



Transition Guide

Introduction the Financial Management of Healthcare Organizations, Eighth Edition

Michael Nowicki, EdD, FACHE

July 2021

New and updated material includes:

Chapter 1. Financial Management in Context	Updated financial accounting information in Appendix 1.1 and updated economic information in Appendix 1.2 and updated information on the extent and consequences of medical error.
Chapter 2. Organization of Financial Management	Updated information on the desired characteristics of hospital CFOs and organizations designed to integrate care.
Chapter 3. Financial Analysis and Management Reporting	New information on financial reports including the most recent changes to GAAP. Updated medians for important financial statement ratios.
Chapter 4. Tax Status of Healthcare Organizations	New information on the requirements for not-for-profit hospitals including the Tax Cuts and Jobs Act of 2017. New information on state laws affecting not-for-profit hospitals.
Chapter 5. Third-Party Payment	Revised information on managed care and new information on high-deductible health plans. New information on Employer Self-Funded Plans including third-party administrators and direct contracting. New information on state health reform.
Chapter 6. Medicare	New information on political proposals to change Medicare and new laws and budgets affecting Medicare. Updated information on administrative simplification under HIPAA including both privacy and security settlements. New

	information on Supreme court cases affecting ACA and the new opioid fraud and abuse detection unit.
Chapter 7. Medicaid	New information on the Medicaid expansion and state efforts to reform Medicaid.
Chapter 8. Cost Accounting	New information on the impact of costs on the access to healthcare including new information on COVID-19 relief efforts.
Chapter 9. Reimbursement	New information on pricing transparency at the state and federal levels and surprise billing at the state and federal levels.
Chapter 10. Working Capital	Updated information on working capital problems for healthcare organizations.
Chapter 11. Managing Revenue Cycle	New information on revenue cycle problems in physician practices.
Chapter 12. Managing Materials	New information on supply chain problems brought to light by shortages due to COVID-19.
Chapter 13. Strategic and Operational Planning	New planning information related to COVID-19 and the impact of digital devices on personal planning.
Chapter 14. Budgeting	New information on reducing unnecessary costs due to waste.
Chapter 15. Capital Budgeting	New information on the potential impact of COVID-19 on accessing capital.
Chapter 16. Healthcare Reform Trends	New information on the analysis of the ACA and its impact on quality, cost, and access. New information on President Trump's healthcare reform losses and wins and an early assessment on what can be expected from President Biden.