COURSE DESCRIPTION

This is a course on Health Care Finance offered in the Department of Finance & Economics. The students are required to have taken at least one course on Financial Management. 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.

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.

COURSE MATERIALS

Suggested Books

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.


CLASS ORGANIZATION & ADMINISTRATION

Class Attendance
Attendance to each lecture is mandatory. Students are expected to be prepared to ask questions on the readings and actively participate in class room 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.

**FINAL GRADE ASSIGNMENT**

**Class Attendance**
Attendance to each lecture is mandatory. Students are expected to be prepared to ask questions on the readings and actively participate in class room 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.

**Finance (22:390:659)**

**COURSE SCHEDULE**

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
</tr>
</thead>
</table>
Heffler, Stephen; Smith, Sheila; Keehan, Sean; Borger, Christine; Clemens, M. Kent; and Truffer, Christopher. “U.S. Health Spending Projections For 2004-2014”, *Health Affairs*, February, 2005:74-85. |
| Jan. 27  | Sources of Revenue of Healthcare Organizations, Reimbursements - DRGs | Medicare Deductible and Co-Insurance 2013  


Feb. 3 : Impact of Managed Care


Chernew, Michael; DeCicca, Philip; and Town, Robert. “Managed Care and Medical Expenditure of Medicare Beneficiaries”, Journal of Health Economics, Vol. 27, No. 6, 2008:1451-1461.


Currie, Janet; and Fahr, John. “Hospitals, Managed Care, And the Charity Care Case Load in California”, *Journal of Health Economics*, 2004:421-442.


Scanlon, Dennis; Chernew, Michael; McLaughlin, Catherine; and Solon, Gary. “The Impact of Health Plan Report Cards On Managed Care Enrollment”, *Journal of Health Economics*, 2002:19-41.

Feb. 10: Payments for Physicians’ Services


Maxwell, Stephanie; Zuckerman, Stephen; and Berenson, Robert. “Use of Physicians’ Services under Medicare’s Resource-Based


Feb. 17: Paying for Pharmaceutical Products

**Readings:** Schweitzer, Stuart and Comanor, William, “Prices of Pharmaceuticals in Poor Countries Are Much Lower Than in Wealthy Countries”, *Health Affairs*, Vol. 30, No. 8, August 2011, pp: 1553-1561.


Feb. 24: Healthcare Delivery – Payer Perspective

**Guest Speaker**

Jim Albano

Vice President, Network Management and Horizon Healthcare Innovations

Horizon BCBS of New Jersey

March 3: Long-Term Debt Financing

Bond market - Taxable and Tax-Exempt Financing

Supply of Charity Care

**Readings:**
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.


Williams, Joe; Matthews, Michael; and Hassan, Mahmud. “Cost Difference Between Academic and Non-academic Hospitals: A Case Study of Surgical Procedures”, *Hospital Topics*, Vol. 85, No. 1 Winter, 2007:3-10.


March 10 : **Midterm Exam**

March 17 : **Spring Break**
March 24: Economics of Health Care I

Readings:


March 31: Managing Physician Practice Organizations

**Guest Speaker**

Dr. Cliff Sales M.D

Managing Partner

The Cardiovascular Care Group

April 7: Economics Healthcare II


**Readings:**

TBA

April 14: International Perspective of Healthcare Services

M-Health, Medical Tourism

**Readings:**


Marquez, Patricio; Suhreke, Marc; McKee, Martin; and Rocco, Lorenzo. “Adult Health In The Russian Federation: More Than Just A Health Problem”, *Health Affairs*, Vol. 26, No. 4, 2007: 1040-1051

**Guest Speaker**

Raj Shah, MD, MBA

President and CEO

Smart Care Doc

Telemedicine Visit

April 28: **Final Exam**