

Course Details	
Course Code: MHS530	Professor:
Course Title: Principles of Healthcare Financial Management	E-Mail:
Program: Master in Healthcare Management	Term:
Credits: 3	Schedule:
Contact Hours: 48	Delivery:
Prerequisites:	Campus: AU Sunnybrook Road
Course General Information	

Course Description:

This course provides a comprehensive and applied examination of financial management principles within healthcare organizations. Students analyze how financial information, accounting practices, reimbursement systems, cost structures, budgets, and financial performance measures support organizational decision-making, sustainability, quality improvement, and the effective allocation of healthcare resources.

The course addresses the financial environment of healthcare organizations, revenue determination, general accounting principles, financial statements, inflation, financial planning, ratio analysis, performance measurement, health economics, product costing, break-even analysis, management control, budget variance analysis, and capital formation. Students evaluate how payment models, market conditions, regulations, technology, workforce requirements, and organizational priorities influence financial performance.

Through financial reports, healthcare cases, analytical exercises, budgeting activities, and decision-making simulations, students develop the competencies required to interpret financial information, compare strategic alternatives, evaluate risk, communicate financial recommendations, and support accountable healthcare management. The course culminates in an evidence-based financial recommendation aligned with organizational mission, quality, sustainability, and stakeholder needs.

Course Learning Outcomes (CLOs)

Through competency-based learning activities, students will strengthen the following MSHM competencies: Financial Skills, Analytical Thinking, Organizational Awareness, Accountability, Performance Measurement, Strategic Orientation, Project Management, Communication Skills, and Professional and Social Responsibility.

Upon successful completion of this course, students will be able to:

- **CLO 1.** Analyze the financial environment, accounting principles, reimbursement mechanisms, revenue sources, and cost structures of healthcare organizations.
- **CLO 2.** Interpret healthcare financial statements, ratios, performance indicators, and other financial information to assess organizational financial position and sustainability.
- **CLO 3.** Apply budgeting, cost analysis, product costing, break-even analysis, management control, and variance-analysis methods to healthcare operational decisions.
- **CLO 4.** Evaluate financial alternatives, capital investments, financing strategies, economic trade-offs, and organizational risks using evidence-based criteria.
- **CLO 5.** Communicate financial analyses and recommendations effectively while demonstrating accountability, ethical reasoning, and professional responsibility.

- **CLO 6.** Develop strategically aligned financial recommendations that support organizational sustainability, healthcare quality, operational performance, and responsible resource allocation.

CLO–Competency–PLO Alignment Matrix

Course Learning Outcome	MSHM Competencies	PLO Alignment
CLO 1	Financial Skills; Organizational Awareness; Analytical Thinking	PLO1, PLO2
CLO 2	Financial Skills; Analytical Thinking; Performance Measurement	PLO1, PLO2, PLO6
CLO 3	Financial Skills; Analytical Thinking; Accountability; Performance Measurement	PLO1, PLO2, PLO6
CLO 4	Analytical Thinking; Strategic Orientation; Financial Skills; Project Management	PLO2, PLO6
CLO 5	Communication Skills; Accountability; Professional and Social Responsibility	PLO3, PLO4
CLO 6	Strategic Orientation; Financial Skills; Organizational Awareness; Project Management	PLO1, PLO2, PLO6

Course Mapping by Module.

The following table identifies the principal assessment evidence used in each module to demonstrate achievement of the aligned Course Learning Outcomes (CLOs) and program competencies. Case analyses, financial exercises, discussions, and group work require students to apply financial methods and communicate evidence-based recommendations.

Module	Topic	Primary Assessment Evidence	CLO Alignment
1	Financial Information, Decision-Making, and the Healthcare Financial Environment	Fernandez Hospital HBR case analysis: identify the financial problem, analyze revenue and cost practices, compare strategic alternatives, and recommend an evidence-based course of action.	CLO 1, CLO 4, CLO 6
2	Revenue Determination and General Principles of Accounting	Annual hospital report discussion: interpret financial statements and revenue sources, examine organizational characteristics, and respond to peers using supporting evidence. Supporting formative evidence: Healthcare Revenue Cycle Manager and an individual comparative decision brief.	CLO 1, CLO 2, CLO 5
3	Financial Statements, Accounting for	Group financial statement analysis and discussion: interpret financial information, consider inflation in	CLO 2, CLO 5, CLO 6

	Inflation, and Financial Planning	planning, examine accounting-cycle and fraud issues, and present recommendations.	
4	Financial Position and Performance Measurement in Healthcare	Financial performance discussion: calculate and interpret ratios, compare trends and benchmarks, identify analytical limitations, and recommend improvements supported by evidence. Supporting formative evidence: Interactive Hospital Financial Health Simulator and an individual comparative decision brief.	CLO 2, CLO 5, CLO 6
5	Financial Analysis of Healthcare Organizations and Strategic Financial Planning	Building Hoopes Vision HBR case analysis: compare financial alternatives, assess organizational risks and opportunities, and justify a strategically aligned recommendation.	CLO 2, CLO 4, CLO 5, CLO 6
6	Health Economics, Cost and Decision-Making, and Product Costing	Health economics and costing discussions: apply cost classifications, product costing, and break-even analysis; evaluate trade-offs; and recommend responsible resource-allocation decisions. Supporting formative evidence: Healthcare Break-even and CVP Analyzer and an individual comparative decision brief.	CLO 3, CLO 4, CLO 5, CLO 6
7	Management Control and Cost Variance Analysis	Management control and variance-analysis discussion: calculate and interpret variances, diagnose operational causes, propose corrective actions, and communicate their implications to stakeholders.	CLO 3, CLO 5, CLO 6
8	Capital Formation and Financing Strategies	Debt-versus-equity summary and financing-strategies discussion: compare sources of capital, assess costs and risks, and defend an evidence-based financing recommendation aligned with organizational priorities. Supporting formative evidence: Healthcare Capital Investment Planner and an individual comparative decision brief.	CLO 4, CLO 5, CLO 6

In this course, students will develop core competencies essential for financial management and decision-making in healthcare organizations. Emphasis will be placed on financial information, revenue determination, accounting principles, financial statement analysis, financial planning, performance measurement, health economics, costing, management control, variance analysis, and capital financing. Students will examine how financial decisions influence resource allocation, organizational sustainability, and strategic priorities. Through case analyses, financial exercises, discussions, and collaborative work, complemented by formative simulations and individual decision briefs, students will apply financial methods to healthcare challenges and communicate evidence-based recommendations. Upon completion, students will be equipped to interpret financial statements, evaluate organizational performance, apply costing and break-even techniques, analyze budget variances, and compare investment and financing alternatives to support responsible financial decisions.

Course materials/learning resources:

- **Main Textbook:** Understanding Healthcare Financial Management, 7th Edition. Authors: Louis C. Gapenski and George H. Pink ISBN: 978-1-56793-706-0 Publisher: Health Administration Press Companion website: <https://www.ache.org/learning-center/publications/books/2283>
- **Textbook 2:** Health Economics and Policy 9780357132869 by James W. Henderson | 8th Edition | Copyright 2023. Cengage
Financial Management of Health Care Organizations: An Introduction to Fundamental Tools, Concepts and Applications. 2020. 5th Edition. by William N. Zelman, Michael J. McCue, Noah D. Glick, Marci S. Thomas ISBN-13: 978-1119553847.
- **Textbook 3:** Health Care Budgeting and Financial Management, 2nd Edition. <http://ndl.ethernet.edu.et/bitstream/123456789/31989/2/208.%20William%20J.%20Ward%20Jr.pdf>

Assessment Classification and CLO Alignment

The following distribution identifies the graded evidence for each assessment category. Foundational components assess accurate explanation and comparison. Higher-level components require quantitative analysis, interpretation, scenario testing, financial judgment, risk evaluation, strategic planning, and justified recommendations. Formative simulation briefs support competency development but do not change the published grading weights.

Assessment	Weight	CLO	Competency	Level
Foundational readings, summaries, and concept discussions	20%	CLO 1, CLO 5	Financial Skills; Organizational Awareness; Communication Skills	Lower
Healthcare financial case analyses and strategic recommendations	15%	CLO 1, CLO 4–6	Financial Skills; Analytical Thinking; Strategic Orientation; Organizational Awareness	Higher
Financial statements, annual reports, ratios, and performance analysis	20%	CLO 1–2, CLO 5–6	Financial Skills; Performance Measurement; Analytical Thinking; Accountability	Higher
Cost, product costing, break-even, and CVP analysis	15%	CLO 3–6	Financial Skills; Analytical Thinking; Performance Measurement; Strategic Orientation	Higher
Budgeting, management control, and variance analysis	10%	CLO 3, CLO 5–6	Financial Skills; Accountability; Performance Measurement; Organizational Awareness	Higher
Quantitative and conceptual examinations	10%	CLO 1–5	Financial Skills; Analytical Thinking; Performance Measurement	Higher
Strategic financial planning and capital-investment project	10%	CLO 1–6	Financial Skills; Strategic Orientation; Project Management; Communication Skills; Accountability	Higher

Grading Scale Policy

Performance Level	Grade	Percentage
Exceeds Expectations	A	90–100%
Meets Expectations	B	80–89%
Minimally Meets Expectations	C	70–79%
Does Not Meet Expectations	D/F	Below 70%

This format is consistent with graduate-level expectations: a grade of C (70–79%) represents the minimum course performance level, while competency achievement is documented at the criterion level using the 80% benchmark.

Assessment Category	Earned Percentage
Foundational readings, summaries, and concept discussions	20%
Healthcare financial case analyses and strategic recommendations	15%
Financial statements, annual reports, ratios, and performance analysis	20%
Cost, product costing, break-even, and CVP analysis	15%
Budgeting, management control, and variance analysis	10%
Quantitative and conceptual examinations	10%
Strategic financial planning and capital-investment project	10%
Total	100%

Note: The grade will be released weekly during the academic term and according to the curriculum, the learning pace and the performance of the students in this class.