



NYU

**ROBERT F. WAGNER GRADUATE
SCHOOL OF PUBLIC SERVICE**

MHA-GP 1823

Accounting for Healthcare Management

Summer 2019

Instructor Information

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Course Information

- Class Meeting Times: Tuesdays, 7:00-8:00 p.m. EST
- Class Location: Online

Course Description

In this introductory course, students will learn the fundamentals of financial accounting and investment analysis. Financial accounting is a set of tools used by managers and external stakeholders for reporting on and analyzing an organization's financial performance and position. Topics include debits and credits, the recording process, preparing and analyzing financial statements (balance sheet, operating statement, and cash flow statement), and specific topics of importance to health care organizations. Investment analysis forms the basis for capital budgeting and long-term financing—topics covered in additional courses. Topics include cash flow projections and analysis. Throughout all the course topics, computer spreadsheet skills are emphasized and demonstrated.

Course Objectives

Students who successfully complete this course will be able to:

1. Summarize the unique characteristics of the healthcare environment and how financial management affects organizations in this industry.
2. Prepare financial transactions and financial statements for use in a healthcare organization.
3. Analyze financial transactions and financial statements commonly encountered in a healthcare organization.

4. Utilize Generally Accepted Accounting Principles (GAAP) for healthcare organizations in working with financial statements.
5. Determine resource allocations using time value of money analyses.
6. Utilize electronic tools (such as Microsoft Excel) to record financial transactions, prepare financial statements, and perform financial analyses.

Competencies Addressed in the Course

Position papers—including group discussions, quizzes, and the research dossier—will be used to assess progress against the competencies listed below. No student will receive a B or higher without demonstrating satisfactory progress toward mastery of each competency. The level of competency expected to be achieved is denoted in brackets according to the following key:

[1] = Basic: Foundational understanding of knowledge/skill/competency

[2] = Intermediate: Student demonstrates greater depth of understanding of this knowledge/skill/competency and can use this ability to analyze a problem

[3] = Advanced: Student demonstrates expertise in this knowledge/skill/competency and can use this ability to evaluate, judge, and synthesize information

Learning Assessment Table

Program Competency	Corresponding Course Learning Objective and Modules	Corresponding Assignments	Level of Competency Expected to Be Achieved via the Assignment (Basic = 1, Intermediate = 2, Advanced = 3)
Manage and lead people, teams, and organizations, including the ability to work effectively with diverse colleagues to build inclusive organizations.	5	Weekly HW assignments	1
Apply knowledge about the social determinants of health and work collaboratively with leaders across sectors—including housing, education, transportation, and others—to reduce	3, 6	Storyline elements, live session discussions	2

disparities and inequities and to promote population and community health.			
Use data and evidence-based management practices to improve managerial decision-making and organizational performance, including efficiency, quality of care, patient engagement, and equitable access to services.	2, 3, 4, 6	Practice using spreadsheet, ledgers, and other financial statements	3
Provide effective financial management for healthcare organizations, including effective use of accounting and budgeting practices.	4, 5	Quiz, exams, and video/storyline interactions	3
Influence and respond to policies that promote the performance of the US healthcare system and healthcare organizations, based on understanding and analysis of the system's history, organization, and financing.	1	Weekly HW assignments, quizzes, and exams based on readings	1
Communicate effectively with diverse stakeholders using a variety of communication approaches.	5	Spreadsheet basics, balance sheets	2

Class Readings

Every week, I expect students to read all the assigned articles and/or textbook chapters and view the films noted on this syllabus. The textbook, edited by Kovner and Knickman, focuses on the organization and financing of healthcare delivery in the United States. In addition, there are two books to read (one by Jerome Groopman, a physician; the other by Lynn Payer, a medical journalist). Groopman's book provides a clinical perspective on healthcare, often not appreciated by managers and policy analysts. Payer's book, however dated, provides an analysis of the less scientific aspects of medicine among selected Western nations.

Course Materials

Accounting Fundamentals for Health Care Management, 3rd Edition, by Steven Finkler, Thad Calabrese, and David Ward. Burlington, MA: Jones & Bartlett Learning, 2018.

Course Requirements and Grading

Course Rules and Requirements

1. This is a graduate level course. As such, you need to devote significant time to this course. In other introductory accounting and finance courses, students typically must devote about 10 hours of time per week (three hours of lecture, one hour of discussion time, and about six hours of reading, studying, and working on assignments). This course is similar. The material builds cumulatively, so do not fall behind. Students that fall behind find it very hard to catch up.
2. There are no extra credit assignments.
3. The final exam due date is not negotiable. However, the final exam will be administered through NYU Classes. Students may take the exam from any location.
4. Academic dishonesty is unacceptable and will not be tolerated. Cheating, forgery, plagiarism, and collusion in dishonest acts undermine Wagner's educational mission and your own personal and intellectual growth. You are expected to bear individual responsibility for your work and to uphold the ideal of academic integrity. Any student who attempts to compromise or devalue the academic process will be reported to the administration and subject to disciplinary action.

Here is a breakdown of how you will be assessed in this course:

Homework: 10% (8 assignments)

Quizzes: 5% (3 quizzes)

Case Study: 40% (1 case study)

Exams: 45% (2 exams)

Course Policies

Class Participation

You should attend all live sessions. Any absence must be explained and justified beforehand; your grade will be lowered if you do not do so.

Plagiarism Policy

Academic integrity is crucial to the mission of NYU Wagner. Plagiarism of any form will not be tolerated since you have all signed an Academic Oath at NYU/Wagner and are bound by the academic code of the school. [Please review the NYU policy on plagiarism \(posted on NYU Classes\) prior to submitting written work.](#)

NYU Classes

All announcements, resources, and assignments will be delivered through the NYU Classes site. I may modify assignments, due dates, and other aspects of the course as we go through the term with advance notice provided as soon as possible through the course website.

Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner's Academic Code](#). All Wagner students have already read and signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me.

Henry and Lucy Moses Center for Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call or email CSD (212-998-4980 or mosescsd@nyu.edu) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

NYU's Calendar Policy on Religious Holidays

[NYU's Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify me in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.

Class Calendar

Module 1: Introduction to Financial Management and Healthcare Accounting

At the conclusion of this module, students should be able to:

- Summarize the unique characteristics of the healthcare environment and how financial management affects organizations in this industry.

Readings:

Chapter 1, Introduction to Health Care Accounting and Financial Management

Chapter 3, Financial Environment of HealthCare Organizations

Assignment: Complete Module 1 Quiz (Autograded) at end of asynchronous portion of course.

Module 2: How to Use Electronic Spreadsheets

At the conclusion of this module, students should be able to:

- Utilize electronic tools (such as Microsoft Excel) to record financial transactions, prepare financial statements, and perform financial analyses.

Reading:

Chapter 2, Introduction to Electronic Spreadsheets

Homework Assignment 1 due: Find one article from the popular press about a healthcare finance issue. Briefly answer the following questions:

1. What is the problem?

2. How would the problem potentially be different in a different industry?

Module 3: Accounting Concepts and Introduction to Financial Statements

At the conclusion of this module, students should be able to:

- Describe the fundamental accounting equation, including the definitions of assets, liabilities, and owner's equity/net assets.
- Demonstrate an understanding of the major accounting rules that constitute generally accepted accounting principles in the U.S.
- Differentiate between the U.S. GAAP and other international financial reporting standards.
- Identify the key financial statements for healthcare organizations and what information is recorded in each.
- Differentiate cash accounting from accrual accounting.

Readings:

Chapter 4, Accounting Concepts

Chapter 5, Introduction to the Key Financial Statements

Homework Assignment 2 due: Textbook assignment, Chapter 2, p. 22, questions 6-9.

Module 4: Asset and Equity Valuations

At the conclusion of this module, students should be able to:

- Explain how asset values reflected on the balance sheet are determined.
- Explain how liability values reflected on the balance sheet are determined.
- Explain how owner's equity/net assets values reflected on the balance sheet are determined.

Reading:

Chapter 6, Valuation of Assets and Equities

Homework Assignment 3 due: Textbook assignment, Chapter 4, p. 39 questions, 1-8 and Chapter 5, p. 48, questions 5-6.

Module 5: Recording Financial Information

At the conclusion of this module, students should be able to:

- Prepare financial transactions and financial statements for use in a healthcare organization.

Reading:

Chapter 7, Recording Financial Information

Homework Assignment 4 due: Textbook assignment, Chapter 6, p 56, questions 1-6.

Module 6: More on Financial Statements

At the conclusion of this module, students should be able to:

- Prepare financial transactions and financial statements for use in a healthcare organization.
- Analyze financial transactions and financial statements commonly encountered in a healthcare organization.

Reading:

Chapter 8, Reporting Financial Information—A Closer Look at the Financial Statements

Homework Assignment 5 due: Textbook assignment, Chapter 7, p. 69, Question 3.

Module 7: Exam on Topics through Module 6

At the conclusion of this module, students should be able to:

- Distinguish between different techniques for recording the use of capital assets according to the GAAP.
- Explain how the different techniques for recording the use of capital assets can result in different numbers.
- Distinguish between the different techniques for recording the acquisition and use of inventory according to the GAAP.
- Explain how the different techniques for recording the acquisition and use of inventory can result in different numbers.

Readings:

Chapter 10, Depreciation—Having Your Cake and Eating it Too!

Chapter 11, Inventory Costing—The Accountant's World of Make-Believe

Assignments due: Exam #1.

Module 8: Depreciation and Cost Inventory

At the conclusion of this module, students should be able to:

- Distinguish between different techniques for recording the use of capital assets according to the GAAP.
- Analyze how the different techniques for recording the use of capital assets can result in different numbers.
- Distinguish between the different techniques for recording the acquisition and use of inventory according to the GAAP.
- Analyze how the different techniques for recording the acquisition and use of inventory can

result in different numbers.

Readings:

- Textbook: Chapter 10, Depreciation--Having Your Cake and Eating it Too!
- Textbook: Chapter 11, Inventory Costing--The Accountant's World of Make-Believe

Homework Assignment 6 due: Textbook assignment, Chapter 10, p. 99, questions 3-5; and Chapter 11, p. 108, question 4.

Module 9: More on Financial Statement Analysis and Notes and the Role of the Auditor

At the conclusion of this module, students should be able to:

- Analyze the auditing process and how audit failures might occur.
- Quantify how the notes to the financial statements reveal key accounting policies of an organization.
- Describe the role financial statement notes play in financial analyses.
- Create a financial statement.

Readings:

- Textbook: Chapter 9, The Role of the Outside Auditor
- Textbook: Chapter 12 An Even Closer Look at Financial Statements
- Textbook: Chapter 13, Notes to the Financial Statements--The Inside Story

Homework Assignment 7 due: Using the posted financial statements, answer the following questions:

1. What was the auditor's opinion of the financial statements? Where did you find this information?
2. Describe the organization's policies around bad debt and charity care. Where did you find this information?
3. How does the organization report its inventory? Where did you find this information?
4. Which depreciation method does the organization use? Where did you find this information?

Module 10: Ratio and Financial Statement Analysis

At the conclusion of this module, students should be able to:

- Utilize benchmarks to assess an organization's performance.
- Explain how common size ratios are used to compare organizations' financial performances and standings.
- Use liquidity, efficiency, solvency, profitability, and return on investment ratios to assess and compare organization financial performance and standing.

Reading:

- Textbook: Chapter 14, Ratio Analysis--How Do We Compare to Other Health Care Organizations?

Assignment:

Complete Module 10 Quiz (Autograded) at end of asynchronous portion of course.

Module 11: Exam on Financial Statement Analysis, and Investment Analysis

At the conclusion of this module, students should be able to:

- At the conclusion of this module, students' skills and knowledge to date will be assessed.

Assignment due: Exam #2 due prior to the live session

Module 12: Investment Analysis

At the conclusion of this module, students should be able to:

- Utilize different techniques to analyze investment opportunities.
- Utilize spreadsheet computer programs (such as Microsoft Excel) to complete financial analyses.

Reading:

- Textbook: Chapter 15, Investment Analysis--What Should We Do Next?

Module 13: More on Investment Analysis and Bringing It All Together

At the conclusion of this module, students should be able to:

- Apply investment analysis techniques to a case situation to understand real world application

Assignment due:

Happy Hospital Case Study

Complete Module 13 Quiz (Autograded) at end of asynchronous portion of course.