

**COURSE NAME:** HCA105 Financial Practices for Health Care Organizations

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Credit Value: 4  
 Total Course Hours: 56  
 Prerequisite Course(s): None  
 Corequisite Course(s): None

## COURSE DESCRIPTION

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This course is designed to provide students with a comprehensive introduction to financial concepts and their application required for the proficient management of a health care service. In addition to learning the financial tools and techniques related to health care management, students will learn to make practical application of these formulae and procedures to their own personal situation.

A wide-ranging perspective of the Canadian health system covers such issues as: a historical development of Medicare, its principles & coverage features, various health funding mechanisms, array of provincial health services & service pathways, current health service issues, and a system comparison between a public and market-driven health model.

The course will be presented in a series of learning modules. Students will understand the importance of financial statements, how they are derived, and how to analyze them to determine a health care entity's operational performance and financial credit-worthiness. Students will also learn the importance of managing the inflow and outflow of working capital as well as maintaining effective billing and collection protocols.

One of the most important concepts is the time value of money and students will learn its tremendous growth potential in business as well in their personal lives. Students will explore different methods that not-for-profit and for-profit organizations use to analyze the feasibility of investment decisions and how these decisions energize an organization's long-term financing for operational and capital growth. Students become acquainted with key concepts around financing such as bond valuation, loan amortization, and determining debt borrowing capacity which carry relevance not only in the business world but in everyday life as well. A fundamental criterion for making sound business decisions is understanding the relationship among revenues, costs, and volume. It answers the question: "will future revenues be sufficient to cover ongoing costs?" Just like organizations, individuals and families must confront this palpable truth every day.

One of the most important planning documents for health care organizations as well as individual citizens is the budget. Students discover the universal importance of goal setting and identifying the revenues and resources needed to achieve established goals and to monitor results against objectives using measurable performance indicators. Specific attention is given to the statistics budget, the operating budget, and the cash budget.

## LAND ACKNOWLEDGEMENT

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Canadore College resides on the traditional territory of the Anishinaabeg and within lands protected by the Robinson Huron Treaty of 1850. This land is occupied by the people of Nipissing First Nation, Treaty #10 in the Robinson Huron Treaty of 1850 since time immemorial.

## PLAR INFORMATION

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This course is eligible for Prior Learning Assessment and Recognition. Students are advised to discuss options with their program coordinator.

## COURSE LEARNING OUTCOMES

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Upon completion of this course, the student will have reliably demonstrated the ability to:

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| <p>1.0 1.0 Understand the evolution of the Canadian health care system and how it is financed, organized, and delivered along with its unique characteristics and challenges</p> <p>1.1 1.1 Trace the key developmental milestones leading to the current Canadian health Care design (guiding principles, insured services, roles &amp; responsibilities)</p> | <p>1.2 1.2 Classify range of programs along health service continuum and distinguish the potential patient "pathways" along health continuum</p> <p>1.3 1.3 Identify the current challenges confronting the Canadian health system</p> <p>2.0 2.0 Construct and analyze the different financial statements to determine annual trending and to appraise the profitability and</p> |
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structural soundness of a health care entity.

- 2.1 2.1 Study the components, structure, and purpose of the 4 major financial statements
- 2.2 2.2 Demonstrate how daily financial transactions of a health care entity are recorded for the eventual formulation of a financial statement
- 2.3 2.3 Apply different analyses to evaluate an organization's liquidity, profitability, and debt structure

3.0 3.0 Understand the importance of achieving a balanced approach for short-term working capital (current assets & liabilities)

- 3.1 3.1 Define Working Capital and the importance of the Revenue Cycle whereby assets are turned into services and revenue
- 3.2 3.2 Construct a cash budget to forecast surpluses and deficits
- 3.3 3.3 Devise an Accounts Receivable Management system to track the timely payment of accounts

4.0 Comprehend the inflationary impact on dollar values and appreciate the need for disciplined money management.

- 4.1 4.1 Explain how time and inflation erode a dollar's current value (Time Value of Money)
- 4.2 4.2 Apply formula and tables to calculate present and future value of both a dollar and an annuity
- 4.3 4.3 Appreciate the growth effect of frequent compound interest on future investment amounts

5.0 Evaluate capital investment decisions by health care centers desiring to achieve long-term benefits for the organization

- 5.1 5.1 Ascertain the financial objectives for undertaking a capital investment decision
- 5.2 5.2 Implement 3 financial methods to evaluate large dollar multi-year investments
- 5.3 5.3 Assess the strengths and weaknesses of the 3 analytical methods

6.0 Examine how both health care organizations as well as individuals can benefit from the power of debt leveraging and its practical application through borrowing and loan repayment (amortization).

6.1 6.1 Differentiate between equity and debt financing

6.2 6.2 Appraise the current market value of bonds

6.3 6.3 Construct a loan amortization schedule to compute regular debt-payment requirements

7.0 Use break-even analysis in health services to decide a) volume levels, b) charge rates, and c) direct or contract service provision

7.1 7.1 Define and differentiate fixed and variable costs

7.2 7.2 Understand the relationship between revenues, costs, and volumes

7.3 7.3 Employ concepts of contribution and product margin to determine whether to: a) add or drop a service; b) provide directly or contract out a service

8.0 Apply health care financial management methods for practical use in our personal lives.

- developing a cash budget to reflect weekly/monthly inflows, outflows, and required cash balances
- understanding the time value of money through inflation and compound interest investing
- knowing the sources for asset borrowing and asset investment
- using key components of assets/liabilities and revenues/expenses, contained within financial statements, and making practical application to bolster their individual financial planning.

8.1 8.1 Design a personal cash budget to reflect weekly/monthly inflows, outflows, and required cash balances to avoid personal debt

8.2 8.2 Understand the potential advantages of sound borrowing to expand personal net worth

8.3 8.3 Recognize time value of money through compounding to plan personal financial future

9.0 Investigate and review performance

measurement indicators for financial stewardship applicable to health care institutions, the student will demonstrate an understanding of:

9.1 9.1 Assets/liabilities (Current ratio)

9.2 9.2 Average payment period (days)

9.3 9.3 Percentage of administrative

- expenses/total expenses
- 9.4 9.4 Salaries & benefits % of total operating expenses
- 9.5 9.5 Operating expense per patient discharge
- 9.6 9.6 Operating revenue (loss) margin
- 9.7 9.7 Non-operating revenue (loss) margin
- 9.8 9.8 Long-term debt to net assets
- 9.9 9.9 Age of plant & equipment ratio
- 9.10 9.10 Debt service coverage ratio

## GENERAL EDUCATION

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This is not a General Education course.

## PROGRAM OUTCOMES

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This course contributes to the following Ministry of Colleges and Universities approved program learning outcomes (PLO):

### Health Care Administration

5. Practice within the legal, ethical and professional scope of practice in the province of Ontario as a member of the health care team.
6. Examine the impact of technology and informatics in health care and contribute to the maintenance of health-related documentation.

## ESSENTIAL EMPLOYABILITY SKILLS OUTCOMES

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This course contributes to the following Ministry of Colleges and Universities approved essential employability skills (EES) outcomes:

1. Communicate clearly, concisely, and correctly in the written, spoken, and visual form that fulfils the purpose and meets the needs of the audience.
2. Respond to written, spoken, or visual messages in a manner that ensures effective communication
4. Apply a systematic approach to solve problems
5. Use a variety of thinking skills to anticipate and solve problems
7. Analyse, evaluate, and apply relevant information from a variety of sources.
9. Interact with others in groups or teams in ways that contribute to effective working relationships and the achievement of goals.
11. Take responsibility for one's own actions, decisions, and consequences.

## EXTERNAL COURSE ACCREDITATIONS AND CONDITIONS

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There are no external accreditations or conditions identified for this course.

## COURSE EVALUATION

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no grading for online participation

no sub-learning outcomes  
 4 written exams: 80% of final grade  
 2 quizzes: 20% of final grade

## PROGRAM SPECIFIC GRADING

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An overall grade of 60% is required to pass

### GRADING SYSTEM

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A+:	90-100%	B+:	77-79%	C+:	65-69%	D:	50-54%	S - Satisfactory
A:	85-89%	B:	73-76%	C:	60-64%	F:	0-49%	I - Incomplete
A-:	80-84%	B-:	70-72%	D+:	55-59%			F- Repeat Course, included in GPA
								FS- Failure Supplemental
								FR- Repeat course, excluded from GPA

\*For a complete chart of grades and descriptions, please see the Grading Policy.

## LEARNING RESOURCES

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No textbooks have been identified for this course.

Other Resources:

Accreditation Canada Resource Management Standards

Resources listed on the course outline support the achievement of learning outcomes, and may be used throughout the course to varying degrees depending on the instructor's teaching methodology and the nature of the resource.

Technology requirements - <https://www.canadorecollege.ca/BYOD>

The Harris Learning Library's staff can help you find resources to support your learning - [www.eclibrary.ca](http://www.eclibrary.ca)

## LEARNING ACTIVITIES

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Lectures

Class readings

Individual and small group presentations

Class discussion and problem solving

Presentations by content experts (clinical and financial leaders)

Case studies/scenarios

## DELIVERY MODE

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This course may be delivered, in whole or in part, in a number of modalities, including in class, online, hybrid, in a synchronous or asynchronous manner or a combination thereof, as per accreditation and/or regulatory standards where appropriate.

## RECORDING GUIDELINES

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This class may be recorded by faculty of the College. Faculty will inform students when recording of the class commences and ceases. 'Recorded' means that the audio-visual and chat portions of the class will be recorded and then be stored on the College or vendor provider server. They will be made available to students, but only for the express and sole use of those registered in this course. If you have any questions or concerns about this recording, please contact your instructor or the College's privacy officer at [privacy.officer@canadorecollege.ca](mailto:privacy.officer@canadorecollege.ca). Full recording guidelines can be found at: <https://cdn.agilitycms.com/canadore-college/academic-centre-of-excellence/Canadore%20Recording%20Guidelines.pdf>

## ACADEMIC POLICIES

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Canadore College is committed to the highest standards of academic integrity, and expects students to adhere to these standards as part of the learning process in all environments. The College's Academic Integrity policy seeks to ensure that all students understand their rights and responsibilities in upholding academic integrity and that students receive an accurate and fair assessment of their work. Please review the Academic Integrity policy (A-18) and other academic policies found on our website: <https://www.canadorecollege.ca/about/policies>.

## COLLEGE POLICIES

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- Protecting human rights in support of a respectful college community

For college policies please see: <http://www.canadorecollege.ca/about-us/college-policies>.

## STUDENT SUCCESS SERVICES - Your Success Matters!

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Student Success Services provides student-focused services to facilitate students' success in their studies. Staff provide support by reducing and/or removing educational-related barriers through individualized accommodations and supports to students with disabilities.

Please visit our webpage to learn more: <https://www.canadorecollege.ca/support/student-success-services> or look for our events on social media.

To connect with Student Success Services email [studentsuccessnow@canadorecollege.ca](mailto:studentsuccessnow@canadorecollege.ca) or call 705.474.7600 ext 5205.

### **FIRST PEOPLES' CENTRE:**

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A culturally safe environment offering CONFIDENTIAL student focused services, drop in or make an appointment to access:

- One on one counselling
- Elder in residence program
- Peer tutoring
- Peer mentorship
- Lunch & learn workshops on study skills, self-care, life skills
- Learning Resource Centre

Drop by our offices at C254 College Drive, E101 Commerce Court or call 705 474 7600 Ext. 5961 College Drive / 5647 Commerce Court.

<https://www.canadorecollege.ca/experience/indigenous-student-experience>

### **WAIVER OF RESPONSIBILITY**

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Every attempt is made to ensure the accuracy of this information as of the date of publication. The college reserves the right to modify, change, add, or delete content.

### **HISTORICAL COURSE OUTLINES**

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Students use course outlines to support their learning. Students are responsible for retaining course outlines for future use in applications for transfer of credit to other educational institutions.