Test Bank for Understanding Health Insurance A Guide to Billing and Reimbursement 14th Green

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Name:_____ Class:_____ Date:_____

Chapter 02 Introduction to Health Insurance

1. Which includes the identification of disease and the provision of care and treatment to persons who are sick, injured, or concerned about their health status?
   a. health insurance
   b. medical care
   c. preventive care
   d. third-party payment

   ANSWER: b

2. Which may *specifically* result in the early detection of health problems, allowing less drastic and less expensive treatment options?
   a. health care insurance
   b. medical necessity
   c. preventive examination
   d. third-party payment

   ANSWER: c

3. Which party signs a contract with a health insurance company and thus, owns the health insurance policy?
   a. dependent
   b. patient
   c. payer
   d. policyholder

   ANSWER: d

4. Which provides health insurance coverage?
   a. continuity of care
   b. health insurance exchange
   c. meaningful use
   d. third-party payer

   ANSWER: d

5. Which type of health insurance coverage is subsidized by employers and other organizations?
   a. group health insurance
   b. individual health insurance
   c. public health insurance
   d. universal health insurance

   ANSWER: a

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6. Which type of health insurance coverage has costs that are typically less per person and provides broader coverage?
   a. group health insurance
   b. individual health insurance
   c. public health insurance
   d. universal health insurance

   ANSWER: a

7. Which type of health insurance coverage is purchased by families who do not have access to employer-subsidized coverage?
   a. group health insurance
   b. individual health insurance
   c. public health insurance
   d. universal health insurance

   ANSWER: b

8. Which type of health insurance coverage includes federal and state government health programs (e.g., Medicare, Medicaid, SCHIP, TRICARE) that are available to eligible individuals?
   a. group health insurance
   b. individual health insurance
   c. public health insurance
   d. universal health insurance

   ANSWER: c

9. Which type of insurance has as its goal providing every individual with access to health coverage, regardless of the system implemented to achieve that goal?
   a. group health insurance
   b. individual health insurance
   c. public health insurance
   d. universal health insurance

   ANSWER: d

10. Which is a centralized health care system adopted by some Western nations (e.g., Canada, Great Britain) and funded by taxes?
    a. individual health insurance
    b. single-payer plan
    c. socialized medicine
    d. universal health insurance

    ANSWER: b

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11. Which is a *type of single-payer system* in which the government owns and operates health care facilities and providers (e.g., physicians) receive salaries?
    a. government health plan
    b. managed care
    c. socialized medicine
    d. universal health insurance

    ANSWER: c

12. Which legislation protects and compensates railroad workers who are injured on the job?
    a. Federal Civil Defense Act
    b. Federal Employees' Compensation Act
    c. Federal Employers' Liability Act
    d. Federal Unemployment Tax Act

    ANSWER: c

13. Which legislation provides civilian employees of the federal government with medical care, survivors' benefits, and compensation for lost wages?
    a. Federal Civil Defense Act
    b. Federal Employees' Compensation Act
    c. Federal Employers' Liability Act
    d. Federal Unemployment Tax Act

    ANSWER: b

14. Which act provided federal grants for modernizing hospitals that had become obsolete because of a lack of capital investment during the Great Depression and World War II (1929–1945)?
    a. Brady Act
    b. Gramm-Leach-Bliley Act
    c. Hill-Burton Act
    d. Taft-Hartley Act

    ANSWER: c

15. Which serves as a system of checks and balances for labor and management?
    a. health insurance exchange
    b. medical underwriter
    c. preferred provider organization
    d. third-party administrator

    ANSWER: d

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16. Which classification system was developed by the World Health Organization and used to collect data for statistical purposes?
    a. Current Procedural Terminology
    b. Healthcare Common Procedure Coding System
    c. International Classification of Diseases
    d. National Drug Codes

    ANSWER: c

17. Which provides coverage for catastrophic or prolonged illnesses and injuries?
    a. health insurance marketplace
    b. indemnity health plans
    c. major medical insurance
    d. state mandated benefits

    ANSWER: c

18. Which is the amount for which the patient is financially responsible before an insurance policy provides payment?
    a. coinsurance
    b. copayment
    c. deductible
    d. exclusionary

    ANSWER: c

19. A lifetime maximum amount is the maximum benefits payable to a _____.
    a. health plan participant
    b. nonparticipating provider
    c. participating provider
    d. third-party payer

    ANSWER: a

20. Title XIX of the Social Security Amendments of 1965 is a cost-sharing program between the federal and state governments to provide health care services to low-income Americans. It is a government plan known as _____.
    a. CHAMPVA
    b. Medicaid
    c. Medicare
    d. TRICARE

    ANSWER: b

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21. Amendments to the Dependents' Medical Care Act of 1956 created the *Civilian Health and Medical Program–Uniformed Services (CHAMPUS)*, which was designed as a benefit for dependents of personnel serving in the armed forces as well as uniformed branches of the Public Health Service and the National Oceanic and Atmospheric Administration. The program is now called _____.
    a. CHAMPVA
    b. Medicaid
    c. Medicare
    d. TRICARE

    ANSWER: d

22. Large employers who assume the financial risk for providing health care benefits to employees do *not* pay a fixed premium to a health insurance payer, but establish a trust fund (of employer and employee contributions) out of which claims are paid. This concept is called _____.
    a. capitation
    b. managed care
    c. self-insurance
    d. underwriting

    ANSWER: c

23. The Veterans Healthcare Expansion Act of 1973 authorized Veterans Affairs to establish _____ to provide health care benefits for dependents of veterans rated as 100 percent permanently and totally disabled as a result of service-connected conditions, veterans who died as a result of service-connected conditions, and veterans who died on duty with less than 30 days of active service.
    a. CHAMPUS
    b. CHAMPVA
    c. Medicaid and Medicare
    d. TRICARE

    ANSWER: b

24. Which act mandated reporting and disclosure requirements for group life and health plans (including managed care plans), permitted large employers to self-insure employee health care benefits, and exempted large employers from taxes on health insurance premiums?
    a. Employee Retirement Income Security Act of 1974
    b. Health Maintenance Organization Assistance Act of 1973
    c. Omnibus Budget Reconciliation Act of 1981
    d. Tax Equity and Fiscal Responsibility Act of 1982

    ANSWER: a

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25. Which act resulted in a prospective payment system (PPS) that issues a predetermined payment for inpatient services?
    a. Employee Retirement Income Security Act of 1974
    b. Health Maintenance Organization Assistance Act of 1973
    c. Omnibus Budget Reconciliation Act of 1981
    d. Tax Equity and Fiscal Responsibility Act of 1982

    ANSWER: d

26. Prior to implementation of a prospective payment system for acute care hospital inpatient stays, reimbursement was generated on a _____ basis, which issued payment based on daily rates.
    a. capitated
    b. *per diem*
    c. prospective
    d. *res gestae*

    ANSWER: b

27. Medicare requires providers to submit the _____ claim for payment of outpatient and office services.
    a. CMS-1450
    b. CMS-1500
    c. UB-02
    d. UB-04

    ANSWER: b

28. Which act allows employees to continue health care coverage beyond the benefit termination date?
    a. Consolidated Omnibus Budget Reconciliation Act of 1985
    b. Health Insurance Portability and Accountability Act of 1996
    c. Omnibus Budget Reconciliation Act of 1981
    d. Tax Equity and Fiscal Responsibility Act of 1982

    ANSWER: a

29. The *CHAMPUS Reform Initiative (CRI) of 1988* resulted in a new program called TRICARE, which includes _____.
    a. certificates of insurance
    b. group health insurance
    c. health care marketplaces
    d. multiple options

    ANSWER: d

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30. Clinical Laboratory Improvement Act (CLIA) legislation established _____ for all laboratory testing to ensure the accuracy, reliability, and timeliness of patient test results regardless of where the test was performed.
    a. advance directives
    b. case management
    c. plan administration
    d. quality standards

    ANSWER: d

31. CPT includes a section called Evaluation and Management (E/M), which describes patient encounters with providers for the purpose of the evaluation and management of _____.
    a. general health status
    b. lifetime insurance benefits
    c. preadmission testing
    d. surgical procedures

    ANSWER: a

32. The Resource-Based Relative Value Scale (RBRVS) system reimburses physicians' practice expenses using a _____.
    a. fee schedule
    b. guaranteed issue method
    c. prospective payment system
    d. usual and reasonable payment basis

    ANSWER: a

33. The National Correct Coding Initiative (NCCI) was created to promote national correct coding methodologies and to eliminate _____ coding.
    a. credentialed
    b. improper
    c. outdated
    d. provider

    ANSWER: b

34. Which act governs privacy, security, and electronic transactions standards for health care information and was implemented to provide better access to health insurance, limit fraud and abuse, and reduce administrative costs?
    a. BBA
    b. HIPAA
    c. MMA
    d. TEFRA

    ANSWER: b

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35. The State Children's Health Insurance Program (SCHIP) was established to provide health assistance to uninsured, low-income children, either through separate programs or through expanded eligibility under state _____ programs.
    a. CHAMPUS
    b. CHAMPVA
    c. Medicaid
    d. Medicare

    ANSWER: c

36. The Skilled Nursing Facility Prospective Payment System (SNF PPS) was implemented to cover all costs (routine, ancillary, and capital) related to services furnished to Medicare Part A beneficiaries. SNF PPS generates *per diem* payments for each admission. These payments are case-mix adjusted using a resident classification system called _____.
    a. diagnosis-related groups
    b. minimum data set
    c. outcomes and assessment information set
    d. resource utilization groups

    ANSWER: d

37. The Home Health Prospective Payment System (HH PPS) reimburses home health agencies at a _____ rate for health care services provided to patients.
    a. fee-based
    b. predetermined
    c. retrospective
    d. usual and customary

    ANSWER: b

38. The Financial Services Modernization Act (FSMA) (or Gramm-Leach-Bliley Act) prohibits sharing of medical information among health insurers and other financial institutions for use in making _____ decisions.
    a. credit
    b. financial
    c. payment
    d. reimbursement

    ANSWER: a

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39. The Outpatient Prospective Payment System (OPPS), which uses _____ to calculate reimbursement, is implemented for billing of hospital-based Medicare outpatient claims.
    a. ambulatory payment classifications
    b. diagnosis-related groups
    c. outcomes and assessment information
    d. resource utilization groups

    ANSWER: a

40. Which is the abbreviation for the *Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000* that required implementation of a $400 billion prescription drug benefit, improved Medicare Advantage (formerly called Medicare+Choice) benefits, required faster Medicare appeals decisions, and more?
    a. BIPA
    b. M-BIPA
    c. M-Part-C
    d. MMS-BIPA

    ANSWER: a

41. Which was introduced in 2000 as a way to encourage individuals to locate the best health care at the lowest possible price with the goal of holding down health care costs?
    a. bronze plans
    b. consumer-driven health plans
    c. employee assistant programs
    d. health insurance exchanges

    ANSWER: b

42. The Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS) utilizes information from a _____ to classify patients into distinct groups based on clinical characteristics and expected resource needs.
    a. defined contribution plan
    b. minimum data set
    c. patient assessment instrument
    d. resource utilization group

    ANSWER: c

43. Which currently performs utilization and quality control review of health care furnished, or to be furnished, to Medicare beneficiaries?
    a. focus review organizations
    b. peer review organizations
    c. professional standard review organizations
    d. quality review organizations

    ANSWER: d

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44. Which was created by the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) to identify and recover improper Medicare payments paid to health care providers under fee-for-service Medicare plans?
    a. government health care program
    b. medical audit program
    c. quality assurance program
    d. recovery audit contractor program

    ANSWER: d

45. The Medicare Contracting Reform (MCR) initiative was established to integrate the administration of Medicare Parts A and B fee-for-service benefits with new entities called _____.
    a. carriers
    b. fiscal intermediaries
    c. Medicare administrative contractors
    d. third-party payers

    ANSWER: c

46. The Inpatient Psychiatric Facility Prospective Payment System (IPF PPS) includes a patient classification system that reflects differences in patient _____.
    a. assessments and income
    b. case- and facility-level adjustments
    c. outcomes and assessment information
    d. resource use and costs

    ANSWER: d

47. The American Recovery and Reinvestment Act of 2009 (ARRA) established electronic health record (EHR) _____ during three stages to achieve the goal of improved patient care outcomes and delivery as well as data capture and sharing, advance clinical processes, and improved outcomes.
    a. acquisition of health information technology systems
    b. health care reform initiatives
    c. meaningful use objectives and measures
    d. privacy and security requirements

    ANSWER: c

48. The Health Information Technology for Economic and Clinical Health Act was included in the American Recovery and Reinvestment Act of 2009 and amended the Public Health Service Act to establish the _____.
    a. Health Care Financing Administration
    b. Centers for Medicare and Medicaid Services
    c. Office of National Coordinator for HIT
    d. State Children's Health Insurance Program

    ANSWER: c

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49. One result of the Patient Protection and Affordable Care Act (PPACA) was establishment of state health insurance _____ that Americans will use to purchase health coverage that fits their budget and meets their needs.
    a. exchanges or marketplaces
    b. payment or reimbursement systems
    c. requirements or regulations
    d. statutes or laws

    ANSWER: a

50. The Health Care and Education Reconciliation Act (HCERA) amended the PPACA to implement health care reform initiatives, which included _____.
    a. closing the Medicare "donut hole"
    b. decreasing tax credits to buy health insurance
    c. eliminating revenue changes on indoor tanning services
    d. increasing special deals provided to senators

    ANSWER: a

51. The Investing in Innovations (i2) Initiative is designed to spur innovations in health information technology (health IT) by promoting research and development to enhance competitiveness in the United States. An example of this type of an initiative includes _____.
    a. facilitating the exchange of health information by prohibiting individuals from customizing privacy allowances for their personal health records
    b. generating results by providing patients, caregivers, and clinicians with access to rigorous and relevant information that can support real needs and immediate decisions
    c. permitting the unsecured and effective sharing of information by individuals with members of their social network
    d. prohibiting individuals from connecting with others during natural disasters and other periods of emergency

    ANSWER: b

52. Which documents health care services provided to a patient and includes patient demographic (or identification) data, documentation to support diagnoses and justify treatment provided, and the results of treatment provided?
    a. accounting system
    b. financial documents
    c. health insurance claim
    d. patient record

    ANSWER: d

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53. The primary purpose of the patient record is to provide for _____ of care, which involves documenting patient care services so that others who treat the patient have a source of information to assist with additional care and treatment.
    a. continuity
    b. provision
    c. quality
    d. reimbursement

    ANSWER: a

54. POR progress notes are documented for each problem assigned to the patient, using the SOAP format. When the patient states, "I have had a stuffy nose and sore throat for about one week," the provider documents the statement in the _____ portion of the progress note.
    a. Subjective
    b. Objective
    c. Assessment
    d. Plan

    ANSWER: a

55. Which is a systematic method of documentation that consists of four components: database, problem list, initial plan, and progress notes?
    a. electronic record
    b. integrated record
    c. problem-oriented record
    d. source-oriented record

    ANSWER: c

56. Which is a global concept that includes the collection of patient information documented by a number of providers at different facilities regarding one patient?
    a. electronic health record
    b. electronic medical record
    c. multidisciplinary health record
    d. personal health record

    ANSWER: a

57. Which has a more narrow focus because it is the patient record created for a single medical practice using a computer, keyboard, mouse, optical pen device, voice recognition system, scanner, and/or touch screen?
    a. electronic health record
    b. electronic medical record
    c. multidisciplinary health record
    d. personal health record

    ANSWER: b

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58. Total practice management software is used to generate the electronic medical record, automating which of the following medical practice functions?
    a. appointment scheduling
    b. collecting bad debts
    c. patient check writing
    d. third-party payer reimbursement

    ANSWER: a

59. The *Patient Protection and Affordable Care Act (PPACA)* was signed into federal law on March 23, 2010, and resulted in the creation of a *Health Insurance Marketplace* to:
    a. allow Americans to purchase health coverage that fits their budget and meets their needs.
    b. create the Obama care federal national health insurance program.
    c. replace other health insurance programs, such as private insurance.
    d. require employers to offer group health insurance to all employees.

    ANSWER: a

60. The IMPACT Act
    a. combines existing quality reporting programs into one new system, entitled the Merit-based Incentive Payment System (MIPS).
    b. creates a new framework for rewarding health care providers for delivering better care, not just more care.
    c. discontinues use of the SGR formula for determining Medicare payments for health care providers' services.
    d. requires the reporting of standardized patient assessment data on quality measures, resource use, and other measures.

    ANSWER: d

61. MACRA makes important changes to how Medicare pays those who provide care to Medicare beneficiaries by
    a. creating a new framework for rewarding health care providers for delivering better care, not just more care.
    b. enhancing payment adjustments for existing quality reporting programs, such as the Meaningful Use program.
    c. implementing an SGR formula for determining Medicare payments for health care providers' services.
    d. initiating the Physician Quality Reporting System (PQRS), the Value-Based Payment Modifier (VM).

    ANSWER: a

62. MACRA requires CMS to remove social security numbers (SSNs) from all Medicare cards by April 2019 and implement a new randomly generated _____ to replace the SSN-based health insurance claim number on new Medicare cards.
    a. EIN
    b. MBI
    c. NPI
    d. PHI

    ANSWER: b

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63. The NOTICE Act requires hospitals to provide the Medicare Outpatient Observation Notice (MOON) to Medicare patients who receive observation services as outpatients for more than _____ hours.
    a. 24
    b. 48
    c. 72
    d. 96

    ANSWER: a

64. The Electronic Submission of Medical Documentation System (esMD) was implemented to
    a. increase costs and time for review contractors.
    b. mail medical documentation to review contractors.
    c. maximize and enhance paper processing.
    d. reduce provider costs and cycle time.

    ANSWER: d

65. The eHealth exchange is a health information exchange network for
    a. mailing or faxing medical documentation to review contractors.
    b. promoting research and development to enhance competitiveness in the United States.
    c. reducing costs and time for review contractors when reviewing patient records.
    d. securely sharing clinical information over the Internet nationwide.

    ANSWER: d

66. A rural health information organization (RHIO)
    a. brings together health care stakeholders within a defined geographic area and governs health information exchange among them for the purpose of improving health and care in that community.
    b. facilitated innovations in health information technology (health IT) by promoting research and development to enhance competitiveness in the United States.
    c. was also titled the Nationwide Health Information Network (NHIN or NwHIN) and created standards, services, and policies that enable the secure exchange of health information over the Internet.
    d. was implemented to reduce provider costs and cycle time by minimizing and eventually eliminating paper processing and mailing of medical documentation for review contractors.

    ANSWER: a

67. Accountable care organizations
    a. amended the PPACA to implement health care reform initiatives, closing the Medicare "donut hole."
    b. authorized an expenditure of $1.5 billion for grants for construction, renovation, and equipment, and for the acquisition of health information technology systems.
    c. focus on private health insurance reform to provide better coverage for individuals with pre-existing conditions.
    d. help physicians, hospitals, and other health care providers work together to improve care for people with Medicare.

    ANSWER: d

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68. Providers who participate in an Advanced APM through Medicare Part B
    a. administer health care plans and process claims, thus serving as a system of checks and balances for labor and management.
    b. combine the PQRS, VM, and Medicare EHR incentive program into a single program.
    c. may earn an incentive payment for participating in the innovative payment model.
    d. perform utilization and quality control review of health care furnished, or to be furnished, to Medicare beneficiaries.

    ANSWER: c

69. The Merit-based Incentive Payment System (MIPS) combines parts of the Physician Quality Reporting System (PQRS), the Value Modifier (VM or Value-based Payment Modifier), and the Medicare Electronic Health Record (EHR) incentive program into one single program that
    a. allows providers to earn a performance-based payment adjustment that considers quality, resource use, clinical practice improvement, and meaningful use of certified EHR technology.
    b. conducts utilization and quality control review of health care furnished, or to be furnished, to Medicare beneficiaries in order to generate cost savings for health care provided.
    c. documents patient care services so that others who treat the patient have a source of information to assist with additional care and treatment.
    d. focuses on private health insurance reform to provide better coverage for individuals with pre-existing conditions, resulting in a nationwide health insurance exchange program

    ANSWER: a

70. Which uses data from electronic health records (EHR) and health information technology systems to measure health care quality?
    a. eCQMs
    b. PORs
    c. PPACA
    d. RHIOs

    ANSWER: a

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