COURSE DESCRIPTION

This is a course on Health Care Finance offered in the Department of Finance & Economics. In this course, the emphasis will be on application of different financial and economic tools in Healthcare settings. Students will be selected at random to present any article of the day (scheduled as follows, more may be added later) in the class and answer any relevant question.

COURSE MATERIALS

There is no specific textbook for this course, but you may use the following as reference books for this course. Other readings include book chapters of several texts, journal articles and handouts in the class.


LEARNING GOALS AND OBJECTIVES

The course is designed with an emphasis on applications of analytical tools in healthcare organizations. Combinations of lectures and discussions on different topics important to healthcare finance will enable students to develop analytical skills necessary to solve a variety of financial management problems. After completing this course, students should be able to analyze investment decisions, evaluate different sources of financing projects, analyze cost of capital, understand the issues of reimbursements including physician payments, capitated payments and fee-for-service payments, differences between for-profit and no-profit organizations, taxable and tax-exempt bond issues and their impact on the supply of charity care by non-profit hospitals, and the operations of physicians’ practice.

PREREQUISITES

The students are required to have taken at least one course on Financial Management.

ACADEMIC INTEGRITY

_I do NOT tolerate cheating_. Students are responsible for understanding the RU Academic Integrity Policy (http://academicintegrity.rutgers.edu/)

I will strongly enforce this Policy and pursue _all_ violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through SafeAssign or Turnitin, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

ATTENDANCE AND PREPARATION POLICY

Attendance to each lecture is mandatory. Students are expected to be prepared to ask questions on the readings and actively participate in classroom discussions. If students miss more than two classes, their grades may be downgraded by a notch i.e. from A to B+, B+ to B etc.

COURSE GRADE
The following weights will be used to determine the course grade:

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<tr>
<td>Midterm Exam</td>
<td>50%</td>
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<tr>
<td>Final Exam</td>
<td>50%</td>
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**COURSE SCHEDULE**

Introduction to the Course, Overview of the Health Care Sector and Review of Basic Theory of Health Insurance

**Readings:**


Hartman, Micah; Martin, Anne; Lassman, David; Catlin, Aaron; and the NHE Accounts Team, “National Health Spending in 2013: Growth Slows, Remains In Step With The Overall Economy”, *Health Affairs*, Vol 34, No. 1, 2015, pp:


Truffer, Christopher; Keelan, Sean; Smith, Sheila; et al “Healthcare Spending Projections Through 2019: The Recession’s Impact Continues”,


Healthcare Dollar – American Health Insurance Plan (AHIP), 2018

Sources of Revenue of Healthcare Organizations,
Reimbursements – DRGs

Readings:


Dafny, Leemore “How Do Hospitals Respond to Price Changes?”,

CMS – Hospital Payments, 2018

Impact of Managed Care

**Readings:**

Wu, Vivian Y. “Managed Care’s Price Bargaining With Hospitals”,

Dranove, David; Lindrooth, Richard; White, William; Zwanziger, Jack.

Shen, Yu-Chu. “ The Effect of Financial Pressure on the
Quality of Care in Hospitals”, *Journal of Health Economics*,

Deloitte, Hospital M&A, 2017

Payments for Physicians' Services and Pharmaceuticals

**Readings:**


Long-Term Debt Financing

Bond market - Taxable and Tax-Exempt Financing

Supply of Charity Care

**Readings:**


Corrigan, Janet; Fisher, Elliott; and Heiser, Scott. “Hospital Community


NJ Hospitals Economic Impact Report 2013, 

Koenig, Lane; Dobson, Allen; Ho, Silver; Siegel, Jonathan; Blumenthal, David; and Weissman, Joel "Estimating The Mission Related Costs of Teaching Hospitals", *Health Affairs*, November/December, 2003, pp: 112-122.


Long-Term Debt Financing
Bond market - Taxable and Tax-Exempt Financing

Supply of Charity Care (contd)

Managing Physician Practice Organizations

**Guest Speaker**

**Midterm Exam**

**No Class**

Economics of Healthcare I

**Readings:**


Papanicolas, Irene; Woskle, Lian; and Jha, Ashish; “Healthcare Spending in the United States and other High Income Countries”, JAMA, March 13, 2018.


Economics of Health Care II

Readings:


Meer, Jonathan; Miller, Douglas; and Rosen, Harvey.


Healthcare Services: Payer Perspective
Guest Speaker

Healthcare Project Evaluation: Cost-Benefit Analysis

Readings:


Role of Telemedicine and M-Health on the Delivery of Healthcare Services.

Guest Speaker

Final Exam
SUPPORT SERVICES


[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are **pregnant**, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek **religious accommodations**, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of **gender or sex-based discrimination or harassment**, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at [http://vpva.rutgers.edu/](http://vpva.rutgers.edu/).

[Rutgers University-New Brunswick incident report link: http://studentconduct.rutgers.edu/concern/]. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: [https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7](https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7)]. You may also contact the Office
of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does not have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu.

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via https://temporaryconditions.rutgers.edu.

If you are a military veteran or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. http://veterans.rutgers.edu/

If you are in need of mental health services, please use our readily available services.

[Rutgers University-Newark Counseling Center: http://counseling.newark.rutgers.edu/]
[Rutgers Counseling and Psychological Services–New Brunswick: http://rhscaps.rutgers.edu/]

If you are in need of physical health services, please use our readily available services.

[Rutgers Health Services – Newark: http://health.newark.rutgers.edu/]
[Rutgers Health Services – New Brunswick: http://health.rutgers.edu/]

If you are in need of legal services, please use our readily available services: http://rusls.rutgers.edu/

Students experiencing difficulty in courses due to English as a second language (ESL) should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]
[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional academic assistance, please use our readily available services.

[Rutgers University-Newark Learning Center: http://www.ncas.rutgers.edu/rlc]
[Rutgers University-Newark Writing Center: http://www.ncas.rutgers.edu/writingcenter]
[Rutgers University-New Brunswick Learning Center: https://rlc.rutgers.edu/]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]