

Transition Guide for
Health Care Finance: Basic Tools for Nonfinancial Managers, Fifth Edition

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4th Ed. Chapter #	5th Ed. Chapter #	Fifth Edition Table of Contents	Comments
---	---	PART I: HEALTH CARE FINANCE OVERVIEW	
1	1	Introduction to Health Care Finance	
2	2	Four Things the Health Care Manager Needs to Know About Financial Management Systems	
---	3	The Digital Age: Changing the Landscape of Healthcare Finance	NEW CHAPTER: This new chapter is about understanding the impact of data analytics and big data, along with other important trends in the changing landscape of healthcare finance. It is important to recognize that digital advancements in health care are the drivers that enable innovation.
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3	4	Assets, Liabilities and Net Worth	
4	5	Revenues (Inflow)	
5	6	Expenses (Outflow)	
6	7	Cost Classifications	
---	---	PART III: TOOLS TO ANALYZE & UNDERSTAND FINANCIAL OPERATIONS	
7	8	Cost Behavior and Break-Even Analysis	
8	9	Understanding Inventory and Depreciation Concepts	A new section about drug distribution systems in use in hospitals has been added to this chapter.
8-A	9-A	Appendix: A Further Discussion of	

		Accelerated & Units of Service Depreciation Computations	
9	10	Staffing: Methods, Operations & Regulations	A new section has been added to the Staffing chapter describing legislation that requires reporting “verifiable and auditable” payroll information for the “Nursing Compare” website, along with information about existing Certificate of Need regulations
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10	11	Reporting As a Tool	
11	12	Financial and Operating Ratios as Performance Measures	
12	13	The Time Value of Money	
12-A	13-A	Appendix: Present Value Table	
12-B	13-B	Appendix: Compound Interest Table	
12-C	13-C	Appendix: Present Value of an Annuity	
---	---	PART V: TOOLS TO REVIEW & MANAGE COMPARATIVE DATA	
13	14	Trend Analysis, Common Sizing & Forecasted Data	
14	15	Using Comparative Data	
---	---	PART VI: CONSTRUCT & EVALUATE BUDGETS	
15	16	Operating Budgets	
---	16-A	Appendix: Creating A DRG Budget for Respiratory Care: The Resource Consumption Approach	NEW APPENDIX - This new appendix sets out a step-by-step DRG budget methodology.
---	16-B	Appendix: Reviewing A Comparative Operating Budget Report	NEW APPENDIX - This new appendix describes the review of a section from an actual operating budget report.
16	17	Capital Expenditure Budgets	
16-A	17-A	Appendix: A Further Discussion of Capital Budgeting Methods	

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17	18	Variance Analysis & Sensitivity Analysis	
18	19	Estimates, Benchmarking & Other Measurement Tools	
---	20	Understanding the Impact of Data Analytics and Big Data	NEW CHAPTER
---	---	PART VIII: FINANCIAL TERMS, COSTS & CHOICES	
19	21	Understanding Investment Terms & Statistical Terms Used in Finance	This chapter was originally only about investment terms; it now has a new section about understanding statistical terms.
20	22	Business Loans and Financing Costs	
20-A	22-A	Sample Amortization Schedule	
21	23	Choices: Owning versus Leasing Equipment	
---	---	PART IX: STRATEGIC PLANNING: A POWERFUL TOOL	
22	24	Strategic Planning and the Healthcare Financial Manager	
22-A	24-A	Appendix: Sample SWOT Worksheets & Question Guides	
23	25	Putting It All Together: Creating a Business Plan	
---	26	Understanding Strategic Relationships: Health Delivery Systems, Finance and Reimbursement	NEW CHAPTER – This new chapter focuses upon describing the strategic relationships between and among health delivery systems, finance, and reimbursement. This chapter assists a manager in recognizing both differences and interrelationships and in applying this recognition to their own organization's structure.
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		TOOL	
---	27	Understanding Value-Based Health Care and Its Financial & Digital Outcomes	NEW CHAPTER – Value-based performance, the subject of this new chapter, is particularly important because it is the key to both improving patient care and reforming payment systems. Healthcare organizations should define what value means and make sure that definition is shared across the entire entity.
24	---	Information Technology and EHR: Adoption, Requirements, Initiatives & Management Decisions	Omitted from 5 th edition (now replaced with new value-based chapter)
24-A	---	Appendix: The E-Prescribing (eRx) Incentive Program	Omitted from 5 th edition
---	28	New Payment Methods & Measures: MIPS & APMs for Eligible Professionals	NEW CHAPTER – This new chapter highlights significant legislation and regulations that change payment methods and performance measures for physicians and other eligible professionals. The new payment method for physicians hinges upon proper reporting of new performance measures. The new system is a true reform, as it replaces a physician payment system that has been in effect for decades.
---	28A	Meaningful Use: Modified and Streamlined, With A New Name	NEW APPENDIX – This new appendix describes the evolution of meaningful use before and after its transition into the new physician performance measures that are described in Chapter 28.
25	---	Electronic Health Records Framework: Incentives, Standards, Measures and Meaningful Use	Omitted from 5 th edition (because incentives are ending).
---	29	Standardizing Measures & Payment In Post-Acute Care: New Requirements	NEW CHAPTER – This new chapter is about important legislation and regulations that

			standardize measures and require studies about payment reform for post-acute care. This means performance measures for skilled nursing facilities, home health agencies, inpatient rehabilitation facilities, and long-term care hospitals are being standardized. Models for a patient-centered payment system that cuts across all four care settings are also being created.
26	30	ICD-10 Implementation Continues: Finance & Strategic Challenges for the Manager	This updated chapter focuses upon challenges for the manager within ICD-10 implementation. An all-new section introduces useful Key Performance Indicators that are used to assess an organization's ICD-10 implementation progress.
26-A	30-A	Appendix: ICD-10 Conversion Costs for a Midwestern Hospital	
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---	31	Case Study: The Doctor's Dilemma	NEW CASE STUDY – This new case study is about a physician deciding whether or not to sell his practice to a health delivery system.
27	32	Case Study: Strategic Financial Planning in Long-Term Care	
28	33	Case Study: Metropolis Health System	
28-A	33-A	Case Study Appendix: Metropolis Health System's Financial Statements & Excerpts from Notes	
28-B	33-B	Case Study Appendix: Comparative Analysis Using Financial Ratios and Benchmarking Helps Turn Around a Hospital in the Metropolis Health System	
29	33-C	Case Study Appendix: Proposal to Add a Retail Pharmacy to a	

		Hospital in the Metropolis Health System	
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30	34	Mini-Case Study 1: The Economic Significance of Resource Misallocation: Client Flow through the Women, Infants, and Children Public Health Program	
31	35	Mini-Case Study 2: Technology in Health Care: Automating Admissions Processes	
A	A	APPENDIX A: Checklists	New Checklist A-6
B	---	APPENDIX B: Web-Based and Software Learning Tools	Omit in 5 th edition
---	---	Glossary	New terms added
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