

---

HSA 5174  
FUNDAMENTALS OF HEALTHCARE FINANCE  
LOUIS C. GAPENSKI  
SPRING 2014

---

**COURSE SYLLABUS**

**TIME**

Wednesday, Periods 4 - 6 (10:40 - 1:40)

**CLASSROOM**

HPNP G307

**OFFICE**

HPNP 4152  
273-6064  
Email: [gapenski@ufl.edu](mailto:gapenski@ufl.edu)

**OFFICE HOURS**

Class meeting days: 8:30 - 10:00  
Other times by appointment

**COURSE MATERIALS**

**TEXT**

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

**OTHER MATERIALS**

PowerPoint slides used for lectures, sample examinations, and other material will be distributed electronically as necessary.

Seven public health finance tutorials will be distributed during the course. The purpose of these tutorials is to help MPH students understand how basic healthcare finance concepts are applied within public health organizations, primarily local health departments (LHDs). **MHA students are encouraged to read these tutorials**, as they provide alternative coverage of selected healthcare finance topics. Unique public health content will **NOT** be covered in examinations.

## CALCULATOR

A financial calculator is **NOT** required for this course. Numerical examination questions can be solved with a regular calculator (or by applying logic). The focus of this course is to understand basic concepts; applications will be the focus of HSA 6177. Note that in real world applications (and in HSA 6177) spreadsheets, not financial calculators, are used to perform calculations.

## COURSE OVERVIEW

This course is the introductory (first) healthcare finance course for MHA students and the sole required finance course for MPH (Management and Policy) students. The course focuses on the most important accounting and financial management principles and concepts relevant to health services and public health organizations. Readings, lectures, and discussion are the primary learning tools. **The benefits that you receive from this course are directly related to your class preparation and participation---in other words, to the effort that you put into the course.**

## TARGET COMPETENCIES

- (a) Apply basic financial management and accounting principles in a healthcare and public health context.
- (b) Use statistical and analytical tools to measure and improve organizational performance.

## COURSE LEARNING OBJECTIVES

After completing this course, you should be able to accomplish (at a basic level) the following finance tasks as practiced within health services and public health organizations: (Note: The learning objectives are matched to the above target competencies as indicated by the letter(s) following each objective.)

- (1) Explain the format and contents of a business's financial statements. (a)
- (2) Assess the financial condition of an organization. (a,b)
- (3) Apply basic managerial accounting concepts. (a)
- (4) Perform basic time value analyses. (a,b)
- (5) Explain financial risk concepts. (a,b)
- (6) Understand and describe the primary forms of business financing. (a)
- (7) Explain how to estimate and use the corporate cost of capital. (a,b)
- (8) Summarize the capital structure decision process. (a,b)
- (9) Perform basic capital investment analyses. (a,b)
- (10) Explain basic current asset management techniques. (a,b)

## GRADING

Final grades will reflect your performance in these areas:

Midterm examination	50 points
Final examination	50
	<u>100</u> points

Letter grades will be assigned according to each student's point total based roughly on the following scale:

93 - 100	A
88 - 92	A-
83 - 87	B+
75 - 82	B
70 - 74	B-
66 - 69	C+
65 or less	As assigned

Note that "A" work requires a level of performance that exceeds expectations for graduate work. Also, performance that is below the peer group will be graded accordingly. Finally, the chart above is only a rough guide. Final letter grades will be influenced by the overall performance of the class. Students will be apprised of their preliminary letter grade standing following the midterm examination.

## **ACADEMIC INTEGRITY**

Students are expected to act in accordance with the University of Florida policy on academic integrity as contained in the Graduate Student Handbook. Cheating, lying, misrepresentation, or plagiarism in any form is unacceptable and inexcusable behavior. *We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.*

## **BEHAVIORAL EXPECTATIONS**

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

## **CLASS ATTENDANCE**

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

## **STUDENTS WITH DISABILITIES**

To qualify for special accommodation, students must first register with the Dean of Students Office, which will provide documentation to the student for this purpose.

## **COUNSELING AND STUDENT HEALTH**

Students may occasionally have personal issues that arise in the course of pursuing higher education that may interfere with academic performance. If you are facing problems affecting your coursework, you are encouraged to talk with your faculty advisor or to seek confidential assistance at the University of Florida Counseling Center (392-1575) or Student Mental Health Services (392-1171). For more information, see <http://www.counsel.ufl.edu> or <http://health.ufl.edu/shcc/smhs>.

## STUDENT COURSE EVALUATIONS

Student course evaluations are very important to the instructor, the department chair, and to the dean of the college. I use them as a guide for course improvement. Near the end of the semester you will receive several emails containing the specific dates for submission. The site for submission of online evaluations is <https://evaluations.ufl.edu>. Be sure to take advantage of this opportunity.

## CLASS SCHEDULE

Date	Topic	Chapters
Jan 8	Introduction/The Healthcare Environment	1,2
15	Cost Behavior and Profit Analysis PH Finance Tutorial I (Estimating Costs and Margins)	5
22	Cost Allocation	6
29	Pricing and Service Decisions/Planning and Budgeting PH Finance Tutorial II (Financial Planning and Budgeting)	7,8
Feb 5	Income Statement and Statement of Changes in Equity	3
12	Balance Sheet and Statement of Cash Flows PH Finance Tutorial III (Financial Reporting)	4
19	Financial Condition Analysis PH Finance Tutorial IV (Assessing Financial Performance)	17
26	Midterm Examination	1-8,17
Mar 5	Spring Break	---
12	Time Value Analysis	9
19	Financial Risk and Required Return	10
26	Long-term Debt and Equity Financing PH Finance Tutorial V (Financing Public Health Services)	11,12
Apr 2	Capital Structure and the Cost of Capital	13
9	Capital Budgeting PH Finance Tutorial VI (Financial Evaluation of New Program Initiatives)	14,15
16	Current Asset Management and Financing PH Finance Tutorial VII (Billings and Collections)	16
23	Final Examination	9-16

**Note: Students should read Chapters 1 and 2 prior to the first class meeting and subsequent chapters before they are covered in class. In this way, you will gain the maximum benefit from the lectures and class participation.**