

Course ID	Course Description	Course Objectives
<p>HSMG 7580 Health Care Financial Management</p>	<p>This is a course on financial management focused on making good decisions at the institutional-level about investments/divestments (primarily of real assets) and about the financing choices (raising and servicing capital).</p>	<ol style="list-style-type: none"> 1. Identify the various qualitative components of returns to capital (time value of money, default risk, inflation, and so on). Predict how changes in the economy or the health care system might affect these components for a variety of organizations. 2. Identify the factors involved in determining (a) organizational required rates of return including the Weighted Average Required Rate of Return (WARR) and (b) organizational costs of capital including the Weighted Average Cost of Capital (WACC), including explaining the nature of capitalization effects; and be able to distinguish between the two concepts, including explaining the nature of capitalization effects; 3. Distinguish between cash flows and financial accounting accruals and the relationships/non-relationships between financial accounting statements and the information needed for managerial finance; 4. Analyze the nature of cash flow equivalents and their importance; 5. Identify and describe the distinct categories of financial cash flows and the relevance of each to management decision-making; 6. Distinguish between capital cash flows and operational cash flows and demonstrate the necessity for separating them for decision making purposes; 7. Derive the distinct categories of cash flows from standard financial statements and pro forma financial statements; 8. Explain the economic underpinnings and implications of the concepts of present value; 9. Demonstrate proficiency in the mechanics of present value

		<p>calculations;</p> <ol style="list-style-type: none">10. Distinguish among competing time value analytical tools, identifying the strengths and weaknesses of each;11. Perform present value calculations based on gross operational cash flows/WARR and net operational cash flows/WACC and demonstrate the economic equivalence to the present values of capital suppliers;12. Use net present value for asset acquisition decisions, cost minimization choices, and to analyze pricing and contracting decisions under alternative payment systems;13. Determine relevant cash flows for decision-making purposes by applying principles of incremental ("but for") analysis to valuing capital claims and investments/divestments;14. Apply concepts of risk to valuation using risk-adjusted discount rates using the capital asset pricing model;15. Integrate the above with the economics of divergent payment mechanisms, particularly in mixed settings with economic dependence, using the concepts of value additivity and conservation of value;16. Identify and describe sources of risk as they apply to managed care organizations and their contractual partners;17. Explain the rudiments of an option-pricing approach to valuation.
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