

Course Syllabus
University of Texas at Dallas
Healthcare Financial Accounting

Course Information

Course Prefix, Number, Section:	HMGT 6311.501
Course Title:	Healthcare Financial Accounting
Term:	Fall 2020
Schedule:	Tuesday 7:00pm – 9:45pm
Location & Modality:	Room: JSOM 1.102; Modality: Traditional

Professor Contact Information

Instructor:	Daniel Karnuta, MST, CPA, CGMA
Email (Preferred):	Daniel.Karnuta@utdallas.edu
Phone:	214-578-3390
Office Location:	JSOM 2.416
Office Hours:	Wed/Thurs 2:30-3:30 on Blackboard Collaborate

MS in Healthcare Leadership and Management: Domain & Competency Mapping

HMGT 6311

Domain 1: Communication and Relationship Management

- Competency-Supportive: Build trusting, collaborative relationships with staff, peers, other disciplines, physicians, etc. (course coverage: team case study exercises).
- Competency-Supportive: Present data analysis results to decision makers (course coverage: team case study exercises).

Domain 4: Knowledge of the Healthcare Environment

- Competency-Supportive: Managed Care models, structures and environment (course coverage: the healthcare environment and health insurance, payments to providers and team case studies)

Domain 5: Business Knowledge and Skills

- Competency-Core: Financial management and financial analysis principles involving the major financial statements (course coverage: income statement, balance sheet and statement of cashflows analysis techniques).
 - Competency-Core: Outcome measures and management (course coverage: time value of money, cost of capital, financial risk analysis, capital structuring, budgeting, working capital management and business valuations).
 - Competency-Supportive: Ability to analyze and evaluate information to support a decision or recommendation (course coverage: case study decision application exercises)
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Course Description

This course helps students critically evaluate financial decisions that reduce risk and create economic value. Using hospital and physician group practice data, participants learn how to analyze and interpret healthcare financial statements, evaluate investment decisions that create economic value, financially evaluate a proposed healthcare acquisition, partnership or joint venture, ascertain the worth of a medical practice or healthcare organization, and review internal controls.

Student Learning Objectives/Outcomes

- Obtain an understanding of the foundation of the U.S. healthcare system and the decisions facing business managers from both the provider and payer perspectives
- Obtain an understanding of the financial analysis tools used by healthcare business leaders to manage complex organizations
- Obtain an understanding of and analyze how time value of money impacts business decisions and informs business risk
- Obtain an understanding of for-profit and not-for-profit capital acquisition vehicles and management strategies
- Obtain an understanding of corporate cost of capital measurement techniques and determining the mix of debt vs. equity financing
- Obtain an understanding of the capital budgeting decision-making process and measuring projected cash flows, capital project risk and capital allocation among activities & projects
- Obtain an understanding of the unique healthcare industry revenue cycle and its effective management
- Obtain an understanding of business valuation in a merger/acquisition setting

Course Modality

This course will be taught live, in a traditional, assigned classroom at assigned weekly days/times. Students will have enough space in the room for physical distancing. See more information on class modes at: <https://www.utdallas.edu/fall-2020/fall-2020-registration-information/>

This course will involve group case studies; thus, in-person class attendance is encouraged. However, any students who are not comfortable attending in-person lectures watch remotely via the live-stream from their computers instead of attending the lecture in-person.

Finally, classes will be recorded to allow students to view them after the stated class day/time (i.e., not in-person or via the live-stream). See “Class Recordings” section below. Any student who will view a recorded class *instead* of attending in-person or watching the live-stream must notify the professor *before* the respective class. Since the class involves team assignments, all students must remain up-to-date with their team activities and the team members must agree and coordinate their assignment activities outside of class. See more information on the asynchronous modality at: <https://www.utdallas.edu/fall-2020/asynchronous-access-for-fall-2020/>

All students must hand in assignments at the posted time/date and take exams during the posted time windows.

Required Textbooks and Materials

Understanding Healthcare Financial Management, 7th ed. (ISBN: 978-1-56793-706-0) by Louis C. Gapenski and George H. Pink. Published by Health Administration Press.

AND

Gapenski's Cases in Healthcare Finance, 6th ed. (ISBN: 978-1-56793-965-1) by George H. Pink and Paula H. Song. Published by Health Administration Press.

Assignments & Academic Calendar *(all times are in US Central time zone)*

The planned timeline below is subject to change at the professor's discretion, based upon classroom dynamics around the discussion topics. Some topics may warrant more/less time. "UHFM" refers to the textbook and "CHF" refers to the case book described above.

<u>Class</u>	<u>Date</u>	<u>Topics Covered</u>	<u>UHFM Pre-Read</u>	<u>CHF Case Due at the Beginning of the Next Class</u>	<u>Individual CHF Case Pre-Read Due</u>
1	Aug 18	The Healthcare Environment & Health Insurance	Chapters 1 & 2	None	
2	Aug 25	Payments to Providers	Chapter 3	Orlando Family Physicians: Case 2	Aug 25 at noon
3	Sept 1	Financial Condition Analysis	Chapter 13, plus Supplement pages 607-610	River Community Hospital (A): Case 24	Sept 1 at noon
4	Sept 8	Time Value Analysis	Chapter 4	Gulf Shore Surgery Centers: Case 11	Sept 8 at noon
5	Sept 15	Financial Risk and Required Return	Chapter 5	Mid-Atlantic Specialty, Inc.: Case 12	Sept 15 at noon
6	Sept 22	Debt Financing	Chapter 6	Pacific Healthcare (A): Case 13	Sept 22 at noon
7	Sept 29	Equity Financing	Chapter 7	Pacific Healthcare (B): Case 15	Sept 29 at noon
8	Oct 6	Lease Financing	Chapter 8	Seattle Cancer Center: Case 16	Oct 6 a noon
9	Oct 13	Mid-Term Exam to be completed online via eLearning during normal class time slot	Chapters 1-8 & 13	Specifics of cases will <i>NOT</i> be on the exam	
10	Oct 20	Cost of Capital	Chapter 9	Southeastern Homecare: Case 17	Oct 20 at noon
11	Oct 27	Capital Structure	Chapter 10	RN Temps, Inc.: Case 18	Oct 27 at noon
12	Nov 3	Capital Budgeting	Chapter 11	Jones Memorial Hospital: Case 19	Nov 3 at noon
13	Nov 10	Project Risk Analysis	Chapter 12	Coral Bay Hospital: Case 20	Nov 10 at noon
14	Nov 17	Revenue Cycle and Current Accounts Management	Chapter 15	Foster Pharmaceuticals: Case 27	Nov 17 at noon
15	Nov 24	Business Combinations and Valuation	Chapter 16	Bedford Clinics: Case 32	Nov 24 at noon
	TBD	Final Exam to be completed online via eLearning	Chapters 9-12 & 15-16	Specifics of cases will <i>NOT</i> be on the exam	

Class Structure & Project Teams

The class participants will be separated into teams. The team rosters will remain the same throughout the semester. Each team will appoint a team secretary who will be the only member of the team that formally submits completed case study projects via eLearning. Team members will complete the assigned case studies with their team and the secretary will submit the team's solution. The cases assigned for each lecture are listed above. Each case is due to be submitted by the start of class following that case's lecture. For example, the Orlando Family Physicians case relates to the Chapter 3 lecture. After the lecture, teams will work on their case study submissions for Orlando Family Physicians and team secretaries will submit their team's solution via the case's eLearning portal before the start of our next class, which is on September 1st. Likewise, the River Community Hospital case is due before our class on September 8th.

After the introduction material, most classes will consist of a review of the case study that is due before that class, followed by a lecture on the material related to the chapter that will be covered in that class, followed by a brief set-up of the case study related to that class's topics.

Students must pre-read the assigned chapters in UHFM **and** the cases in CHF related to a specific class BEFORE attending that class. The chapters and cases are listed in the Academic Calendar above.

Grading Policy – (see also Course & Instructor Policies, below)

Weighting:

Exam #1	20%
Final Exam	20%
Team Case Studies	50%
Individual Case Pre-reads	<u>10%</u>
Total	<u>100%</u>

- Grading will be on a standard A-F scale (i.e., A=90-100; B=80-89; C=70-79; F=below 70).
- There will be no +/- modifiers to final grades, except in cases where a grade is on the extreme border of the next grade level, in which case a + modifier will be assigned. For example, a score of 89 will receive a B+.
- There will generally be no (-) modifiers unless specific circumstances warrant that designation.

Team Case Study Grading: Each case is worth 10 total points as follows:

- 2.0 pts: Clear and accurate identification and explanation of problems and major issues
- 2.0 pts: Assumptions used to complete the case study are clearly communicated and reasonable
- 2.0 pts: Application of finance principles and concepts are correct and clearly presented
- 2.0 pts: Calculations/formulas are accurate, complete and clearly documented
- 2.0 pts: Final recommendations/conclusions are clear, logical and thoroughly discussed

Points will be earned for how well each grading area is completed. The secretary will receive the graded submission and will share it with the rest of the team. Each team member will receive the same grade on each case. However, all team members will have the opportunity to submit a Team Member Evaluation Form at the end of the semester, or at any time during the semester if they believe that any particular members of their team are not carrying their share of work. Any student who receives credible and consistent poor ratings from other team members will receive a reduction to their Case Studies and/or Class Participation scores at the end of the semester.

Individual Case Pre-reads

In order to properly prepare for the team case study projects, all students must individually submit a pre-read assignment related to each case. These are short assignments that require students to analyze the case that will be discussed in the upcoming class so that students will be ready for a more detailed class discussion on the facts of the case during class time. It will also ensure that students have a good foundation of the case prior to commencing with the more detailed team case study analysis.

Syllabus Quiz

There is a ***syllabus quiz*** on eLearning in the Quizzes folder that ***you must complete by August 25 at 7:00pm***. Students must complete the quiz with a perfect score in order to gain access to the Class Lecture Notes folder on eLearning.

Tests/Exams

Test #1 and the final exam will be non-cumulative, but the nature of finance & accounting will require you to retain an understanding of previously covered material. Both tests will be multiple choice format.

Tests will be given online and you can access the exam via the eLearning folder. Exams will begin and end at the times announced in class. **YOU MUST USE ONLY THE FIREFOX BROWSER TO TAKE THE EXAMS!** Some other browsers have been noted to have issues with eLearning exams.

Exams will be open-book. If you have a documented emergency that will prevent you from taking an exam on the scheduled day(s), you need to notify me ***BEFORE*** the exam day. Supporting documentation will be required and a make-up date may be scheduled at my discretion. Given that tests will be online, excuses will be accepted in only very rare circumstances.

Non-programmable, non-cell phone financial business calculators will be allowed during exams. Use of all other electronics such as cell phones, PDAs, computers, programmable calculators, audio players and other wireless communication devices will not be permitted unless the professor so designates.

Exams can only be accessed during the time windows that will be announced in class. ***Students must complete the exam before the exam time window closes. Partially completed exams will submit automatically at the end of the exam window and no credit will be given for unanswered questions.*** It is your responsibility to ensure that you complete the exams on time.

Specific exam-related rules/items:

- The exams will automatically close at the end of their respective date & time windows.
- Any partially completed exams will be automatically submitted as final when the testing date and/or time window(s) close.
- Students must access eLearning to take the exams.
- Students must access the exams from a reliable computer with a reliable internet connection. Therefore, it is highly advised that students do not access the exams through a public connection, such as a coffee shop. The exams will be timed, and once the time window has closed, any partially completed exams will automatically submit and no credit will be given for unanswered questions. You will only receive one attempt at each exam.
- It will be considered cheating if you assist any other student with an exam or if you copy or photograph any exam questions.

Professor Expectations

Reading assignments should be completed *prior* to the class lecture on the topics. When you come to class, you will already have read through the textbook and case material that we will be discussing in class that day. It is important for the learning process that you have a working knowledge of the material prior to the more in-depth class lecture/discussion. My expectation is that you will apply your critical thinking skills to the material and come to class prepared to contribute to the discussion. Students who elect to view classes via recording need to apply this same discipline to ensure that they are ready to contribute to their team assignments to avoid any negative feedback from Team Member Evaluation Forms.

Course & Instructor Policies

Grades will reflect your performance relative to your peers; thus, grades may be curved (at my discretion), but only if a curve is necessary due to final grade distribution.

Financial analysis requires critical thought and questioning. Learning any complex concept, material or task requires not only quality practice, but also adequate time for the brain to absorb, assimilate and retain the new data. Quality pre-reading of the material prior to class, further absorption through class instruction and participation, and adequate review and exam preparation, form the path for initial learning success of this, or any, complex material.

Cell phones should be turned off during class. *Laptop computers should be brought to each physical class but computers and PDAs are **NOT** permitted to be open in class, except for when they are needed for case study work.*

UT Dallas Syllabus Policies and Procedures

The information contained in the following link constitutes the University's policies and procedures segment of the course syllabus.

Please go to <http://go.utdallas.edu/syllabus-policies> for these policies.

COVID-19 Guidelines and Resources

The information contained in the following link lists the University's COVID-19 resources for students and instructors of record. Please see <http://go.utdallas.edu/syllabus-policies>.

Classroom Conduct Requirements Related to COVID-19

UT Dallas requires that all students must wear a face covering that covers the nose and mouth in all university buildings and classrooms. To help protect the health and safety of students, instructors, and the University community, students who choose not to wear a face covering may not attend class in person but may attend a course remotely. Anyone attending class in person without a face covering will be asked to put one on or leave. Instructors may end the class if anyone present refuses to appropriately wear a face covering for the duration of class. Students should also be sure they are at least six feet away from their fellow students and faculty, and seated in a seat that is designated to ensure that distance. Students who either refuse to wear face coverings appropriately or to adhere to other social distancing protocols may face disciplinary action for [Student Code of Conduct](#) violations. Students who are unable to comply with the university policies including wearing a face covering should consult the [Comets United](#) webpage for further instructions.

Students who have tested positive for COVID-19 or may have been exposed should not attend class in person and should instead follow required disclosure notifications as posted on the university's website (see "[What should I do if I become sick?](#)" webpage)

Class Recordings

The instructor may record meetings of this course. Any recordings will be available to all students registered for this class as they are intended to supplement the classroom experience. Students are expected to follow appropriate University policies and maintain the security of passwords used to access recorded lectures. Unless the Office of Student AccessAbility has approved the student to record the instruction, students are expressly prohibited from recording any part of this course. Recordings may not be published, reproduced, or shared with those not in the class, or uploaded to other online environments except to implement an approved Office of Student AccessAbility accommodation. If the instructor or a UTD school/department/office plans any other uses for the recordings, consent of the students identifiable in the recordings is required prior to such use unless an exception is allowed by law. Failure to comply with these University requirements is a violation of the [Student Code of Conduct](#).

Class Materials

The instructor may provide class materials that will be made available to all students registered for this class as they are intended to supplement the classroom experience. These materials may be downloaded during the course, however, these materials are for registered students' use only. Classroom materials may not be reproduced or shared with those not in class, or uploaded to other online environments except to implement an approved Office of Student AccessAbility accommodation. Failure to comply with these University requirements is a violation of the [Student Code of Conduct](#).

Academic Support Resources

The information contained in the following link lists the University's academic support resources for all students.

Please see <http://go.utdallas.edu/academic-support-resources>.

Comet Creed

This creed was voted on by the UT Dallas student body in 2014. It is a standard that Comets choose to live by and encourage others to do the same:

“As a Comet, I pledge honesty, integrity, and service in all that I do.”

The descriptions and timelines contained in this syllabus are subject to change at the discretion of the Professor.