

**HFMA Certification Course 2009-10
Core Program**

Self Assessment Score Log

Name: _____

Date: _____

Core Program Chapter	Your Score	Minimum Possible Score	Difference
1		3	
2		4	
3		3	
4		3	
5		3	
6		3	
7		4	
8		3	
9		3	
10		4	
11		4	
12		3	
13		4	
14		6	
15		4	
16		3	
17		3	
18		3	
19		4	
20		4	
21		4	

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**Chapter 1: Healthcare industry Overview
Self Assessment Exercise**

1. The largest contributor to annual health care costs is _____
 - A. Physician practices
 - B. Hospitals
 - C. Pharmaceutical manufacture and sales
 - D. Skilled nursing facilities

2. The country that spends the greatest percentage of its gross domestic product on health care is _____
 - A. Germany
 - B. The United States
 - C. Switzerland
 - D. Canada

3. In the United States, _____ of Americans do not have health insurance.
 - A. 12%
 - B. 15.7 %
 - C. 21 %
 - D. 24.8 %

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**Chapter 2: Cost Analysis and Management
Self Assessment Exercise**

1. _____ is the revenue received for one unit of service less the variable expenses incurred for one unit of service.
 - A. Break-even excess
 - B. Revenue generation
 - C. Contribution margin
 - D. Cost of sales

2. Total fixed cost divided by contribution margin per unit is the _____.
 - A. Calculated standard cost
 - B. Contribution margin
 - C. Break-even point
 - D. Revenue earned per unit of service

3. _____ are those costs that can be reasonably obtained and generally would be expected to be incurred to produce a given service or product.
 - A. Cost of sales
 - B. Standard costs
 - C. Calculated costs
 - D. Derived costs

4. Assigning or allocating costs to individual managers who are primarily responsible for making decisions about those costs is _____.
 - A. Cost accounting
 - B. Variance evaluation
 - C. Shared responsibility
 - D. Responsibility accounting

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**Chapter 3: Financial Analysis Techniques
Self Assessment Exercise**

1. Which of the following ratios measures the relationship between revenue and assets, i.e., to determine the financial efficiency of an institution's operations?
 - A. Profitability ratios
 - B. Liquidity ratios
 - C. Activity ratios
 - D. Capital structure ratios

2. Which of the following ratios assures that an institution has profitable operations?
 - A. Profitability ratios
 - B. Liquidity ratios
 - C. Activity ratios
 - D. Capital structure ratios

3. Which of the following ratios measures the institution's ability to meet long-term financial obligations, particularly in the area of debt service (i.e., principal and interest)?
 - A. Profitability ratios
 - B. Liquidity ratios
 - C. Activity ratios
 - D. Capital structure ratios

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**Chapter 4: Accounting Concepts and Principles
Self Assessment Exercise**

1. Which one of the following would you NOT expect to find in the basic financial statement of a healthcare organization?
 - A. A balance sheet
 - B. Statement of goals
 - C. Notes
 - D. Statement of operations

2. The provision for bad debts is reported as a(n) _____
 - A. Operating expense
 - B. Deduction from revenue
 - C. Liability
 - D. Footnote

3. How is uncompensated care recognized in financial statements?
 - A. It is shown as a receivable.
 - B. It is shown as revenue.
 - C. Revenues and receivables are shown net of such services.
 - D. It is accrued for.

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**Chapter 5: Internal Control
Self Assessment Exercise**

1. What are the two principal sectors into which internal controls are divided?
 - A. Administrative and accounting controls
 - B. Administrative and government controls
 - C. Accounting and government controls
 - D. Federal and state controls

2. Accounting controls are _____
 - A. Procedures to ensure that access to assets are allowed to all general employees.
 - B. Designed to ensure that transactions are executed in accordance with AICP A guidelines.
 - C. Procedures to ensure that transactions are accurately recorded to permit timely and accurate preparation of financial statements.
 - D. Designed to control fraudulent activities.

3. What/Who put requirements in place on internal control systems?
 - A. Tax Equity and Fiscal Responsibility Act (TEFRA)
 - B. Foreign Corrupt Practices Act of 1977 (FCPA)
 - C. Joint Commission on Accreditation of Healthcare Organizations (JCAHO)
 - D. Center for Medicare and Medicaid Services (CMS)

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**Chapter 6: Capital Planning and Financing
Self Assessment Exercise**

1. Which of the following is NOT one of the primary factors on which rating agencies base their healthcare institution debt issue ratings?
 - A. Institutional market position
 - B. Medical staff characteristics
 - C. Age of the institution
 - D. Management capability

2. Which of the following debt instruments must have collateral?
 - A. Long-term loan
 - B. Stock offering
 - C. Mortgage
 - D. Line of credit

3. What type of funding could possibly lead to the loss of the control of the company in certain situations?
 - A. Joint ventures
 - B. Leases
 - C. Equity financing
 - D. Long-term debt

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**Chapter 7: Budgeting
Self Assessment Exercise**

1. Which of the following is NOT one of the main types of budgets within the operating budget?
 - A. Statistical budget
 - B. Revenue budget
 - C. Expense budget
 - D. Cash budget

2. What is defined in health care as one or more employees paid for a total of 2,080 hours in one year?
 - A. Units of service
 - B. FTE
 - C. Productive time
 - D. Non-productive time

3. Which of the following is true of incremental budgeting?
 - A. It assumes that the current year's results will best predict what will happen in the future.
 - B. It requires the manager to build a series of budgets for differing activity levels.
 - C. It is far more labor intensive than zero-based budgeting
 - D. It discounts salary costs as a budget item.

4. Depreciation, long-term lease expense, or amortization of any incurred financing costs would be what type of cost behavior?
 - A. Variable cost
 - B. Fixed cost
 - C. Semi-variable cost
 - D. Semi-fixed or stepped variable

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**Chapter 8: Strategic Planning
Self Assessment Exercise**

1. Which of the following would NOT be analyzed to answer the question: "Where is our particular market headed?"
 - A. Key economic and employment indicators
 - B. World-wide trends in managed care enrollment
 - C. Patient migration patterns
 - D. Competitor profiles

2. The value of strategic planning is it _____
 - A. Deals with a fundamentally unchanging view of healthcare
 - B. Encourages individual action by business components of the organization
 - C. Focuses management on short-term activities
 - D. Provides a systematic approach to dealing with future uncertainties

3. Which of the following key questions must be answered during the strategy implementation of the strategic planning process?
 - A. What specific activities will be required?
 - B. What resources will be required?
 - C. How will progress be monitored and controlled?
 - D. All of the above

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**Chapter 9: Investments and Cash Management
Self Assessment Exercise**

1. Where cash balances are low or profit margins thin, the budget may be prepared on a _____ basis.
 - A. Weekly or daily
 - B. Weekly only
 - C. Twice a month
 - D. Once a month

2. Internal cash management involves all of the following, except _____
 - A. Managing the cash budget
 - B. Developing long-term cash projections
 - C. Managing banking functions
 - D. Planning the cash budget

3. A _____ is used specifically to allow the facility to get immediate credit for deposits.
 - A. Sweep account
 - B. Remote clearing account
 - C. Depository account
 - D. Concentration account

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**Chapter 10: Information Systems
Self Assessment Exercise**

1. All of the following are main functions of a HIS, except _____
 - A. Managing message routing
 - B. Validating messages
 - C. Assembling transaction data
 - D. Evaluating data

2. Which of the following is a function of the order entry module?
 - A. Scheduling
 - B. Delinquent accounts reporting
 - C. Collecting demographic data
 - D. Pre-admission orders

3. Which of the following is true of a decision support system?
 - A. Tend to increase cost of care
 - B. Tend to be foreground programs
 - C. Can include clinical protocols
 - D. Are best centralized

4. Which of the following is a paper billing form that can be translated into electronic form?
 - A. ANSI 837
 - B. UB-92
 - C. Health Claim Payment/Advice (835)
 - D. Claims status 276

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**Chapter 11: Patient Financial Services/Revenue Cycle
Self Assessment Exercise**

1. Collection agencies work on a contingency basis and are paid a portion of the cash they recover. Generally this would amount to what percentage?
 - A. 10-15%
 - B. 16-20%
 - C. 25-30%
 - D. 40-50%

2. All of the following are considered forms of harassment under the Fair Debt Collection Practices Act, except
 - A. Using threats of violence
 - B. Using obscene or profane language
 - C. Threatening to garnish the consumers wages when this is a remedy that is regularly used by the collector
 - D. Ringing the consumer's phone continuously with the intent to annoy

3. Bankruptcies must be removed from credit files after how many years?
 - A. 5 years
 - B. 7 years
 - C. 10 years
 - D. 15 years

4. Which is the correct order for the key functions and processing steps of inpatient accounts receivable operations?
 - A. Billed accounts receivable/account collection/account resolution/account follow-up
 - B. Billed accounts receivable/account follow-up/account resolution/account collection
 - C. Account collection/billed accounts receivable/account follow-up/account resolution
 - D. Billed accounts receivable/account follow-up/account collection/account resolution

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**Chapter 12: Corporate Responsibility (Corporate Compliance)
Self Assessment Exercise**

1. Which of the following is a reason for building a corporate compliance program?
 - A. Prevent unwanted events from occurring
 - B. Help the organization identify the occurrence of an unwanted event first
 - C. Help mitigate or reduce the negative impact of the occurrence of an unwanted event when the organization does not learn of it first
 - D. All of the above

2. Which of the following is typically considered backbone of the corporate compliance program?
 - A. Code of Conduct
 - B. Appropriate and consistent disciplinary mechanisms
 - C. Monitoring system
 - D. Corporate Integrity Agreement

3. Which of the following is NOT typically considered an element of an effective corporate compliance program?
 - A. Corporate Compliance Officer
 - B. Hotline
 - C. Canned policies and procedures
 - D. Consistent response to detected violations

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**Chapter 13: Managed Care
Self Assessment Exercise**

1. A rate that is intended to cover all inpatient services used while the beneficiary is in the hospital is a _____
 - A. Day rate
 - B. Globally capitated rate
 - C. Differential by day per-diem
 - D. Case rate

2. Paying benefits directly to a provider of care rather than to the member is _____
 - A. Assignment of benefits
 - B. Retrospective reimbursement
 - C. Coordination of benefits
 - D. Balance billing

3. An organization that is jointly owned by physicians and a hospital, whose purpose is to carry out a variety of joint initiatives including negotiating with managed care organizations is a(n) _____
 - A. Foundation model
 - B. Equity model
 - C. Organization that directly employs physicians
 - D. Physician/hospital organization

4. Which of the following payment methodologies is least risky for the MCO?
 - A. Fee schedules
 - B. DRGs
 - C. Capitation
 - D. Fee-for-service

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**Chapter 14: Regulatory Environment
Self Assessment Exercise**

1. To administer the Medicare program, CMS issues all of the following, except _____
 - A. Advisory opinions
 - B. Regulations
 - C. Interpretations
 - D. Intermediary letters

2. Medicare provides health insurance benefits to _____
 - A. All persons 62 years of age or older
 - B. Individuals with transient renal failure
 - C. Individuals with certain disabilities
 - D. All individuals needing dialysis

3. All of the following are true of the Inpatient Medicare Prospective Payment System, except it _____
 - A. Covers diagnostic services furnished during the three days immediately preceding the date of admission.
 - B. Covers services furnished during the day before admission, regardless of whether they are related to the admission.
 - C. Pays based on APCs.
 - D. Covers other services related to the admission that are furnished during the three days immediately preceding the date of admission.

4. Which of the following prohibits referrals to clinical laboratories with which the referring physician has a financial relationship under certain circumstances?
 - A. EMTALA
 - B. Stark I
 - C. Stark II
 - D. Anti Fraud and Abuse Legislation

5. The HIP AA security rule provides for the _____
 - A. Confidentiality, integrity and accessibility of protected health information
 - B. Confidentiality of protected health information
 - C. Confidentiality, integrity and accessibility of electronic protected health information
 - D. Confidentiality of electronic health information

6. In order to be compliant with the security rule, an organization is required to implement _____
 - A. Any of the standards that are determined to be relevant
 - B. Only the standards with required implementation specifications
 - C. Any of the standards with addressable implementation specifications
 - D. All of the standards, the required implementation specifications and the addressable implementation specifications (or an alternative, or none at all) as determined to be appropriate

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**Chapter 15: Health Information Management and Case Management
Self Assessment Exercise**

1. All of the following are benefits of electronic medical records, except _____
 - A. Access to clinical data communication
 - B. Interactive physician order entry
 - C. Clinical decision support
 - D. Absence of applicable HIPAA regulations

2. Automation of results reporting provided by electronic medical records provides all of the following, except _____
 - A. Highlighting of critical results
 - B. Improved documentation of treatments
 - C. Identifying errors of commission
 - D. Sending visit reminders

3. CPT-4 is a(n) _____
 - A. In- and out-patient diagnosis classification system and an inpatient procedure classification system
 - B. Systematic listing of procedures and services performed by physicians
 - C. Uniform method for healthcare providers and medical suppliers to code professional services, procedures and
 - D. Inpatient coding system for tracking time and supplies consumed per procedure

4. Which of the following is NOT true about of the release of patient information from the HIM department?
 - A. Hospitals should perform routine audits of individuals who have accessed electronic medical records
 - B. Patients information needs to be readily available for continuing care
 - C. Patient information should only be released to a physician
 - D. Patient information should be readily available for legal issues

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**Chapter 16: Quality and Patient Safety
Self Assessment Exercise**

1. Which of the following approaches is representative of a healthcare system focused on the patient and trust?
 - A. The system reacts to needs.
 - B. Cost reduction is sought.
 - C. Professional autonomy drives variability.
 - D. Cooperation among clinicians is sought.

2. Which of the following statements is NOT true?
 - A. The Six Sigma method focuses on establishing variations within a given process.
 - B. The concept of continual learning and improvement is implicit in the quality model focused on the patient and trust.
 - C. Improvements in quality are gained through elimination of inefficiencies in the system.
 - D. The use of technology in health care can effectively improve quality.

3. Which of the following approaches is an effective means to advancing quality in health care?
 - A. Evidence-based medicine
 - B. Standard protocols
 - C. Quality scorecards
 - D. All of the above

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**Chapter 17: Management Skills
Self Assessment Exercise**

1. Abraham Maslow is responsible for which of the following management theories?
 - A. Scientific management
 - B. Motivator-hygiene theory
 - C. Classical organization theory
 - D. Hierarchy of needs theory

2. The Theory Y manager _____
 - A. Closely supervises employee work
 - B. Assumes employees dislike work
 - C. Provides numerous incentives
 - D. Believes employees avoid responsibility

3. Which of the following is NOT a barrier to effective communication?
 - A. Noise
 - B. Time
 - C. Values
 - D. One-on-one conferences

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**Chapter 18: Human Resources Management
Self Assessment Exercise**

1. Engaging in secondary boycotts and featherbedding was prohibited in what legislation?
 - A. National Labor Relations Act
 - B. Taft-Hartley Act
 - C. Fair Labor Standards Act
 - D. Social Security Act

2. The Social Security Act provides for all of the following, except _____
 - A. Benefits to survivors of deceased employees
 - B. Benefits to disabled employees
 - C. Medical care for the poor
 - D. Rights to purchase continuing health insurance after termination

3. Which regulation provides employees and their families with the option of purchasing continued health insurance coverage upon death and voluntary or involuntary termination?
 - A. Federal Civil Rights Act
 - B. COBRA
 - C. American with Disabilities Act
 - D. Family and Medical Leave Act

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**Chapter 19: Legal Aspects
Self Assessment Exercise**

1. Which one of the following agreements is legal?
 - A. Torts
 - B. Usury
 - C. Discrimination
 - D. Oral

2. Which of the following is a purpose for a contract?
 - A. Settle disputes
 - B. Promote healthy communication
 - C. Provide protection
 - D. Ensure an arms-length relationship

3. Which of the following is not a term used in making a contract or agreement?
 - A. The parties
 - B. Assignable rights to accept
 - C. Subject matter
 - D. Price

4. All of the following are typical contractual obligations of a healthcare provider, except
 - A. Services to be provided
 - B. Utilization review
 - C. Enrollee acceptance
 - D. Prompt payment

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**Chapter 20: Physician Practice
Self Assessment Exercise**

1. Which compensation method accounts for both physician production and practice expenses?
 - A. Net Income
 - B. Productivity
 - C. Net Revenue
 - D. Gross Revenue

2. What factor is important in determining which compensation method to use?
 - A. Economic situation
 - B. Life stage of physician group
 - C. Trust
 - D. All of the above

3. Which component of the RBRVS payment system has the highest percentage of RVUs allocated to the total RVU formula?
 - A. Physician work component
 - B. Practice expense component
 - C. Professional liability component
 - D. All components are equal

4. The coding system that describes the reason for the patient encounter is
 - A. CPT codes
 - B. HCPCS Level II codes
 - C. HCPCS Level In codes
 - D. ICD-9-CM codes

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**Chapter 21: HFMA Overview
Self Assessment Exercise**

1. The HFMA Board of Examiners _____
 - A. Is composed of members and non-members drawn from the academic community
 - B. Is composed of six members who are responsible for the certification process
 - C. Meets four times a year
 - D. Has a subgroup of specialists for each exam it is responsible for

2. The Principles and Practices Board _____
 - A. Has 15 members
 - B. Meets five times a year
 - C. Develops issue analyses
 - D. Develops rules for healthcare accounting

3. All of the following are required to become a Certified Healthcare Financial Professional (CHFP) in HFMA, except _____
 - A. Being a Regular or Advanced member for two years
 - B. Passing the HFMA certification exams
 - C. Earning 60 Founders Award points
 - D. Having two years of experience in health care and/or financial management

4. All of the following are required to become a Fellow of HFMA (FHFMA), except _____
 - A. Being a Certified Healthcare Financial Professional (CHFP)
 - B. Being a member for five years
 - C. Earning 200 Founders points
 - D. Holding a Bachelor's college degree or equivalent