

**University of Alabama at Birmingham  
School of Health Related Professions  
Department of Health Services Administration**

**Graduate Certificate in Health Care Financial Management**

NEED

Health care organizations are increasingly demanding that its management professionals expand their financial background, knowledge and skills. Health care organizations face particular need for this knowledge and skills because of the complexities of financing in the health care industry. The variety of reimbursement methods, the direct role of government in financing, the pseudo-governmental private insurance market and the predominantly not-for-profit nature of many health care firms all contribute to this complexity. Further, in health care, organizations must prove their financial viability to a variety of constituents such as investors, creditors, venture capitalists, boards of directors, physicians, community advocates and others. Finally, alumni, preceptors and employers, who hire students from the Master of Science in Health Administration (MSHA) program, have strongly recommended the need to enhance current students' understanding of finance.

It is these factors that indicate a need for a Category B Health Care Financial Management Certificate. The Certificate would enhance the knowledge base and skills of students especially within the MSHA and the Master of Business Administration (MBA) degree programs. It is likely that students in other programs within the University would also benefit from the Certificate.

ADMISSION REQUIREMENTS

Preference will be given to students admitted to the University of Alabama at Birmingham's MSHA or MBA Programs or to other graduate programs such as the School of Public Health or School of Medicine.

RELATIONSHIP TO OTHER PROGRAMS

Currently, the Master of Science in Health Administration Program and the Graduate School of Management work together to provide a coordinated MSHA/MBA degree. These dual degree students would be potential candidates for this certificate. In addition, students within the single MSHA or MBA programs and dual MSHA/Master of Science in Health Informatics may also want to enhance their financial management background and credentials by pursuing this certificate.

## CURRICULUM REQUIREMENTS

The certificate consists of six courses (18 semester credit hours). There are five required courses that must be taken by each student desiring the certificate plus one additional course that can be individually customized but chosen from a specified grouping of courses. In addition, the required courses have MBA 610 Financial Analysis and Reporting for Management as a prerequisite.

The following courses would constitute the requirements of the Health Care Financial Management Certificate:

### **A. Required Courses:**

1. MBA 667. Quantitative Methods for Finance. Development of the mathematical foundations of graduate level financial modeling and analysis, including applications of calculus, probability theory and linear algebra to the measurement of asset returns and the assessment of risk, to the pricing of options and other financial derivatives, and to the solution of important financial optimization problems (3 hours).
2. HA 620. Health Care Financial Management I. This course will concentrate on the application of accounting and financial management principles and concepts for decision-making in health care organizations, and will integrate knowledge of these principles to specific problems. Five topics are covered: financial accounting, cost accounting, sources of revenues, budgeting and control, and pricing. (3 hours).
3. HA 621. Health Care Financial Management II. This course will concentrate on the application of financial management principles and concepts for decision-making in health care organizations, and will integrate knowledge of health care finance to specific problems. Primary topics covered are time value of money, capital budgeting, financial risk and return, leasing, debt and equity financing, and capital structure decisions (3 hours).
4. MBA 629. Short-term Financial Management. Treasury Management encompasses an overview of the concepts of liquidity vs. solvency, working capital, cash management, cash forecasting, and trends in banking (3 hours).
5. HA 623. Application of Health Care Finance Concepts. This course is designed to be a “hands-on” project with a Chief Financial Officer in a health care organization that would be a “real world” application of financial management tools and techniques for students (3 hours).

### **B. Optional Courses (Choose one of the following courses):**

1. HI 615. Administrative and Clinical Decision Support Systems. Examination of role of information systems in supporting administrative and clinical decision making in

health care enterprises. Case studies of design and use of computer-based decision support and modeling systems. Prerequisite: HI 640 and permission of instructor. (3 hours).

2. MBA 622. Portfolio Theory and Construction. Theoretical and practical aspects of investments and portfolio management. Prerequisites: MBA 620. (3 hours).
3. MBA 624. International Financial Management. Financial analysis and decision-making in international context. All traditional areas of corporate finance explored. Prerequisite: MBA 620. (3 hours).
4. MBA 626. Credit Markets and Instruments. Detailed coverage of the credit markets (Money and Bond markets) of the U.S. and an introduction to the international aspects of those instruments. (3 hours).
5. MBA 627. Financial Risk Analysis and Management. Exploration of issues in the measurement, analysis, and management of financial risk including interest rate, exchange rate, and commodity price risks (3 hours).

#### EXPECTED NUMBER OF STUDENTS

The expected number of students is variable; however, it is projected that at least 10 – 20 students each year would be candidates for the certificate among the various programs involved.