Course Syllabus

Course Number/Section/Name:
FINANCE 6370: FINANCIAL MANAGEMENT OF BIOTECHNOLOGY AND HEALTHCARE

Prerequisites (if any):
FIN 6300 or equivalent

Professor:
Dr. Anne Macy
Gene Edwards Professor of Finance

Class Days/Times/Location or Other Format:
Web

Office Location:
Classroom Center 215C

Office Hours:
T TH 9:15 – 10:30 and 11:45 – 3:00 pm

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806-651-2523

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amacy@wtamu.edu

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http://www.wtamu.edu/~amacy/

WTAMU College of Business (COB) Mission Statement

The mission of the College of Business is to provide high quality undergraduate and graduate business education with a global perspective and ethical awareness. We accomplish this through emphasis on excellence in teaching, which is strengthened by faculty scholarship and supported by professional service.
Class Communication
• I log into WTClass almost every weekday and answer emails. If you do not hear from me within a couple of days, please resend the email.
• I am on campus much more than these hours. Because I serve on many committees, sometimes I have to reschedule my office hours. Please call and set an appointment before making a specific trip to campus to see me.
• I have also found that most students prefer to "talk" via email. I try to answer emails as quickly as possible. If you email late on Friday or over the weekend, I may not see your email until Monday.
• If you would like your WTClass email sent to another email account, please change your preferences. From the homepage for WTClass, click on the left toolbar link of “preferences” (icon is a head). Then click “System Settings.” Type in your forwarding address and select your forwarding mode.
  - Important: If you wish to reply to a forwarded email, you must do it from WTClass. If you reply to the email from wherever you forwarded it, it will be lost in some email abyss.

Terms of Use
A student's continued enrollment in this course signifies acknowledgment of and agreement with the statements, disclaimers, policies, and procedures outlined within this syllabus and elsewhere in the WTClass environment. This Syllabus is a dynamic document. Elements of the course structure (e.g., dates and topics covered, but not policies) may be changed at the discretion of the professor.

Course Description
The general focus of this course is the financial management of health care organizations including hospitals, physician practices, pharmacies and pharmaceutical companies, and biotechnology companies. We will examine the intertwined aspect of the industry in addition to the impact of third-party payers. The course relies heavily upon a lecture and small problem format. First, we will discuss the material on a theoretical basis and then apply the concepts to problems and real world situations.

Course Materials (Text, calculator, etc.)
• Each student must have access to the casebook. Students may share a casebook.
  • After negotiating, I was able to get the publisher to let me post the Excel spreadsheets. This means you can buy a used copy of the casebook, which should save you money.
  • The casebook is: Casebook in Healthcare Finance, 4th edition by Louis Gapenski
  • Unfortunately, the cases change some with each edition so the third edition will not really work unless you are able to be flexible and adjust the information from your case’s numbers to the answer key. It could be difficult.
• There is no required textbook to go along with the casebook. Some students have had a lot of finance and do not need this resource. Other students simply do not read textbooks, which makes the purchase an inefficient use of funds.

• Gapenski has three different healthcare textbooks. They differ a little in material and presentation but are all acceptable choices for this class, should you decide that you want a book. Additionally, several students could share a book. I also think that the purchase of a prior edition is also acceptable, especially if the price difference is dramatic.

  • Understanding Healthcare Financial Management, 6th edition by Gapenski and Pink
    ▪ In my opinion, this is the best of the three books.
  • Healthcare Finance: An Introduction to Accounting and Financial Management, 5th edition by Gapenski
    ▪ This book is very similar to the Understanding book but more from the point of view of accounting than finance.
  • Fundamentals of Healthcare Finance, 1st edition by Gapenski
    ▪ It is the simplest of the three books. It was the cheapest but the price of the other books has fallen as the summer progressed.

• Here is the website of the publisher: http://www.ache.org/pubs/authors.cfm#G. Obviously, other websites also have the books.

• I expect students to conduct web searches on items that they would like more information. I am constantly amazed at students who email questions on definitions or basic concepts instead of just “googling” the question. Obviously, you should ask unanswered questions or questions specific to the material. I do not want to discourage questions, but there are always students who need to be learners that are more active.

• There are many great investing websites including but not limited to: CNNMoney, CNBC, Bloomberg, Yahoo!Finance, Google Finance, MSN Money, Investopedia, Wikipedia, Stockcharts, Bigcharts, Smartmoney, Fortune, etc.

• Students should use the resources available from the Cornette Library databases.

• Additionally, we will use specific websites for health care finance.

Learning Goals for the MBA Program
The College of Business at West Texas A&M University seeks to prepare students in the MBA degree program for careers in business and to foster their professional growth and advancement via the key learning goals. The key learning goals for the MBA are as follows:

• Goal 1: Professional Communication: Graduates of the MBA program will communicate effectively as managers.

• Goal 2: Leadership: Graduates of the MBA program will be leaders.

• Goal 3: Business Environment: Graduates of the MBA program will be knowledgeable of ethical, global, and social trends affecting business decisions.

• Goal 4: Business Integration: Graduates of the MBA program will be able to integrate quantitative and qualitative techniques from business functional areas.
Learning Goals for the MSFE Program
The College of Business at West Texas A&M University seeks to prepare students in the Master of Science in Finance and Economics (MSFE) degree program for careers in business and to foster their professional growth and advancement via the key learning goals. The key learning goals for the MSFE are as follows:

• **Goal 1: Professional Communication:** Graduates of the MSFE program will be effective communicators.

• **Goal 2: Critical Thinking:** Graduates of the MSFE program will be analytical thinkers and problem solvers.

• **Goal 3: Business Environment:** Graduates of the MSFE program will be aware of ethical, global, and social ramifications of business and economic decisions.

• **Goal 4: Finance and Economics Integration:** Graduates of the MSFE program will be knowledgeable of advanced theoretical and applied concepts in economics and finance.

Course Objectives
The student in this course should be able to understand the concepts in the management of health care organizations. In particular, the student should gain an understanding the financial environment of health care and biotechnology organizations along with financial strategies.

Map from COB Learning Goals to Objectives for this course
**Goal 1: Professional Communication:**
• Students will learn to calculate the value of the various health care organizations using a financial calculator and/or Excel.
• Students will conduct an analysis of a health care issue and complete a policy paper. The paper will include an executive summary, a general problem statement, a specific problem statement, a literature review, a summary, and references.

**Goal 2: Critical Thinking:**
• Students will apply the concepts and techniques of the course during the analysis of the various health care finance cases.
• Students will apply the material to practice situations.
• Students will evaluate the various business decisions demonstrated in the cases.
• Students will synthesize the theory and application of material.
• In the process of creating the paper, students will synthesis the information on a health care issue and evaluate the options regarding the problem presented.

**Goal 3: Business Environment:**
• Students will evaluate and discuss ethics cases in health care including noting the difference between answering from a consumer and from a producer viewpoint.
Goal 4: Business Integration & Finance and Economics Integration: Students will examine the core concepts within corporate finance focused on health care organizations. Students will demonstrate knowledge of

- Financial statement analysis
- Cash flow analysis
- Profitability analysis
- Resource allocation
- Project management
- Performance evaluation
- Venture capital financing

The following link is to the assessment rubrics that will be used to assess your work in addition to grading.

http://cob.wtamu.edu/accreditation/files/public/COB%20Objectives%20and%20Rubrics%202009.doc

Course Grading Policies
There are a total of 1000 points available in this course. A student who earns 900 or more points will receive an A, 800-899 a B, 700-799 a C, 600-699 a D, and less than 600 points an F. No extra credit is available.

Total Points Available:
Highest two scores from midterm 1, midterm 2, and the comprehensive final = 300 points + 300 points = 600 points
Policy paper = 300 points
Two ethics mini-cases = 50 points + 50 points = 100 points
Equals: Total of 1000 points possible

Course Assignment, Examination, and or Project Policies
- There will be two midterms and a comprehensive final exam. I will count the two highest scores and drop the lowest score. Each exam that counts is worth 300 points for a total of 600 points.
  - If you miss one exam, this becomes your choice for the dropped exam score. If you miss more than one exam, you will not pass the class.
  - The semester exams cover specific topics while the final is comprehensive.
- There are 400 points available under this section.
  - Each student will write a policy paper on a current topic in health care finance. The paper should be 7-8 pages in length (12 point Times New Roman, single-spaced within paragraphs and double-spaced between paragraphs, 1 inch margins). The reference page(s) are additional pages beyond the 7-8 pages. The paper is worth 300 points.
  - Each student will discuss two ethics mini-cases during the semester. Each posting is worth 50 points for a total of 100 points.
- We will discuss the format for the papers and presentations during the class.
- Student work must be original and correctly cited. Plagiarism is not acceptable.
### Tentative Class Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Material</th>
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<tbody>
<tr>
<td>Week of August 29</td>
<td>• Syllabus &amp; Introduction</td>
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<tr>
<td></td>
<td>• Financial Statement Analysis - Riverview</td>
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<tr>
<td>Week of September 5</td>
<td>• Financial Statement Analysis - Chesapeake</td>
</tr>
<tr>
<td>Week of September 12</td>
<td>• Working Capital Management - Commonwealth</td>
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<tr>
<td>Week of September 19</td>
<td>• Working Capital Management – Clear Lake</td>
</tr>
<tr>
<td>Week of September 26</td>
<td>• Breakeven Analysis - Columbia</td>
</tr>
<tr>
<td>Week of October 3</td>
<td>• Cash Budget – Alpine Village</td>
</tr>
<tr>
<td>Week of October 10</td>
<td>• Students Pick from #3, #9, or #11</td>
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<tr>
<td><strong>October 14-18</strong></td>
<td>• Exam 1</td>
</tr>
<tr>
<td><strong>October 20</strong></td>
<td>• First ethics posting due</td>
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<tr>
<td>Week of October 17</td>
<td>• Time Value of Money - Pensacola</td>
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<tr>
<td>Week of October 24</td>
<td>• Capital Budgeting - Palms</td>
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<tr>
<td>Week of October 31</td>
<td>• Capital Budgeting - ARC</td>
</tr>
<tr>
<td>Week of November 7</td>
<td>• Cost of Capital – Southern</td>
</tr>
<tr>
<td>Week of November 14</td>
<td>• Capital Structure – RN Temp</td>
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<tr>
<td>Week of November 21</td>
<td>• Practice Valuation - Bloomington</td>
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<tr>
<td>Week of November 28</td>
<td>• Students Pick from #25, #29, or #30</td>
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<tr>
<td><strong>November 30</strong></td>
<td>• Second ethics posting due</td>
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<tr>
<td><strong>December 2 - 6</strong></td>
<td>• Exam 2</td>
</tr>
<tr>
<td><strong>December 8</strong></td>
<td>• Policy Paper due</td>
</tr>
<tr>
<td><strong>December 10-13</strong></td>
<td>• Final Exam</td>
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</tbody>
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### Copyright
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### COB Student Resources Link
The COB has developed a Student Resources repository (e.g., APA writing style information, business core reviews, facilities, and other helpful supplements) which can be found on the COB Website: [http://www.wtamu.edu/academics/college-business-facilities-and-resources.aspx](http://www.wtamu.edu/academics/college-business-facilities-and-resources.aspx)

### Other Important Dates to Remember:
- October 14, last day to drop with guaranteed “X” grade
- October 31, last day to drop or withdraw
- See the University calendar for other important dates and to verify these dates.

### Academic Misconduct:
- Due to the nature of the course, cheating may be a problem.
- You may work with another classmate on the lecture material and problems and are encouraged to do so.

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• You may NOT take the exam with anyone else.
• You may NOT print the exam if the exam is online.
• If there is any evidence that a student has performed academic misconduct, the student will fail the course, and I will turn the student into the Dean’s Office for further action.

Additional Class Policies:
• If you drop the class, you will receive the grade you had earned as of the official date of your dropping.
• If an unavoidable problem arises during the semester that inhibits your performance in the course you should contact me. I am usually willing to explore solutions that will allow the successful completion of the course.
• If you have problems with the technology aspect of the course, please contact WTONline.

Dropping the Course:
Should a student decide to drop the course, it is the student’s responsibility to be aware of the final drop dates and adhere to the WTAMU Ad/Drop policy. Any student participating in the course after the WTAMU posted drop date will be considered active and a grade will be administered at the end of the course for that student.

Repeating Course Work
Students are charged a fee for any course attempted for a third or subsequent time at WTAMU other than a non-degree credit developmental course or exempted courses.

COB Writing Component
Students earning a BBA degree must complete at least one course with a writing component outside of their major as part of the business core requirements. The COB writing component is a requirement in the following courses: IDM 3320(Digital Collaboration and Communication), MGT 3335(Organizational Behavior), FIN 3350(Personal Financial Planning), FIN 4320(Investments), FIN 4321(Portfolio Theory), ECON 4342(Economic Development), and ECON 4370(Economics of Biotechnology and Healthcare). Students in a writing component course are explicitly required to demonstrate knowledge of communication skills. Specific objectives may include but are not limited to the following concepts put forth by the National Business Education Association: (1) ability to organize a written and an oral message coherently and effectively, (2) ability to use technology for communication, (3) ability to research a topic, prepare a report, and present the findings to all organizational levels, and (4) ability to demonstrate critical-thinking skills. Specific course requirements and the role of the writing component with respect to student grading policy are at the discretion of the course instructor of record.

Scholastic Dishonesty
It is the responsibility of students and instructors to help maintain scholastic integrity at the University by refusing to participate in or tolerate scholastic dishonesty. Commission of any of the following acts shall constitute scholastic dishonesty. This listing is not exclusive of any other acts that may reasonably be said to constitute scholastic dishonesty: acquiring or providing information for any assigned work or examination from any unauthorized source; informing any person or persons of the contents of any examination prior to the time the examination is given in
subsequent sections of the course or as a makeup; plagiarism; submission of a paper or project that is substantially the same for two courses unless expressly authorized by the instructor to do so; submission of a paper or project prepared by another student as your own. You are responsible for being familiar with the University’s Academic Integrity Code, as well as the COB Student Code of Ethics below.

**WTAMU COB Student Code of Ethics**

Each student enrolled in COB courses accepts personal responsibility to uphold and defend academic integrity and to promote an atmosphere in which all individuals may flourish. The COB Student Code of Ethics strives to set a standard of honest behavior that reflects well on students, the COB and West Texas A&M University. All students enrolled in business courses are expected to follow the explicit behaviors detailed in the Student Code of Ethics.

**Code of Ethics:**

- Do not use notes, texts, solution manuals, or other aids for a quiz or exam without instructor authorization.
- Do not copy the work of others and/or allow others to view your answers or copy your work during a quiz, exam, or on homework assignments.
- Do not allow other parties to assist in the completion of your quiz, exam, homework, paper, or project when not permitted.
- Do not work with other students on projects or assignments without authorization from the course instructor.
- Properly cite and specifically credit the source of text, graphic, and web materials in papers, projects, or other assignments.
- Do not forge the signature of an instructor, advisor, dean, or another student.
- Provide truthful information for class absences when asking faculty for excused absences or for a make-up for a quiz, exam, or homework.
- Provide truthful information on your resume including work history, academic performance, leadership activities, and membership in student organizations.
- Respect the property, personal rights, and learning environment of all members of the academic community.
- Live up to the highest ethical standards in all academic and professional endeavors.

Students violating the Student Code of Ethics will be reported to the Dean’s office and are subject to penalties described in the West Texas A&M University Code of Student Life, which may include suspension from the University. In addition, a violator of the Student Code of Ethics may become ineligible for the following:

- Participation in student organizations sponsored by the COB.
- Recognition for College academic honors, awards, and scholarships.

**Technology Requirements**

All technological requirements for the successful completion of this course are the responsibility of the student, including access to a working computer with broadband internet connection and state-of-the-art security. The student is responsible for all technological problems not related to WTAMU, including but not limited to equipment failures, power outages, and internet breakdowns. Furthermore, students are responsible for all necessary technical and operational skills for completing this course, and for being familiar with WTC class (the Angel Learning...
System) both in a general sense and in a specific sense as pertaining to this course and any materials stored within. The professor is not responsible for any technical matters related to WTClass. Students must contact WTClass if they have problems accessing and/or using Angel.

**Viewpoints Disclaimer**
The views expressed in this document, web-based course materials, and/or classroom presentations and discussions are those of the professor and do not necessarily represent the views of West Texas A&M University, its faculty and staff, or its students. Views expressed by students are likewise those of the person making such statements. It is understood and expected that each individual within this course will respect and allow individual difference of opinion.

**External Websites Disclaimer**
Neither the professor, the COB, nor WTAMU are responsible for the content of external websites discussed in the classroom and/or linked to via online course materials, emails, message boards, or other means. Referred websites are for illustrative purposes only, and are neither warranted nor endorsed by the professor, COB, or WTAMU. Web pages change frequently, as does domain name ownership. While every effort is made to ensure proper referencing, it is possible that students may on occasion find materials to be objectionable for reasons beyond our control.

**Physical or Educational Access**
West Texas A&M University seeks to provide reasonable accommodations for all qualified persons with disabilities. This University will adhere to all applicable federal, state and local laws, regulations and guidelines with respect to providing reasonable accommodations as required to afford equal educational opportunity. It is the student's responsibility to register with Student Disability Services (SDS) and to contact faculty members in a timely fashion to arrange for suitable accommodations. Contact Information: Student Success Center, CC 106; www.wtamu.edu/disability; phone 806-651-2335.

**Evacuation Statement**
If you receive notice to evacuate the building, please evacuate promptly but in an orderly manner. Evacuation routes are posted in various locations indicating all exits, outside assemble area, location of fire extinguishers, fire alarm pull stations and emergency telephone numbers (651.5000 or 911). In the event an evacuation is necessary: evacuate immediately do not use elevators; take all personal belongings with you; report to outside assembly area and wait for further information; students needing assistance in the evacuation process should bring this to the attention of the instructor at the beginning of the semester.

**Chemical and Equipment Safety Statement**
Safety is everyone's responsibility. Material Safety Data Sheets (MSDSs) are provided for all chemicals used in this class. MSDSs provide information about physical properties, health risks, fire explosion data, and other important information associated with these chemicals. Before handling or using a chemical, you should refer to the MSDS for that chemical. It is your responsibility to inform the instructor in writing of any health conditions that may prevent you from safely using a chemical (pregnancy, auto immune deficiency, etc.). It is also the responsibility of the student to report any spill or problems found while storing or using a
chemical. If you are unsure about a chemical, always ask. If you see any unsafe condition, notify your instructor immediately. If you are unsure about the proper and safe operation of any piece of equipment, ask your instructor for proper instruction. All injuries, spill of materials and unsafe conditions must be reported to the instructor immediately.

* Syllabus template approved by COB Curriculum Committee 5-30-2011. Annual review of the syllabus is a formal part of the COB continuous improvement process.