



This course is a weekend micro mini course to be held remotely November 16-17, 2024, during the Fall semester. **Please see schedule of remote sessions listed below.**

### **COURSE OBJECTIVES**

- Differentiate between key financial statements and the information they provide
- Determine an organization's financial condition with the use of financial statements and analysis tools
- Identify how strategic planning influences the budgeting process
- Differentiate between various methods of developing a budget
- Identify key components of a budget and budget variance concepts
- Determine the value of benchmarking to the budgeting process
- Identify the components of the revenue cycle
- Identify various metrics used to manage the revenue cycle
- Evaluate and prioritize budget allocation opportunities through value-based decision making
- Determine the methods used by healthcare organizations to fund capital expenditures

### **TEXTBOOKS AND SUPPLEMENTAL READINGS**

**Text:** There is no required text required for this course. See supplemental readings below and Bibliography for additional learnings.

#### **Supplemental Readings (available on Canvas):**

HFMA Q2 2024 Outlook Survey.pdf  
For Profit Performance.pdf  
The financial state of the not-for-profit sector.pdf  
Health System Strategy and Ratings.pdf  
Healthcare Blame Game Podcast.pdf  
HFMA Podcast with Mayo CFO.pdf  
HFMA Podcast Leveraging Good Leadership.pdf

### **WEEKEND SEQUENCE FOR COMPLETION OF WORK**

Topic	Weekend Plan	Class Date
<b><i>Selected Readings and Podcasts in Healthcare Finance</i></b>	<b><i>READ ARTICLES:</i></b> HFMA Q2 2024 Outlook Survey.pdf For Profit Performance.pdf The financial state of the not for profit sector.pdf Health System Strategy and Ratings.pdf <b><i>LISTEN TO PODCAST:</i></b> HFMA Podcast with MAYO CFO.pdf	Review Articles and Podcasts <b>prior to class on 11/16//24</b>
<b><i>Financial Accounting Concepts</i></b>	The purpose of financial accounting is to summarize financial activity in a business in the financial statements. It provides a clear description of fundamental accounting principles and terminology that finance professionals need to know, a clear analysis of provider, payer and physician group financial statements, as well as management and financial reports used in healthcare. Course objectives are: <ul style="list-style-type: none"> <li>• Differentiate between key financial statements and the information they provide.</li> <li>• Determine an organization’s financial condition with the use of financial statements and analysis tools.</li> </ul>	11/16/24 10:00am - Noon
<b><i>Self-Study - Activity</i></b>	Students will use ratio analysis exercise to interpret financial health of healthcare organizations	11/16/24 Noon-2:00pm
<b><i>Strategic Financial Issues</i></b>	In this course, we will link the use of financial statements, management of costs, and price setting to the strategic planning and objective-setting process of managing a healthcare business. These elements apply whether the type of healthcare business is a hospital, health plan, or physician clinic. Course objectives are: <ul style="list-style-type: none"> <li>• Identify how strategic planning influences the budgeting process.</li> <li>• Differentiate between various methods of developing a budget.</li> <li>• Identify key components of a budget.</li> <li>• Identify budget variance concepts.</li> <li>• Determine the value of benchmarking to the budgeting process.</li> </ul>	11/16/24 2:00-4:00 pm

<p><b><i>The Big Picture - Health Finance.</i></b></p> <p>Pre-Recorded Lecture and Podcasts</p>	<p>Health Industry Financial Impact issues of 2024 - including virtual health, regulation, M&amp;A, supply costs and more. This presentation ties financial impacts and perspectives to financial performance outlook.</p> <p><b><i>Review Recorded Lecture and Listen to PODCASTS:</i></b>          Navigating Credit Markets in 2024 Lecture (Webinar)          HFMA Podcast Leveraging Good Leadership.pdf          Healthcare Blame Game Podcast.pdf</p>	<p>11/16/24</p> <p>After 4:00pm Review lecture and Podcasts <b><u>before 11/17/24 session.</u></b></p>
<p><b><i>Managing Financial Resources</i></b></p>	<p>Financial resource management is the efficient deployment of fiscal resources. This course provides the practical know-how for productively managing financial resources.</p> <p>Course objectives are:</p> <ul style="list-style-type: none"> <li>• Identify key components of revenue cycle and metrics used to manage.</li> <li>• Differentiate between operating and capital expenditures.</li> <li>• Evaluate and prioritize budget allocation opportunities through value-based decision making.</li> <li>• Determine the methods used by healthcare organizations to fund capital expenditures.</li> </ul>	<p>11/17/24</p> <p>10:00am - Noon</p>
<p><b><i>Group ACTIVITY</i></b></p>	<p>Students will work on a budget exercise to develop budgeting skills</p>	<p>11/17/24</p> <p>Noon-2:00pm</p>
<p><b><i>Looking to the Future: Value &amp; Disruption</i></b></p>	<p>Discussion of the most pressing issues from a Health Care Finance perspective that students should understand as we look to the future – Disruption and Market Forces Affecting Health Care.</p>	<p>11/17/24</p> <p>2:00-4:00 pm</p>

**COURSE PERFORMANCE EVALUATION AND GRADING SCALE**

Individual performance will be evaluated based upon the submitted article/podcast summaries, case study, class participation and final exam. Article/Podcast summaries are worth 30%, the exercises are worth 40% (20% each); and class participation is 30%.

**Article/Podcast Summaries:** These are intended to be a brief summary of your takeaways. These are not intended to be a paper with references.

## **Course Exercises** (available on Canvas):

- **COMPLETE:** Hospital Financial Statement and Ratio Analysis
- **COMPLETE:** Capital Budgeting Group Exercise

Please upload the completed assignments to Canvas under the “Assignment” tab, being sure to include your last name in the File Name and on your work. If you have any problems uploading, please contact Todd Nelson ([tnelson@hfma.org](mailto:tnelson@hfma.org)) for assistance. See the individual assignments for other advance submission requirements and detailed work expectations. You should keep a copy of the case studies for your reference during class discussion.

## **GRADING**

The College operates on a 4-point grading scale as follows:

Letter			Credit Toward
Grade	Interpretation	Points	Graduation?
A+	Exceptional	4.33	Yes
A	Excellent	4.00	Yes
A-	Very Good	3.67	Yes
B+	Good	3.33	Yes
B	Acceptable	3.00	Yes
B-	Fair	2.67	Yes
C+	Poor	2.33	Yes
C	Very Poor	2.00	Yes
C-	Minimal Passing	1.67	Yes
D,R	Failing	0	No
I	Incomplete	0	No

## **COURSE POLICIES AND EXPECTATIONS**

Todd Nelson is available via email and phone for case study and other questions throughout the course (see specific case study for appropriate faculty resource).

Students are expected to complete all assigned readings (both texts and supplemental articles) and case studies prior to weekend class as noted in syllabus. This is imperative to ensure optimal learning and participation in class discussions. Most importantly, students should be prepared to share their personal and organizational experiences, issues and frustrations related to the lectures’ healthcare financial topics during class sessions.

## **ATTENDANCE POLICY**

Class Presence and Participation. Class presence and participation points are given to encourage your active class participation and discussion. You will be rewarded with a perfect score as long as you frequently come to class and actively contribute to the class discussion during recitations and lectures.

Presence: Although it is not required, most students send their professor a brief e-mail to explain their absence in advance. Students who repeatedly arrive late to the lecture or recitation will be eligible for 80% of the participation grade.

Participation: When the cases, articles or podcasts are discussed, we are less concerned with “right” or “wrong” answers than we are with thoughtful contributions which follow the discussion and either add to the discussion or move it in a new direction.

## **PLAGIARISM AND CHEATING NOTICE**

Plagiarism and other forms of academic misrepresentation are taken extremely seriously. Misrepresentation of another’s work as one’s own is widely recognized as among the most serious violations. The violation is clearly flagrant when it occurs as plagiarism on a required paper or assignment or as cheating on an examination, regardless of whether it is a take-home or in-class examination. The punishment for such offenses can involve expulsion from the program. There are many other ways in which a violation can occur.

*Academic Dishonesty:* Students are expected to maintain the highest ethical standards inside and outside the classroom. Cheating on exams and term papers (i.e. plagiarism and unauthorized collaboration) is obviously discouraged and will be treated appropriately. The usual penalty for violations is a failing grade for the particular assignment in question; however, in some instances, such actions may result in a failing grade for the course.

## **ACCOMMODATIONS**

If you have a disability and have an accommodations letter from the Disability Resources office, I encourage you to discuss your accommodations and needs with me as early in the semester as possible. I will work with you to ensure that accommodations are provided as appropriate. If you suspect that you may have a disability and would benefit from accommodations but are not yet registered with the Office of Disability Resources, I encourage you to contact them at [access@andrew.cmu.edu](mailto:access@andrew.cmu.edu).

## **STUDENT WELLNESS**

As a student, you may experience a range of challenges that can interfere with learning, such as strained relationships, increased anxiety, substance use, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may diminish your academic performance and/or reduce your ability to participate in daily activities. CMU services are available, and treatment does work. You can learn more about confidential mental health services available on campus at: <http://www.cmu.edu/counseling/>. Support is always available (24/7) from Counseling and Psychological Services: 412-268-2922.

## **DIVERSITY STATEMENT**

**We must treat every individual with respect.** We are diverse in many ways, and this diversity is fundamental to building and maintaining an equitable and inclusive campus community. Diversity can refer to multiple ways that we identify ourselves, including but not limited to race, color, national origin, language, sex, disability, age, sexual orientation, gender identity, religion, creed, ancestry, belief, veteran status, or genetic information. Each of these diverse identities, along with many others not mentioned here, shape the perspectives our students, faculty, and staff bring to our campus. We, at CMU, will work to promote diversity, equity and inclusion not only because diversity fuels excellence and innovation, but because we want to pursue justice. We acknowledge our imperfections while we also fully commit to the work, inside and outside of our classrooms, of building and sustaining a campus community that increasingly embraces these core values.

Each of us is responsible for creating a safer, more inclusive environment.

Unfortunately, incidents of bias or discrimination do occur, whether intentional or unintentional. They contribute to creating an unwelcoming environment for individuals and groups at the university. Therefore, the university encourages anyone who experiences or observes unfair or hostile treatment on the basis of identity to speak out for justice and support, within the moment of the incident or after the incident has passed. Anyone can share these experiences using the following resources:

**Center for Student Diversity and Inclusion:** [csdi@andrew.cmu.edu](mailto:csdi@andrew.cmu.edu), (412) 268-2150

**Report-It online anonymous reporting platform:** [reportit.net](http://reportit.net) username: *tartans* password: *plaid*

All reports will be documented and deliberated to determine if there should be any following actions. Regardless of incident type, the university will use all shared experiences to transform our campus climate to be more equitable and just.

## **BIBLIOGRAPHY**

For additional information related to the financial management of health systems, the following textbooks and periodicals are suggested:

Kongstvedt, Peter R. The Managed Health Care Handbook (Sixth Edition). Sudbury, Massachusetts: Jones and Bartlett Learning, 2013

Nowicki, Michael The Financial Management of Hospitals and Healthcare Organizations (Fifth Edition). Chicago, Illinois: Health Administration Press, 2011

Healthcare Financial Management Journal. (Monthly publication) Downers Grove, Illinois: Healthcare Financial Management Association

Finkler, Steven A. Finance and Accounting for Nonfinancial Managers, Fourth Edition. Chicago, Illinois: CCH, 2011