REPORT TO THE UNIVERSITY SENATE

DATE: October 2006
FROM: Graduate Studies

The Graduate Council submits the following items for consideration. Items marked with an asterisk [*] are information items. All other items are consent items:

I. One time Only
   EDU 524-Educational Assessment*

II. Create a Course
    HCA 401G – Fundamentals of Health Care Financial

III. Revise a Program
     090- MS in Physical Educational Pedagogy Option
2. **Identification of proposed course**
   1.1 Prefix and Number: HCA 401G
   1.2 Title: Fundamentals of Health Care Financial Management
   1.3 Abbreviated title: Fund Health Financial Mgt
   1.4 Credit hours and Contact Hours: 3 hours
   1.5 Type of Course: Lecture
   1.6 Prerequisites: Permission of the instructor
   1.7 Catalog course listing: Principles of financial management for health care organizations. Financial ratios applicable to health providers and insurance companies; issues in the healthcare revenue cycle and value chain; recognizing sources of risk in reimbursement; and addressing risk in financial plans.

2. **Rationale**
   2.1 Reason for developing the course:
   Financial management is a critical competency for healthcare administrators. This course, which will be an elective course, will offer students the opportunity to go beyond the core courses to develop a more in depth understanding of financial management in health care settings.

   2.2 Projected enrollment in the proposed course:
   5-10 graduate students per semester based on current program enrollment and option choices between this course and other HCA electives. This course will be offered jointly with HCA401 with a projected enrollment of 10-15 undergraduate students.

   2.3 Relationship of the proposed course to courses now offered by the department:
The course complements HCA545 Managerial Finance for Health Services. The courses offer different applications of fundamental financial management tools. For example, net present value is applied to capital budgeting in HCA545, and net present value is applied to valuation of a firm in HCA401G; HCA545 addresses models that combine multiple financial ratios (Dupont, sustainable growth, cash conversion cycle), HCA401G addresses financial ratios for insurance companies and hospitals. HCA 545, which is the core course, contains the applications that would most often be expected by certification reviewers. Either course could be taken first.
2.4 **Relationship of the course to courses offered in other departments:**

While the Gordon College of business offers courses in financial management such as FIN 509 Managerial Finance and FIN 519 Advanced Managerial Finance, the courses are not focused on managing health care organizations.

2.5 **Relationship of the proposed course to courses offered in other institutions:**

Most graduate healthcare management programs have a course or courses that cover much of the material in this course. For example, much of the material in this course was covered in the MHA programs at Iowa and Xavier when the instructor taught at those schools, and similar material is taught at the University of Kentucky.

3. **Discussion of proposed course**

3.1 **Course objectives:**
A. Students should acquire skills for
   1. Asset valuation
   2. Analyzing the financial condition of a not for profit health care organization
   3. Analyzing the financial condition of an insurance company

B. Students should acquire knowledge of
   1. The major measures of financial risk, including the Capital Asset Pricing Model
   2. The major institutional features of financial markets
   3. Principles of capital structure and cost of capital
   4. Principles of financial accounting
   5. The concepts of revenue cycle and value chain
   6. The major stages of the life cycle of firms

3.2 **Content outline:**
Lectures will address a range of financial management tools for health care managers. The course will be structured as:
- **Module 1 Valuation** Net Present Value, Basic Accounting Statements, Firm Valuation with NPV.
- **Module 2 Ratios** Intro to Ratio Analysis; Ratios for Not for Profit Hospitals, Ratios for Insurance Companies
- **Module 3 Risk** Risk Management and Insurance
- **Module 4 Topics in Long Term Finance** Capital Structure and the Cost of Capital
- **Module 5 Revenue Cycle, Firm Life Cycle**

3.3 **Student expectations and requirements:**
Students will engage in a variety of exercises, case studies and projects. These include discussion cases which each individual prepares but are not handed in; group cases, which each group prepares and hands in; a quiz over financial accounting terms; and
Critical reading assignments which are designed to better prepare students to critique sources of financial information. A significant percentage of the homework assignments and discussion cases will be represented with at least one question on the tests. The list of potential test questions will be shorter for HCA401 than for HCA401G. For example, both undergraduate and graduate students will do a group case where the value of a firm is estimated by a discounted cash flow analysis of projected financial statements, but only the graduate students will have a similar problem on their test. For the term project each student does a ratio analysis of an actual firm of their choice, which the students will hand in. The students will also present their analysis on the last day. For the term project undergraduate and graduate students each do a financial analysis of three years data, but the required analysis is more involved for graduate students, and graduate students are required to create proforma projections for the next three years. All students will make at least two presentations of a discussion case or a group case to the class.

3.4 Tentative texts and course materials:
Gapenski, Cases in Healthcare in Finance, 2nd edition (Chicago, AUPHA) 2002

4. Resources
4.1 Library resources: The resources available at the WKU Library are adequate for the proposed course. The department will purchase additional readings that may be required beyond the WKU library holdings.
4.2 Computer resources: The computer resources are sufficient within the department and the university.

5. Budget Implications
5.1 Proposed method of staffing:
Present faculty members in the Public Health Department are sufficient to teach the proposed course.

5.2 Special equipment needed: None.
5.3 Expendable materials needed:
None
5.4 Laboratory supplies needed:
None

6. Proposed term for implementation: Summer 2006

7. Dates of prior committee approvals
Department of Public Health _Feb 3 2006_

CHHS Graduate Curriculum Committee Feb 14 2006
Graduate Council

University Curriculum Committee

University Senate

April 13 2006

Attachments: Bibliography, Library Resources Form, Course Inventory Form
Bibliography to support HCA 401 Fundamentals of Health Care Financial Management.

HC157 .B8 S5 1974

HD7102 .U4 S83
WELFARE MEDICINE IN AMERICA; A CASE STUDY OF MEDICAID [BY] ROBERT STEVENS & ROSEMARY STEVENS. New York, Free Press [1974]


HG4028.M4 W468 2001

HG9396 .I577 2004

R345 .S28

R463 .O6 S56x 1998

R723.5 .K53 1986

R728 .E94 2004

R728 .H3628 2004

R728.5 .C37 2000


R728 .E87 2004


RA395.A3 K57 1998


RA395.A3 N47 2001


RA395 .A3 S77 1982


RA410.5 .C688 1996.

COST-EFFECTIVENESS IN HEALTH AND MEDICINE / EDITED BY MARTHE R. GOLD ... [ET AL.]. New York : Oxford University Press, 1996

RA410.5 .D77 1999


RA413 .W75 2002

FINANCIAL STRATEGY FOR MANAGED CARE ORGANIZATIONS: RATE SETTING, RISK ADJUSTMENT, AND COMPETITIVE ADVANTAGE / CHARLES WILLIAM WRIGHTSON, JR Chicago, Ill. : Health Administration Press, c2002

RA413.7.A4 D68 1996


RA644.6 .M36 2001


RA776.9 .C69 1991


RA971.3 .C25 1998

RA971.3 .S87 1999


RISK MANAGEMENT HANDBOOK FOR HEALTH CARE ORGANIZATIONS / AMERICAN SOCIETY FOR HEALTHCARE RISK MANAGEMENT ; ROBERTA CARROLL, EDITOR. San Francisco : Jossey-Bass, c2001

RA981.A2 H558 1997

RA981.A2 N48 1983

RA981 .A2 R59 1987
2. 1. Identification of program
   1.1 Reference Number: 090
   1.2 Current Program Title: MS in Physical Education Pedagogy Option
   1.3 Credit hours: 33

3. 2. Identification of the proposed changes:
   Change program title from MS in Physical Education Pedagogy Option to MS in Physical Education Teacher Education Option

4. 3. Detailed program description:
   The Master of Science in Physical Education has two options. Option 1 is a concentration in Exercise Science. Option 2 is a concentration in Pedagogy. The proposed title change only addresses the Pedagogy Option changing to the Teacher Education Option.

5. 4. Rationale for proposed program revisions:
   Changing the title from MS in Physical Education Pedagogy Option to MS in Physical Education Teacher Education Option provides a more definitive explanation of program option

6. 5. Proposed term for implementation and special provisions:
   Term: eg. Summer 2006
   Provisions, if applicable:

7. 6. Dates of prior committee approvals:
   Physical Education & Recreation Administration Department 2/21/06
   CHHS Curriculum Committee 3/30/06
   Professional Education Council 04/12/2006
   WKU Graduate Council 04/13/2006
   University Senate

Attachment: Program Inventory Form