

Hands on finance

Health care financial management

Mary Courtney and David Briggs (editors)

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FROM TIME TO TIME, the Australian Health Review will include multiple reviews regarding the same publication. This has been undertaken where the publication may be useful to different groups of readers and to provide readers of the AHR with different perspectives. To provide further information, a 5-star rating based on readability, useability and content has been included as part of the review. Happy reading!

Gary E Day

Book Review Editor, AHR

Text meets needs

This is a book on health care financial management produced under the editorial guidance of Professor Mary Courtney and David Briggs. This book replaces the 1997 text *Financial management in health services* by Mary Courtney. The book is quite different in its organisation and structure from the original text and this is a deliberate shift to address the growing importance of the aged care and community sectors.

The book is organised into four parts with focused chapters within these parts. Part 1 addresses the broad frameworks for health care financing and brings in international as well as Australian perspectives. Part 2 describes funding allocation mechanisms and looks at population-based resource allocation formulae, casemix, funding aged and community care as well as the funding of Medicare, health care insurance, and compensation and liability issues. Parts 3 and 4 look at the accounting framework and the detail of financial management, planning and control.

The chapters in this version are deliberately more directed towards particular topics and at times provide less detail than the comprehensive first edition. The introduction conveys that this is a deliberate

approach and includes new chapters and subject matter not previously incorporated.

There were some areas of weakness and inconsistency, mostly related to editorial issues. At times, there could have been better linkage between sections and chapters, and in some instances the conclusions could have been stronger and challenged us further to understand the weaknesses and issues in our health system funding arrangements.

As a teaching tool it is a valuable text with specific learning objectives for each chapter, key points and a summary at the end of each chapter, and in most instances discussion questions to support each chapter. The text recognises that further information might be needed and the preface notes that "where authoritative texts, journal articles, or websites are available on aspects under discussion the reader is advised and encouraged to refer to them for greater depth of understanding".

There is a real need for texts like this to support teaching in undergraduate and post-graduate financial management subjects in health and health-related disciplines. Of note, there is a deliberate shift in this version towards providing information on funding of aged, community care and disability services in recognition of their growing importance as part of the health care system. With some reservations, mostly related to editorial issues, I suggest that this book has a lot going for it. It is a good introduction to health care financial management, and a useful teaching tool which guides students seeking more detail to other resources.

Reviewer rating: ★★★★★

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Students pointed in the right direction

Health care financial management is an introductory text which explores the financial management of health care systems predominantly in Australia, but also internationally.

The text is largely aimed at equipping students with a general understanding of the Australian health financing system, complemented by a basic understanding of introductory accounting concepts and principles.

The text is well suited to third-year health science students, in particular those without an accounting background.

The text material has been presented in a clear and logical sequence, with good use of supportive references which would aid assignment writing. Each chapter concludes with a summary of key points and some discussion questions which would be suitable for tutorials.

The discussion of a handful of international health financing systems in Part 1 is clearly one of the book's strongest points and differentiates itself from competing titles which have tended to focus on Australia alone.

Part 2 provides a solid grounding in the various types of resource allocation methods which have been aptly applied to the Australian health care setting. Chapter 7 provides some probing questions in regard to current issues and challenges surrounding Medicare and the private health insurance industry. The 'Key Casemix Terms' box presented on pages 102–104 is extremely helpful in explaining new acronyms and terms which are likely to be foreign to the student.

In Part 3, the illustration of financial statements and chart of accounts in tables 8.3, 8.4 and 8.5 (pages 149–154) are particularly useful in putting the hospital financial environment in context. In addition, the practical examples of financial ratios (pages 164–169) are also helpful in enhancing the student's understanding of ratio analysis.

Part 4 presents a short yet strong discussion on the different types of budgets and common budgeting methods. The chapter ends with two relevant case studies which require the student to apply their knowledge, as opposed to simply regurgitating the text.

Nevertheless, a number of limitations should be highlighted. The large blocks of text are slightly off-putting to read, and the use of more tables and line spacing would assist in simplifying the information and breaking up the text. The summary of key points in each chapter are, in some instances, a bit brief. A couple of summary sentences per point would prove more effective in consolidating the reader's understanding of the material. Parts 3 and 4 are too brief, and thus not enough emphasis has been placed on the financial management perspective of the book.

Further suggestions for improving the book are:

- Each chapter could include a set of review multiple choice questions with answers provided at the back of the text.
- The inclusion of a case study (eg, newspaper article or journal extract) at the end of each chapter.
- Brief discussions on the financing and provision of Aboriginal and Torres Strait Islander health (Part 1), managed care/competition (Part 2), and variance analysis (Part 4).
- A glossary of terms in the back of the text.

On balance, *Health care financial management* is a comprehensive and high quality publication which, being a student myself, I have no hesitation in recommending to students as a useful study tool and good point of reference for writing assignments.

Reviewer rating: ★★★★★

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