

# Budgeting for Non-Financial Healthcare Managers In Times of Change and Uncertainty



**hfma**

healthcare financial management association

## You'll Learn:

- To prepare a departmental budget and get it approved quickly.
- How to improve communication between the clinical departments and the finance department.
- To make the annual budgeting process a joint venture, instead of an adversarial chore.
- What clinical department heads expect from the finance department.
- What the finance department needs from clinical department heads.

## Who Should Attend:

This course is a MUST for non-financial healthcare managers whose job descriptions now include financial responsibility. It is highly recommended for financial managers who need to communicate more effectively with their organization's non-financial managers. Ideally, financial managers will attend this course with their non-financial colleagues so that each learns how to meet the other's needs and exceed their expectations.

## Schedule:

This seminar runs for two days.



## Seminar Outline:

This course is designed to help the non-financial manager transform the annual budgeting experience from a dreaded requirement into a meaningful process to help you successfully compete for the financial resources you need to fund your department's strategic plan.

If you are a financial manager, you will learn how to communicate with your non-financial colleagues, many of whom are intimidated by math and confused by your professional jargon.

1. Generally Accepted Accounting Principles
2. Cash vs. Accrual Accounting
3. Financial vs. Managerial Accounting
4. Unit Of Measure/Unit Of Service
  - a. Unweighted vs. weighted
5. FTEs
  - a. Fixed vs. variable vs. step-variable
  - b. Productive direct vs. indirect
  - c. Calculating required FTEs
  - d. Staffing ratios and skill mix
  - e. Cross-training and patient-focused care
6. Reimbursement
  - a. Retrospective vs. prospective
7. Charges vs. Revenue
  - a. Gross revenue vs. net revenue
  - b. Contractual adjustments
  - c. Raising charges vs. reducing costs
  - d. Allocation of net revenue
  - e. Capitation premiums



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8. Cost
  - a. Unexpired cost vs. expired cost
  - b. Cost vs. expense
  - c. Depreciation expense
  - d. Direct cost vs. indirect cost
  - e. Fixed cost vs. variable cost
  - f. Mixed cost vs. step-variable cost
  - g. Standard cost
  - h. Cost accounting
9. The Four Healthcare Budgets
  - a. Capital budget
    1. Preparation and justification
    2. Simple payback
    3. Rate of return
    4. Net present value
  - b. Operating budget
    1. Static vs. flexible
    2. Unit indicators: statistics and ratios
  - c. Budgeting methods
    1. Fixed cost
    2. Unit cost
    3. Zero-based budgeting
  - d. Cash budget
  - e. Balance sheet budget
10. Break Even Analysis
11. Three-Way Variance Analysis
  - a. Price
  - b. Volume
  - c. Efficiency/productivity
12. Following the Audit Trail (And What to Look For Along the Way)
  - a. Source documents to financial statements
13. The Cost Report
  - a. "Fair share" and indirect costs
  - b. Step-down overhead allocation
  - c. Activity-based costing

