Contents

Preface for Instructors ix
Preface for Students xix
Case Descriptions xxv

Financial Accounting

1 Riverview Community Hospital (A)
   Assessing Hospital Performance 3
2 Chesapeake Health Plans
   Assessing HMO Performance 15

Managerial Accounting

3 Rio Grande Medical Center
   Cost Allocation Concepts 27
4 Apple Valley Family Practice
   Cost Allocation Methods 35
5 Blue Pointe Healthcare
   Premium Development 41
6 Columbia Memorial Hospital
   Break-even Analysis 49
7 Palisades Mental Health Clinic
   Variance Analysis 55
8 Alpine Village Clinic
   Cash Budgeting 65
9 Boston Transplant Center
   Marginal Cost Pricing Analysis 71
10 Denver Health Network
    ABC Analysis 77
11 Maitland Family Physicians
    Pay for Performance 83
Contents

Financial Management Basics

12 Pensacola Surgery Centers
   Time Value Analysis 95
13 Southeastern Specialty, Inc.
   Financial Risk 101
14 Atlantic Healthcare (A)
   Bond Valuation 107
15 Atlantic Healthcare (B)
   Stock Valuation 113

Capital Acquisition

16 Southern Homecare
   Cost of Capital 121
17 RN Temp Services, Inc.
   Capital Structure Analysis 127
18 Portland Cancer Center
   Leasing Decisions 135

Capital Investment

19 Palms Hospital
   Traditional Project Analysis 143
20 American Rehabilitation Centers
   Staged Entry Analysis 149
21 Cook County Health System
   Make or Buy Analysis 155
22 St. Jerome Teaching Hospital
   Merger Analysis 163
23 South Beach Health Partners
   Joint Venture Analysis 171
24 Bloomington Clinics
   Practice Valuation 181
25 University Faculty Practice
   Physician Extender Analysis 187
26 Johnson Memorial Hospital
   Competing Technologies with Backfill 193
Contents

**Working Capital**

27 Commonwealth Pharmaceuticals
   Receivables Management 201
28 Clear Lake Hospital
   Inventory Management 207

**Other Topics**

29 Riverview Community Hospital (B)
   Financial Forecasting 215
30 Copperline Healthcare
   Capitation and Risk Sharing 219

**Ethics Mini-Cases**

1 Trigon Blue Cross/Blue Shield
   Copayments 227
2 Deal of a Lifetime
   Corporate-Owned Life Insurance 229
3 Bayview Surgery Center
   Pricing/Billing of Surgical Services 231
4 Jefferson General Hospital
   Mergers, Acquisitions, and Agency 233
5 Front Street Hospital
   Uninsured Charges and Collections 235
6 Westwood Imaging Centers
   Payment for Referrals 239

   About the Author 243
   About the Contributor 245