

HPM 403

Fall | 18

Healthcare Financial Accounting

Class time: Mondays and Wednesdays, 8:00 AM – 9:50 AM

Location: CHS 43-105A

Faculty: Michael R. Galper

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Office Hours: Mondays and Wednesdays, 10:00AM – 11:00AM, and by appointment on Mondays and Wednesdays

Location: CHS 31-293B

Teaching Assistant: Madison Gamm

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Office Hours: Mondays, 12:00PM – 1:00PM, and by appointment

Location: CHS 31-236

Course Description:

This class is designed to expose students to the field of financial accounting in healthcare organizations. The course will cover the purpose and methods of financial accounting (including for profit, not for profit and governmental), function and organization of the finance department, and special industry characteristics affecting financial management (to include third party payers, price or rate-setting and cost-shifting, taxation and healthcare incentives, and emerging healthcare organizations).

Course Rationale:

The course is designed to further prepare students for entry into managerial positions in healthcare organizations by making them aware of the importance of proper financial accounting at all career levels and to provide students with sufficient knowledge of financial accounting matters so they can provide departmental input to the organization's chief financial officer.

COURSE OBJECTIVES AND COMPETENCIES

At the completion of the course, the student should be able to:

LEARNING OBJECTIVES: What you will learn in this course	MPH Competencies in domains E, F and K
<p>1. Describe the structure of financial statements and their use in the financial analysis of healthcare organizations. Interpret historical and forecasted financial statements. (through individual exercises and group presentations)</p>	<p>E-5) Apply the principles of program planning, development, budgeting, management and evaluation in organizational and community initiatives.</p> <p>F-5) Demonstrate effective written and oral skills for communicating with different audiences in the context of professional public health activities</p> <p>F-9) Demonstrate team building, negotiation, and conflict management skills.</p> <p>K1-2) Describes and understands the main characteristics, components and issues of the organization, financing, and delivery of health services and public health systems in the U.S.</p> <p>K2-4) Financial Analysis: Understands and explains financial and accounting Information</p> <p>K4-1 through K4-8) K4-1 Prepares well-written, effective, convincing managerial reports, including brief and precise executive summaries.</p> <p>K4.2 Prepares and delivers logical, concise, persuasive oral presentations that can convince, influence or impress others to agree with your preferences.</p> <p>K4.3 Tailors effective and culturally appropriate written and oral messages.</p> <p>K4.4 Uses various methods to communicate effectively.</p> <p>K4.5 Facilitates interactions with individuals and groups.</p> <p>K4.6 Builds relationships and collaborates with colleagues and constituents.</p> <p>K4.7 Work effectively in teams.</p>

2. Understand the purpose and functions of financial accounting	K1-2 and K2-4
3. Identify basic financial accounting concepts as they relate to the healthcare industry.	K1-2 and K2-4
4. Apply basic accounting procedures for <ul style="list-style-type: none"> • analyzing financial transactions • recording financial transactions • generating financial statements 	K1-2 and K2-4
5. Distinguish between accounting for for-profit and not-for-profit businesses	<p>K1-5) Differentiates and understands private and government roles in healthcare delivery.</p> <p>K1-6) Comprehends public and private payment methods used to finance healthcare.</p> <p>K1-10) Analyzes the effects of political, social and economic policies on health systems, community health, and access to care.</p>
6. Assess problems in healthcare accounting related to asset valuation, revenue collection, and inventory control.	<p>K1-2) K2-4) K1-7) Applies knowledge of current legal concepts, such as statute and regulation, to healthcare delivery and the healthcare system. K1.8) Analyzes economic decisions related to healthcare organizations and the healthcare system.</p>
7. Evaluate financial performance through financial statement analysis.	<p>K1-2) K2-4) K1-7) K1-8)</p> <p>K3.1) Comprehends financial and economic analyses and their application. K3.2) Identifies and analyzes problems, potential solutions and best practices in order to determine appropriate courses of action. K3.3) Applies appropriate statistical tools, techniques and procedures to health management and policy.</p>

	<p>K3.4) Achieves familiarity with use of data to conduct needs analysis, market assessment, outcome and process evaluation, forecasting, and quality improvement activities.</p> <p>K3-9) Assesses economic decisions of healthcare consumers, providers, organizations, and the healthcare system.</p> <p>K3.10) Evaluates external environmental factors and their impact on the health system.</p> <p>K3.11) Utilizes creative and innovative thinking to arrive at solutions to critical issues, or to adopt previous solutions in new ways.</p> <p>K3.12) Seeks to understand more deeply by searching for the root of issues, asking penetrating questions, uncovering complexity and going beyond routine questions.</p> <p>K3.13) Comprehends financial and economic analyses and their application.</p> <p>K3.14) Identifies and analyzes problems, potential solutions and best practices in order to determine appropriate courses of action.</p>
<p>8. Recognize ethical issues as they apply to accounting.</p>	<p>K6-1) Promotes high standards of personal and organizational integrity, compassion, and respect for all people.</p> <p>K6.2) Operates in an open and honest manner consistent with professional standards of ethics and practice.</p> <p>K6.3) Acknowledges and adheres to professional codes of ethics.</p>

Required Textbook:

Finkler, Steven A (2013). *Accounting Fundamentals for Health Care Management*, 3rd edition.
Jones and Bartlett Learning

ISBN-13: 978-1284124934

Supplemental Reading:

Supplementary reading materials and discussion/homework problems will be distributed throughout the quarter.

MY EXPECTATIONS FOR STUDENTS

Introduction

The goal of this course is to prepare you for entry-level positions in a wide variety of healthcare settings. In order to meet this goal, I will offer learning opportunities that enable you to acquire the appropriate profession-related knowledge, attitudes, and skills. If the goal is to be met, you must also share in the learning process by being a learning partner. As evidence of your commitment to the partnership, I have the following expectations.

Knowledge

1. Students will be prepared for each class, which includes reading and comprehending the assignments.
2. Students will enhance their ability to gain knowledge by taking appropriate notes during class sessions.
3. Students will demonstrate their commitment to gaining the essential knowledge in their fields by asking questions in class and in groups.
4. Students will actively participate in both class and group activities.

Skills

1. Students will demonstrate their learning partnership by providing written work that is grammatically correct, concisely written, and complies with the appropriate style guidelines.
2. Students will demonstrate their learning partnership by communicating effectively with faculty. This includes being prepared for meetings and creating effective written and verbal communication (i.e., e-mails, voice mails).
3. Students will demonstrate their learning partnership by completing all practice problems and increasing their computational skills.
4. Students will demonstrate their learning partnership by adequately preparing for all class presentations.
5. Students will demonstrate their learning partnership by working effectively in groups.
6. Students will demonstrate their learning partnership by being proficient in computer and spreadsheet skills.

COURSE OUTLINE*

FALL 2018

CLASS	TOPICS	READING BEFORE CLASS	ASSIGNMENT(S) DUE
M 10/1	Introductions Orientation to Course <ul style="list-style-type: none"> • Review syllabus and textbook • Revise course outline including requirements and policies Introduction to Healthcare Accounting and Financial Management Financial Environment of Healthcare	Chapters 1, 3	
W 10/3	Accounting Concepts	Chapter 4	HW 1 Chapter 1 & 3
M 10/8	Introduction to Key Financial Statements	Chapter 5 • FASB's New Standard Aims to Improve Not-for-Profit Financial Reporting	HW 2 Chapter 4
W 10/10	The Revenue Cycle	• Heart Failure Medicare Billing • Price Transparency in Health Care • UCLA Medicare Overview <ul style="list-style-type: none"> • UCLA Health Aff • Acute Care Hospital • Inpatient Prospective Payment System • Medicare & You Video 	HW 3 Chapter 5
F 10/12	<i>Optional Excel Workshop (if needed)</i>		
M 10/15	Valuation of Assets and Equities	Chapter 6	HW 4 Revenue Cycle
W 10/17	Midterm 1 (first hour) Overview Group Projects and Case Exercises		HW 5 Chapter 6
M 10/22	Recording Financial Information Understanding Public Information	Chapter 7 • Heart Surgery Scandal • A Healthy Side of Insurer Mega-Mergers	
W 10/24	Reporting Financial Information – A Closer Look at the Financial Statements	Chapter 8	HW 6 Chapter 7
M 10/29	Depreciation and Amortization Review Building a Financial Statement Part I	Chapter 10	HW 7 Chapter 8 Building a Financial Statement Part I
W 10/31	Inventory and Cost Accounting	Chapter 11	HW 8 Chapter 10
M 11/5	Financial Statements and Footnotes	Chapters 12, 13	HW 9 Chapter 11
W 11/7	Ratio Analysis, Part I** Review Building a Financial Statement Part II	Chapter 14	Building a Financial Statement Part II
M 11/12	No class: Veterans Day		
W 11/14	Midterm 2 (first hour) Ratio Analysis, Part II**		
M 11/19	Role of the Auditor, Internal Audit and Controls Review Covered California Activity	Chapter 9	Covered CA Activity*** HW 10 Chapter 14

W 11/21	No class: Self-study and group projects preparation		
M 11/26	Working Capital Management and Investment Management	Chapters 15, 16, 17	
W 11/28	Group Presentations: Financial Statement Comparison and Analysis Review Building a Financial Statement Part III (if needed)		Financial Statement Comparison and Analysis*** Building a Financial Statement Part III
M 12/3	Group Presentations: Final Group Projects		HW 11 Chapters 15, 16, 17 Final Group Presentation Slide Deck***
W 12/5	Group Presentations: Final Group Projects		Financial Statement Peer Evaluations Covered CA Peer Evaluations Final Project Peer Evaluations
F 12/7	<i>Final Review Session (if needed)</i>		
M 12/10	Final Exam (11:30AM – 2:30PM) Location: CHS 43105A		

***Note:** Chapters are from main text; supplemental reading and assignments will be distributed throughout the quarter and will be posted along with lecture slides on CCLE. The order of some of the sessions may change as the quarter progresses.

****Note:** Ratio Analysis will not be on Midterm 2.

*****Note:** These projects are due by 11:59PM on the night before class. (Ex: Covered CA Activity is due on 11/18 by 11:59PM)

COURSE POLICIES

Grading

Activity	Due Date	Points	% of Grade
Homework	Ongoing	50	10%
Building a Financial Statement (Healthy Hospital) - Individual <i>Part I: Journal Entry and T-Accounts</i> <i>Part II: Balance Sheet, Income Statement, Statement of Change in Net Assets</i> <i>Part III: Cash Flow Statement</i>	<i>M 10/29</i> <i>W 11/7</i> <i>W 11/28</i>	75 25 25 25	15%
Covered CA Activity - Group	M 11/19	25	5%
Financial Statement Comparison & Analysis (Stanford vs Northwestern) - Group	W 11/28	25	5%
Final Group Project	W 12/3 M 12/5	100	20%
Midterm 1	W 10/17	50	10%
Midterm 2	W 11/14	50	10%
Final Exam	M 12/10	100	20%
Class Participation (including group peer evaluations)	Ongoing	25	5%

	Total		500	100%
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Final grades will be based upon the weighted individual scores (including extra credit). The normal grade for graduate students at UCLA is “B”. “A” and “A-” are reserved for those students who do exceptional work. Grades will be assigned relative to the entire distribution of final scores. The top cluster of students will receive an “A” with the next receiving an A- and so forth.

Policy on Tests and Exams

I return the results of tests and quizzes. I do not return the final exam. However, students are welcome to review their final exams in my office during my office hours or by appointment the following quarter.

Policy on Making-up Tests and Exams

Students who miss a test or a final exam for a legitimate and documented reason may make-up the test or the final exam at a time and place mutually agreeable.

Policy on Late Homework

Students with a legitimate reason may turn in homework late, those without a reason will have points deducted for not completing the assignment on time. **The Building a Financial Statement (Healthy Hospital) assignments are not allowed to be turned in late** since we will be reviewing the assignment the morning they are due (unless there are extenuating circumstances).

Policy on Group Projects

All students are expected to actively participate and present the results of their group project. At the end of the project, each team member will complete an evaluation on the rest of their team members.

Policy on Attendance

I will encourage class attendance by taking attendance during all classes. Class participation is a significant part of your grade. Exemplary attendance will be used to round up final grades.