Analysis
- Practice Case: Erie Hospital

## Deliverable:

**Reflection due by 9:00 am Wednesday, March 21st**

<table>
<thead>
<tr>
<th>Session 1.12</th>
<th>28Mar</th>
<th>ACHE Congress – NO CLASS due to high attendance by MHA students (Optional Review)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Session 1.13</td>
<td>04Apr</td>
<td>Operational Budgeting</td>
</tr>
</tbody>
</table>

## Rationale:

This session provides an in-depth discussion of the operational budgeting process.
### Session Learning Objectives:
- Understand the environment in which budgeting takes place
- Explain the effects of organizational context on the budgeting process
- Formulate a budget and use the results to make operational decisions

### Key Concepts:
- Budget drivers
- Budget formulation
- Top down versus bottom up budgeting
- Incremental versus zero-based budgeting
- Across the board versus selective budget reductions

### Readings/Preparation:
Read Chapter 9 in Young, *Management Accounting in Health Care Organizations*


Read Practice Case: Los Reyes Hospital in Young, *Management Accounting in Health Care Organizations*

### In-class Activities:
- Discuss Case 3: Green Valley Medical Center Pre-Case Activity
- Practice Case: Los Reyes Hospital
- Practice Exercise: Mother-Baby Project

### Deliverable:
- **Green Valley Medical Center Individual Pre-Case Activity due to Sakai by 9:00 am on Wednesday, April 4th**
- **Reflection due by 9:00 am on Wednesday, April 4th**

### Session 1.14 11Apr
- Green Valley Medical Center Case Presentations, Discussion and Feedback

### Readings/Preparation:
Review your case solutions

### In-Class Activities:
- **Green Valley Medical Center Final Case Presentations**
- Peer Reviews of Green Valley Medical Center Case Solutions

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*Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.*

HPM 741

Spring 2018

Prof. Kristin Reiter

UNC-Chapel Hill
Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.
| Deliverable:                        | Southern State Health System Individual pre-case activity due to Sakai by 9:00 am, Wednesday, April 18th
|                                 | Reflection due by 9:00 am on Wednesday, April 18th |
| Session 1.16                       | 25Apr            | Southern State Health System Case Presentations, Discussion and Feedback |
| Readings/Preparation:              | Review your case solutions |
| In-Class Activities:               | **Southern State Health System Final Case Presentations** |
|                                  | Peer Reviews of Southern State Health System case solutions |
|                                  | Course evaluations |
| Deliverables:                     | **Case 4: Southern State Health System Final Group Case Solution due to Sakai by 9:00 am, Tuesday, April 24th** |
|                                  | **Peer reviews of Case 4: Southern State Health System due to Sakai by 12:05 pm, Wednesday, April 25th** |
|                                  | **Reflection due by 9:00 am on Wednesday, April 25th** |
|                                  | **Final Individual Peer Evaluations due to Sakai by 9 a.m. Wednesday, April 25th** |
| Session 1.17                      | 07May            | Final Exam (8:00 am - 11:00 am per registrar’s schedule – location is 2306 McGavran-Greenberg Hall. |
| Rationale:                        | *Exams require students to demonstrate basic knowledge and comprehension, to apply concepts to specific problems, and to analyze how different concepts apply to real-world situations.* |
| Comments:                         | The final exam is in-class, closed book, and may consist of multiple choice, true-false, short answer, problems, and/or brief essay questions. The exam covers material from required readings, lectures, cases, in-class exercises, and in-class discussions. The final exam covers Young Chapters 1, 2, 3, 4, 5, 6, 7, 8, 9 and 11, but will be weighted more heavily toward material covered after the midterm exam. |

*Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.*
### Summary of Significant Dates:

#### CASE 1: HARBOR CITY COMMUNITY CENTER
- **Wednesday, January 24th**
  - Harbor City Individual Pre-Case Assignment Due to Sakai by 9 a.m.
- **Tuesday, February 6th**
  - Harbor City Group Case Solution Due to Sakai by 9 a.m.
- **Wednesday, February 7th**
  - Harbor City Group Case Presentations in Class
    - Teams 1 and 2 Present
    - Remaining Groups Evaluate
- **Wednesday, February 7th**
  - Peer Reviews of Harbor City due to Sakai by 12:05 pm
    - Case Peer Review Pairs
    - Teams 3 and 4 review each other’s cases
    - Teams 5 and 6 review each other’s cases
    - Teams 7 and 8 review each other’s cases

#### CASE 2: BOSTON UNIVERSITY MEDICAL CENTER
- **Wednesday, February 14th**
  - Boston University Medical Center Individual Pre-Case Assignment Due to Sakai by 9 a.m.
- **Tuesday, February 27th**
  - Boston University Medical Center Group Case Solution Due to Sakai by 9 a.m.
- **Wednesday, February 28th**
  - Boston University Medical Center Group Case Presentations in Class
    - Teams 3 and 4 Present
    - Remaining Groups Evaluate
- **Wednesday, February 28th**
  - Peer Reviews of Boston University Medical Center due to Sakai by 12:05 pm
    - Case Peer Review Pairs
    - Teams 1 and 2 review each other’s cases
    - Teams 5 and 6 review each other’s cases
    - Teams 7 and 8 review each other’s cases

#### CASE 3: GREEN VALLEY MEDICAL CENTER
- **Wednesday, March 7th**
  - INDIVIDUAL MIDTERM EXAM, in class, closed book
  - Midterm Peer Evaluations (of yourself and your team members)
    - Due to Sakai by 9:00 a.m.
- **Wednesday, March 14th**
  - Spring Break, No class
- **Wednesday, March 28th**
  - ACHE Congress, No class

### Additional Dates

- **Wednesday, March 7th**
  - HPM 741
  - Spring 2018
  - Prof. Kristin Reiter
  - UNC-Chapel Hill

*Any necessary changes to the course schedule will be announced in class and posted on Sakai in a revised syllabus.*
Teams 5 and 6 present
Remaining Groups Evaluate

Wednesday, April 11th

Peer Reviews of Green Valley due to Sakai by 12:05 pm
Case Peer Review Pairs
Teams 1 and 4 review each other’s cases
Teams 2 and 7 review each other’s cases
Teams 3 and 8 review each other’s cases

CASE 4: SOUTHERN STATE HEALTH SYSTEM

Wednesday, April 18th
Southern State Health System Individual Pre-Case Assignment
Due to Sakai by 9 a.m.

Tuesday, April 24th
Southern State Group Case Solution Due to Sakai by 9 a.m.

Wednesday, April 25th
Southern State Group Case Presentations in Class
Teams 7 and 8 present
Remaining Groups Evaluate

Wednesday, April 25th
Peer Reviews of Southern State due to Sakai by 12:05 pm
Case Peer Review Pairs
Teams 1 and 6 review each other’s cases
Teams 2 and 3 review each other’s cases
Teams 4 and 5 review each other’s cases

Wednesday, April 25th
Final Individual Peer Evaluations (of yourself and your team members)
Due to Sakai by 9 a.m.

Monday, May 7th
INDIVIDUAL FINAL EXAM, 8:00 – 11:00 am, in-class, closed book. Please note location is 2306 McGavran-Greenberg.

Six reflections are due over the course of the semester. A reflection on the previous week’s activities may be turned in at the beginning of any six class sessions during the semester (to Sakai by 9:00 am).