

**Health Services 436
Financial Management
Health Services Organizations**

Instructor: F. A. (Fred) Hagigi, MBA, DrPH
Office: CHS 41-295E
Phone: Office -(310) 206-1185
E-mail: hagigi@ucla.edu

Class time: Tuesday / Thursday 3:00 - 4:50 PM
Location: CHS 71-257

Office Hours: Thursdays 1:00-2:30 PM, and by appointment

Prerequisites: HS-132, Financial Accounting, or equivalent with consent of instructor.

Description

This course will provide students with theory, tools, and practical experience in health care financial management.

Objectives

To describe the unique aspects of health care financial management.

To develop skills in analyzing financial data to assess the condition of a health care organization.

To convey the basic principles of financial planning, budgeting and control in health care organizations.

To understand basic principles of managerial finance, including capital budgeting, the risk-return tradeoff, the cost of capital and capital structure decisions.

To develop skills to compare and contrast various types of organizations, and choose appropriate financial control system that best reflect the mission of the organization.

Textbook and Readings

Required- Zelman, WN, MJ McCue, and AR Millikan, *Financial Management of Health Care Organizations*, Malden, Mass.: Blackwell, 2002

Additional materials and assignments will be handed out in class. The assigned chapters should be read before class to maximize class participation and discussions. However, some sessions will be based on material not found in the text.

Grading

Grades will be assigned based on individual and group performance.

	<i>Components</i>	<i>Breakdown</i>	
10%	Individual-Class Participation	98-100 = A+	80-82 = B-
40%	Individual- Cases / Homework	93-97 = A	78-79 = C+
30%	Group Project- Written Report	90-92 = A-	73-77 = C
10%	Group Presentation- Power Point	88-89 = B+	70-72 = C-
10%	Peer Evaluation	83-87 = B	< 70 = F

Grading Notes:

Be prepared to discuss each case in class, including ones for which you do not turn in a written analysis. Late assignments *may* be accepted, but will be graded down. Group discussions to prepare for case presentation will improve the quality of your analyses. However, the written report you turn in *must* be your own work. Students who turn in identical assignments may each receive zero credit for that assignment.

Group Assignment

Students will organize into groups of 3, consisting of individuals with various backgrounds. Groups may choose from among the following health care business areas to select a firm for an in-depth analysis of subject areas covered throughout the course. One business area will be allowed, assigned on a first-come, first-served basis. Groups will submit their written report and make a presentation to the class of their work. High quality is expected, in both content and form. Each group must work together jointly, not by dividing the work into parts. Group members will be grading each other's participation on a confidential form. Individual assignments should be the work product of the individual.

Possible Health Care Business Areas

- Wholesale distribution (Supplies, Pharmaceuticals)
- Pharmaceutical development & sales / CRO
- Medical devices / Manufacturing / Diagnostic / Implants
- Information systems / Software
- MSO / Practice Management
- Medical Group / IPA
- Hospital
- Managed Care Organization
- Surgery / Ambulatory centers
- Facility-based long term care (SNF, Nursing home)
- Home health care
- Others (with consent of Instructor)

Class Schedule and Readings-

Topics not concluded in one session will be completed in the session immediately following.

Session	Date	Topic	Chapter
1-T	1/7	Healthcare Financial Management-DRGs,	1
2-H	1/9	Healthcare Financial Statements-FP / NFP	2
3-T	1/14	Healthcare Accounting	3
4-H	1/16	NO CLASS	NA
5-T	1/21	Financial Analysis / Operation Analysis-I	4
6-H	1/23	Working Capital Management-	5
7-T	1/28	Time Value of Money-	6
8-H	1/30	Investment Decision / Capital Financing HW-I Due	7, 8
9-T	2/4	Decision Support- Using Cost Information- I	9
10-H	2/6	Budgeting- I	10
11-T	2/11	Investment Decisions- Lease / Buy	Handout
12-H	2/13	Decision Support- II	Handout
13-T	2/18	Responsibility Accounting- Case-I Due	11
14-H	2/20	Budgeting- II (Human Resources)	Handout
15-T	2/25	Case Mix Measurement / Management-	Handout
16-H	2/27	Performance Measurement	Handout
17-T	3/4	Alternative Payment Systems & Provider Cost	12
18-H	3/6	Financial Analysis /Operation Analysis-II Case-II Due	Handout
19-T	3/11	Group Presentations Projects Due	Groups
20-H	3/13	Group Presentations	Groups