CONTENTS

| | Preface for Instructors | ix |
|----------|--|-------|
| | Preface for Students | xix |
| | Case Descriptions | xxiii |
| PART I | THE HEALTHCARE ENVIRONMENT | |
| 1 | New England Healthcare | |
| | (Premium Development) | 3 |
| 2 | Orlando Family Physicians (Pay for Performance) | 11 |
| 3 | Santa Fe Healthcare (Capitation and Risk Sharing) | 19 |
| PART II | COST BEHAVIOR AND PROFIT ANALYSIS | |
| 4 | Tulsa Memorial Hospital (Breakeven Analysis) | 27 |
| 5 | Shasta Faculty Practice (Cost-Benefit Analysis) | 33 |
| PART III | COST ALLOCATION | |
| 6 | Big Bend Medical Center (Cost Allocation Concepts) | 41 |
| 7 | Eagan Family Practice (Cost Allocation Methods) | 47 |
| 8 | Dallas Health Network | |
| | (Activity-Based Costing Analysis) | 53 |
| PART IV | PRICING, PLANNING, AND BUDGETING | |
| 9 | Cambridge Transplant Center | |
| | (Marginal Cost Pricing Analysis) | 61 |
| 10 | Cascades Mental Health Clinic (Variance Analysis) | 67 |

vi

| PART V | FINANCIAL MANAGEMENT CONCEPTS | |
|-----------|---|-----|
| 11 | Gulf Shores Surgery Centers (Time Value Analysis) | 79 |
| 12 | Mid-Atlantic Specialty, Inc. (Financial Risk) | 83 |
| PART VI | CAPITAL ACQUISITION | |
| 13 | Pacific Healthcare (A) (Bond Valuation) | 89 |
| 14 | Senior Care Enterprises (Bond Refunding) | 91 |
| 15 | Pacific Healthcare (B) (Stock Valuation) | 95 |
| 16 | Seattle Cancer Center (Leasing Decisions) | 97 |
| PART VII | COST OF CAPITAL AND CAPITAL STRUCT | URE |
| 17 | Southeastern Homecare (Cost of Capital) | 105 |
| 18 | RN Temps, Inc. (Capital Structure Analysis) | 111 |
| PART VIII | CAPITAL ALLOCATION | |
| 19 | Jones Memorial Hospital | |
| | (Competing Technologies with Backfill) | 121 |
| 20 | Coral Bay Hospital | |
| | (Traditional Project Analysis) | 127 |
| 21 | National Rehabilitation Centers | |
| | (Staged-Entry Analysis) | 133 |
| 22 | Northwest Suburban Health System | |
| | (Outsourcing Decisions) | 139 |
| PART IX | FINANCIAL CONDITION ANALYSIS AND | |
| | FORECASTING | |
| 23 | Commonwealth Health Plans | |
| | (Assessing HMO Performance) | 149 |
| 24 | River Community Hospital (A) | |
| | (Assessing Hospital Performance) | 159 |
| 25 | River Community Hospital (B) | |
| | (Financial Forecasting) | 169 |
| PART X | CURRENT ASSET MANAGEMENT | |
| 26 | Mountain Village Clinic (Cash Budgeting) | 175 |
| 27 | Foster Pharmaceuticals (Receivables Management) | 179 |
| 28 | Clarinda Community Hospital | |
| | (Inventory Management) | 183 |

| | Conter | |
|---------|--|-----|
| 29 | Milwaukee Regional Health System | |
| | (Revenue Cycle Management) | 189 |
| PART XI | BUSINESS VALUATION | |
| 30 | St. Benedict's Teaching Hospital (Merger Analysis) | 203 |
| 31 | Beachside Health Partners (Joint Venture Analysis) | 211 |
| 32 | Bedford Clinics (Practice Valuation) | 219 |
| | About the Authors | 227 |
| | Remembering Louis C. Gapenski, PhD | 228 |

vii