

HCMG 849: Financial Management of Health Institutions

Fall 2019

Wednesdays 3:00-5:50

Jon M. Huntsman Hall F70

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Office: By appointment and often on campus 1-3pm before class

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Overview

This course focuses on health care organizations' financing and financial decisions in the changing health care landscape. The course involves financial analysis, lectures, including presentations by practitioners with extensive real-world experience, and a final case study presentation.

The curriculum is organized into three sections: healthcare investing finance, operational finance and the final third of class is focused on example case studies. The class will draw upon a wide range of industry speakers to cover finance topics in healthcare segments of devices, services, pharma, insurance and technology and unique transactions such as IPOs, take-privates and various capitalization structures.

Students seeking careers in health care with minimal finance background will obtain a solid introduction to key areas of health care finance and financial decision making. Students with more background will extend and enhance their analytical skills in a variety of important areas.

Format: Lecture and cases with individual and group assignments

Prerequisites: FNCE 611 or 614, equivalent coursework, or experience

Case teams, assignments, and case study presentation

Groups of up to five students should assemble to form a case team. Each team will be responsible for submitting two homework assignments and one final case study project including write-up and presentation of one case in class. The case write-up should consist of no more than 20 PowerPoint slides. A team's oral presentation should take approximately 15-20 minutes, with each member required to participate. The presenting team should turn in a supporting excel file if the presentation slides do not fully reflect the team's analysis.

Class participation / contribution

Attendance is important, especially with guest speakers, and participation is expected. Missing class will significantly reduce your participation / contribution score and overall grade. Any student who wishes to do so can submit an optional 2-page analysis of a topic in health care finance, approved by the professor, which will be considered when determining your participation grade. Due date December 6.

Course grade

Class participation 30%

Assignments 30%

Case presentation 40%

Course Outline

Date	Part I: 3:00-4:15pm Part II: 4:30-5:45pm	Topic
<u>9/4/2019</u>	<u>Class 1</u>	<u>Introduction and Process of Raising Capital</u>
	Part I	Lecture: Class introduction, process of raising capital
	Part II	Speaker: Rob Fraiman, Jr., President of Cain Brothers
		Topic: Healthcare finance markets
	<i>To do</i>	<i>Assignment: Personal statement due 9/11/2019 - answer each question in 1 sentence:</i> <ol style="list-style-type: none"> 1) <i>What did you do before school?</i> 2) <i>What did you do this past summer?</i> 3) <i>What do you want to do after graduation?</i> 4) <i>What is one thing you hope to learn in this class?</i> 5) <i>Optional: How can I be helpful to you this semester?</i>
<u>9/11/2019</u>	<u>Class 2</u>	<u>Regulatory Considerations and Due Diligence</u>
	Part I	Speaker: Holly Buckley, Partner and Co-Chair Healthcare and Lifesciences, McGuire Woods Topic: Regulatory considerations
	Part II	Speaker: Dan Shoenholz, Managing Director, Strategy Service, co-Head, Health Practice at EY-Parthenon Topic: Due diligence
	<i>To do</i>	<i>Read 5 Ms - Executing the Due Diligence Plan by Eugene Hill</i> <i>Personal statement due 9/11/2019</i>
<u>9/18/2019</u>	<u>Class 3</u>	<u>Take Private Transactions and Mega Mergers</u> <u>Capitalization and Valuation</u>
	Part I	Speaker: Karim Nensi, Managing Director, Goldman Sachs Topic: Healthcare take private transactions and mega-mergers
	Part II	Lecture: Capitalization and Valuation
	<i>To do</i>	<i>Submit your case teams (up to 5 people per case) and rank order top three preferences for cases, due 9/25/2019</i>
<u>9/25/2019</u>	<u>Class 4</u>	<u>Pharma</u>
	Part I	Speaker: Adam Koppell, MD, PhD, Managing Director, Bain Capital Topic: Pharma investing in the public and private domain
	Part II	Speaker: Scott Harrington, PhD, Alan B. Miller Professor and Chair, Health Care Management Department Topic: Drug valuation

<i>To do</i>		<i>Submit your case teams (up to 5 people per case) and rank order top three preferences for cases, due 9/25/2019</i>
<u>10/2/2019</u>	<u>Class 5</u>	<u>Debt & Term Sheets</u>
	Part I	Speaker: James Burke, Managing Partner Topic: Private debt
	Part II	Lecture: Term sheets
	<i>To do</i>	<i>Assignment: Debt term sheet and covenant analysis due 10/9/2019</i>
<u>10/9/2019</u>	<u>Class 6</u>	<u>Medicaid & Medicare</u>
	Part I	Speaker: Matthew Klitus, recent Chief Financial & Strategy Officer, MassHealth Topic: Massachusetts Medicaid
	Part II	Lecture: Outlook and trends in Medicare reimbursement
	<i>To do</i>	<i>Debt term sheet and covenant analysis due 10/9/2019</i>
<u>10/16/2019</u>	<u>Class 7</u>	<u>Operational finance skills and management</u>
	Part I	Speaker: Robert A. Broermann, EVP/CFO at Sentara Topic: Not-for-profit healthcare system finance
	Part II	Speaker: Michael S. Haugen, Partner, ghSMART Topic: Building a finance team
	<i>To do</i>	<i>Assignment: Model management proceeds for CEO, CFO, and COO in a sample case study due 10/23/2019</i>
<u>10/23/2019</u>	<u>Class 8</u>	<u>IPOs and the role of Boards</u>
	Part I	Speaker: David Guyer, MD, CEO of Opthotech Topic: Medical device IPOs
	Part II	Lecture: Special situations and lessons from the board room
	<i>To do</i>	<i>Model management proceeds for CEO, CFO, and COO in a sample case study due 10/23/2019</i>
<u>10/30/2019</u>	<u>Class 9</u>	<u>Medical Device / distribution</u>
	Part I	Speaker: Adele Olivia, Founding Partner and Greg Muir, Associate, 1315 Capital
	Part II	Case study: TBD
	<i>To do</i>	<i>Case team 1 presentation and case due</i>
<u>11/6/2019</u>	<u>Pharma</u>	<u>Pharma</u>
	Part I	Speaker: Jamil Beg, Principal, 5AM Ventures
	Part II	Case study: Sage Therapeutics
	<i>To do</i>	<i>Case team 2 presentation and case due</i>
<u>11/13/2019</u>	<u>Services</u>	<u>Inpatient and outpatient healthcare services</u>

	Part I	Speaker: Benjamin Selzer, VP Business Development, and Julie Gessin, VP Operations, Schweiger Dermatology Group
	Part II	Case study: Schweiger Dermatology
	<i>To do</i>	<i>Case team 3 presentation and case due</i>
<u>11/20/2019</u>	<u>Healthcare tech</u>	<u>Healthcare technology</u>
	Part I	Speaker: Jay Desai, CEO and Founder of PatientPing
	Part II	Case study: PatientPing
	<i>To do</i>	<i>Case team 4 presentation and case due</i>
<u>11/27/2019</u>	<u>Thanksgiving</u>	<u>No Class</u>
<u>12/4/2019</u>	<u>Insurance</u>	<u>Healthcare insurance</u>
	Part I	Speaker: David Pinkert, President and Co-founder of Friday Health Plans
	Part II	Case study: Friday Health Plans
	<i>To do</i>	<i>Case team 5 presentation and case due</i>