

**University of Florida**  
**College of Public Health & Health Professions Syllabus**  
**HSA 6177: Healthcare Finance (3)**  
Fall: 2014  
Delivery Format: On-Campus

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### **Prerequisites**

This course follows the MHA core, so students are expected to have a basic understanding of the health services system, organizations, and management (HSA 6114 and 6115); health economics and the insurance system (HSA 6436 and 6126); healthcare finance fundamentals (HSA 5174); and statistical methods and operations management (PHC 6050 and HSA 6196). In addition, students are expected to have graduate level competencies in PowerPoint, Excel, and report writing.

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### **PURPOSE AND OUTCOME**

#### **Course Overview**

This course focuses on the application of finance (accounting and financial management) theory, principles, and concepts to healthcare organizations.

#### **Relationship to Program Outcomes**

This course is designed to provide students with the financial tools needed by healthcare managers to make better financial, strategic, and operational decisions.

## Course Objectives and/or Goals

<b>Course Objective</b> Upon successful completion of this course, students will be able to:	<b>Assessment (Case Number)</b>	<b>PC #</b>	<b>Program Competency (PC)</b>
Evaluate outsourcing opportunities and select the proper course of action	22	BAT-2	Assess multiple dimensions of financial performance to measure and improve the financial viability of provider organizations.
Assess an organization's financial performance	1		
Formulate and defend pay for performance programs	11		
Assess capital investment proposals	20		
Evaluate and choose between lease and conventional financing	17		
Evaluate revenue cycle effectiveness and recommend improvements	30	BAT-3	Evaluate clinical and organizational performance using statistical and operations management techniques and procedures.
Evaluate the financial impact of using physician extenders and propose appropriate utilization	26		
Apply spreadsheet modeling skills	All		
Apply marginal cost pricing concepts	9	BAT-4	Apply general and health economics concepts to the analyses of pricing, service demand, and risk.
Perform breakeven analysis and propose a course of action	6		
Propose strategic and operational changes based upon a financial performance analysis		HOP-1	Propose, develop, and implement strategic approaches based on statistical and quantitative evaluations of clinical, financial, and organizational performance.
Analyze the financial attractiveness of a joint venture proposal and revise as necessary	24		
Evaluate outsourcing opportunities and select the proper course of action	22		
Build on team strengths and weaknesses to perform up to highest potential	All	LP-2	Articulate the criteria to assemble a team with balanced capabilities and utilization of effective group processes to hold team members accountable individually and collectively for results.
Apply oral communication skills	All Presentations	LP-3	Apply effective and appropriate oral and written and communications vehicles.
Apply written communication skills	All Write-ups		
Recognize and properly respond to finance-related ethical issues	Ethic Case Presentation	LP-6	Model professional values and ethics.

## Instructional Methods

This course uses cases to review, extend, and reinforce the concepts presented in the first finance course. Most of the learning will occur as you and your fellow team members grapple with the quantitative and qualitative factors that underlie a sound analysis and course of action. The value of this course is directly related to the effort that you put into your work, including both team and class participation.

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## DESCRIPTION OF COURSE CONTENT

### Topical Outline

Case No.	Presenting Team	Name	Topic
6	A	Tulsa Memorial Hospital	Break-Even Analysis
11	B	Orlando Family Physicians	Pay for Performance
20	C	Coral Bay Hospital	Traditional Project Analysis
22	D	Northwest Suburban Health System	Outsourcing Decisions
24	E	Beachside Health Partners	Joint Venture Analysis
9	A	Cambridge Transplant Center	Marginal Cost Pricing Analysis
26	B	Shasta Faculty Practice	Physician Extender Analysis
30	C	Milwaukee Regional Health System	Revenue Cycle Management
17	D	Seattle Cancer Center	Leasing Decisions
1	E	River Community Hospital (A)	Assessing Hospital Performance

## Course Schedule

Week	Date(s)	Topic(s)
1	Aug 27	Introduction
2	Sep 3	Case 6 (Team A) (Guest evaluation by Laura Gruber, UF College of Medicine)
3	10	Case 11 (Team B) (Guest evaluation by Les Jebson, The Diabetes Institute, UF Health)
4	17	Case 20 (Team C) (Guest evaluation by Joe Lightfoot, UF Department of Medicine)
5	24	Case 22 (Team D) (Guest evaluation by Dawn Watkins, UF Health Shands)
6	Oct 1	Case 24 (Team E) (Guest evaluation by Lonn McDowell, UF College of Medicine)
7	8	TBA
8	15	Case 9 (Team A) (Guest evaluation by Stephan Moore, UF Health/Shands Transplant Center)
9	22	Case 26 (Team B) (Guest evaluation by Jake McKelvy, Florida Hospital Centra Care)
10	29	Case 30 (Team C) (Guest evaluation by Chuck Behl, UF College of Medicine)
11	Nov 5	Case 17 (Team D) (Guest evaluation by Andy Harris, GE Capital)
12	12	Case 1 (Team E) (Guest evaluation by AJ Dunn, Mayo Clinic)
13	19	Ethics Cases (Teams A, B, C, D, and E)
14	26	Holiday (Thanksgiving)
15	Dec 3	Final Examination (if necessary)

## Course Materials and Technology

### **Materials**

Gapenski, *Cases in Healthcare Finance*, 5<sup>th</sup> Ed., AUPHA Press/Health Administration Press, 2014. (Required)

Gapenski, *Healthcare Finance: An Introduction to Accounting and Financial Management*, 5<sup>th</sup> Ed., 2012. (Recommended)

Gapenski and Pink, *Understanding Health Care Financial Management*, 6<sup>th</sup> Ed., AUPHA Press/Health Administration Press, 2011. (Optional for greater depth of financial management coverage)

### ***Technology – Presentation Software***

Professional presentations must have a professional appearance. Use of PowerPoint (or other presentation software) is mandatory. Note, however, that slides should not be used to present large amounts of data. Rather, handouts are best for this purpose.

### ***Technology – Spreadsheet Software***

All cases require spreadsheet analysis. However, a complete base case model with input values (colored red) set to zero is available to ease the modeling effort. When students replace the zeroed values with the appropriate input data, the model will automatically calculate the base case solution. The models provided **do not** contain any risk analyses or graphics (charts), and, in most cases, students will want to change or extend the analysis, so some modeling typically is required. Although spreadsheet analysis is an important element of this course, the primary emphasis should be, and is, on **financial decision making**.

Case models are obtained from the Health Administration Press website at [www.ache.org/books/financecases5](http://www.ache.org/books/financecases5). Then click on **Student Spreadsheets** and the case numbers will appear.

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## **ACADEMIC REQUIREMENTS AND GRADING**

### **Assignments**

There are 10 healthcare finance cases in the course. Students will be divided into 5 teams of 3-4 students each. One team will be assigned to present each case, so each team will present 2 cases. Presenting teams are **not required** to produce separate written reports. Each non-presenting team will prepare a **written report** on each case, so each team will prepare 8 written reports. For more information on working cases, see the *Preface for Students* in the assigned casebook. Also, note that the cases are designed specifically to complement the textbook material, so **do not try to work the cases without first reading (and understanding) the applicable text chapter(s)**.

### ***Finance Case Presentations***

Each team presentation should last about 30 minutes, excluding discussion. Presenting teams should assume that their audience is the firm's board of directors (or trustees), and that the **presentation goal is to recommend a course of action for board approval**. Presentations should be of high quality and should **not** assume that board members are familiar with the particular decision methodology being used, **so presentations should be very tutorial in nature (unlike most actual board presentations)**.

Presentations must be logically organized. One possibility is as follows:

**Introduction/Executive Summary** (background, goals, approach, and recommendations), **Analysis** (*quantitative* and *qualitative* analyses including risk and alternative courses of action analyses), **Conclusions** (what did the team learn from the analyses), and **Recommendations** (what are the recommendations to the board). An excellent analysis is **not** sufficient to obtain a high grade. Presenting teams must "sell" their results, which requires a logical progression of relevant coherent information that fully reveals the rationale behind the final recommendation(s).

### ***Finance Case Written Reports***

Teams that do not present will prepare **written reports**. Non-presenting team analyses are **not** expected to have the same depth and breadth as presenting teams. (Note the weights in the Grading section.) Written reports should follow the same general structure as the presentations, but have less detail. Reports usually consist of about 4-6 pages of typed text plus supporting exhibits (usually spreadsheet printouts). Include only a **very short** (one paragraph) introduction--do not fill the first page (or more) with boilerplate from the case! It is safe for you to assume that the instructor is familiar with this material. Reports are due at the beginning of the appropriate class period. In addition to the written reports, non-presenting students will act as board members and ask pertinent, critical questions of the presenting team.

### ***Ethics Case Presentation***

In addition to the finance cases, each team will be assigned one ethics case to present. The purposes of the presentation are to (1) introduce the case, (2) provide suggestions for resolving the dilemma, (3) lead the class discussion, and (4) conduct research to determine what has been done (if anything) to solve the problem. Typically, only a few slides are required.

### ***Individual and Team Participation***

The success of your team depends on the active participation of all team members. Furthermore, the value of any presentation is enhanced by audience participation. Thus, at the end of the course, **students will be evaluated by their team peers** regarding the quality and quantity of participation. In addition, participation in class will be evaluated by the instructor.

## Grading

Final grades will reflect your performance in these areas:

Requirement	Number of Points
Team presentations (2)	80 (40 each)
Team written analyses (8)	80 (10 each)
Team ethics case presentation (1)	10
Individual participation and team evaluation (1)	30
Total points	200

Here are the **approximate** point score to letter grade translations:

Case Presentation	Ethics Case Presentation and Case Write-Up	Total Points	Letter Grade
40	10	200	A
36	9	180	A-
32	8	160	B+
28	7	140	B
24	6	120	B-
20	5	100	C

Be aware that C- is not an acceptable grade for graduate students. A grade of C counts toward a graduate degree only if an equal number of credits in courses numbered 5000 or higher have been earned with an A.

For greater detail on the meaning of letter grades and university policies related to them, see the Registrar's Grade Policy regulations at:

<http://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

Finally, note that the assignment of letter grades will be influenced by the overall performance of the class. In other words, a rising tide lifts all boats.

## Policy Related to Required Class Attendance

Students are expected to attend all classes unless extreme circumstances make attendance impossible. Any class absences must be approved by the instructor beforehand. Approvals will include the means by which a student will make up his or her absence.

Please note all faculty are bound by the UF policy for excused absences. For information regarding the UF Attendance Policy see the Registrar website for additional details:

[http://www.registrar.ufl.edu/catalogarchive/01-02-catalog/academic\\_regulations/academic\\_regulations\\_013\\_.htm](http://www.registrar.ufl.edu/catalogarchive/01-02-catalog/academic_regulations/academic_regulations_013_.htm)

## STUDENT EXPECTATIONS, ROLES, AND OPPORTUNITIES FOR INPUT

### Expectations Regarding Course Behavior

Students are expected to arrive for class on time, and be prepared and ready to participate in class discussions. Students are required to silence all cell phones and close all laptop computers during class unless they are to be used to support directed class activities.

### Academic Integrity

Students are expected to act in accordance with the University of Florida policy on academic integrity. As a student at the University of Florida, you have committed yourself to uphold the Honor Code, which includes the following pledge:

**“We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.”**

You are expected to exhibit behavior consistent with this commitment to the UF academic community, and on all work submitted for credit at the University of Florida, the following pledge is either required or implied:

**“On my honor, I have neither given nor received unauthorized aid in doing this assignment.”**

It is your individual responsibility to know and comply with all university policies and procedures regarding academic integrity and the Student Honor Code. Violations of the Honor Code at the University of Florida will not be tolerated. Violations will be reported to the Dean of Students Office for consideration of disciplinary action. For additional information regarding Academic Integrity, please see Student Conduct and Honor Code or the Graduate Student Website for additional details:

<https://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>  
<http://gradschool.ufl.edu/students/introduction.html>



Please remember cheating, lying, misrepresentation, or plagiarism in any form is unacceptable and inexcusable behavior.

### **Online Faculty Course Evaluation Process**

Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu> so make sure you include a statement regarding the value and expectation for student participation in course evaluations. We suggest you include a comment regarding how you will use the evaluations (e.g. to make specific improvements to the course and teaching style, assignments, etc.). It is also important to make some statement regarding the direct influence they have on faculty tenure and promotion, so your input is valuable. Evaluations are typically open during the last two or three weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>

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## **SUPPORT SERVICES**

### **Accommodations for Students with Disabilities**

If you require classroom accommodation because of a disability, you must register with the Dean of Students Office <http://www.dso.ufl.edu> within the first week of class. The Dean of Students Office will provide documentation to you, which you then give to the instructor when requesting accommodation. The College is committed to providing reasonable accommodations to assist students in their coursework.

### **Counseling and Student Health**

Students sometimes experience stress from academic expectations and/or personal and interpersonal issues that may interfere with their academic performance. If you find yourself facing issues that have the potential to or are already negatively affecting your coursework, you are encouraged to talk with an instructor and/or seek help through University resources available to you.

- The Counseling and Wellness Center 352-392-1575 offers a variety of support services such as psychological assessment and intervention and assistance for math and test anxiety. Visit their web site for more information: <http://www.counseling.ufl.edu>. On line and in person assistance is available.
- You Matter We Care website: <http://www.umatter.ufl.edu/>. If you are feeling overwhelmed or stressed, you can reach out for help through the You Matter We Care website, which is staffed by Dean of Students and Counseling Center personnel.

- The Student Health Care Center at Shands is a satellite clinic of the main Student Health Care Center located on Fletcher Drive on campus. Student Health at Shands offers a variety of clinical services. The clinic is located on the second floor of the Dental Tower in the Health Science Center. For more information, contact the clinic at 392-0627 or check out the web site at: <https://shcc.ufl.edu/>

- Crisis intervention is always available 24/7 from the Alachua County Crisis Center: (352) 264-6789 or

<http://www.alachuacounty.us/DEPTS/CSS/CRISISCENTER/Pages/CrisisCenter.aspx>

BUT – Do not wait until you reach a crisis to come in and talk with us. We have helped many students through stressful situations impacting their academic performance. You are not alone so do not be afraid to ask for assistance.

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