

January 26, 2010 – ACMPE, Risk Management Knowledge Assessment Test Questions

- 1) **What is the best method to identify risk in a medical practice?**
 - a) Identify major processes in the practice and determine where failure points exist.
 - b) Ask the practice's insurance agent.
 - c) Check industry benchmarks and failure rates.
 - d) Examine practice records to determine past risk events and costs.

- 2) **Which of the following is NOT a responsibility of medical practice's risk manager?**
 - a) Establishing an audit procedure to determine the timeliness of chart completion by providers.
 - b) Ensuring that all employees are familiar with building evacuation procedures.
 - c) Determining if there are a proper number of handicap parking spaces available.
 - d) Setting liability insurance renewal rates.

- 3) **Owners of what type of entities do NOT have limited liability for entity-level debt and other obligations?**
 - a) C corporations
 - b) S corporations
 - c) Limited Liability companies
 - d) Partnerships

- 4) **Which of the following activities is NOT required to maintain the liability protection of the corporate veil?**
 - a) Conducting annual shareholder and board meetings.
 - b) Issuing corporate share certificates.
 - c) Having all physicians sign a corporate buy-sell agreement.
 - d) Filing necessary incorporation forms with the secretary of state.

- 5) **In the event of a partner dispute with conflict among the following corporate documents, which document would prevail?**
 - a) Corporate bylaws
 - b) Corporate articles of incorporation
 - c) Corporate policies and procedures
 - d) Board of director meeting minutes

- 6) **What is the ultimate method of loss control for most allegations of professional liability in the medical practice?**
 - a) Quality medical record documentation
 - b) Malpractice insurance
 - c) Property and casualty insurance
 - d) Compliance procedures

- 7) **Which of the following does NOT need to be kept in the medical record?**

- a) Tests with normal results.
 - b) Tests with abnormal results.
 - c) Signature, including first and last name designation
 - d) Signed release limiting professional liability
- 8) Which of the following practices increases the chance that a medication error will occur?**
- a) The use of standard abbreviations when writing prescriptions.
 - b) The use of technology to eliminate reliance on handwriting.
 - c) Writing the diagnosis of indication for use on the prescription
 - d) Developing a policy for taking verbal orders from a physician.
- 9) Which of the following does a medical practice need to do to comply with the Health Insurance Portability and Accountability Act (HIPAA)?**
- a) Verify insurance coverage before providing billable health care services
 - b) Secure patient records containing individually identifiable health information
 - c) Designate an individual to be accountable for the credentialing of providers.
 - d) Provide group insurance to employees who work more than 32 hours per week.
- 10) Every major risk component of professional liability ultimately ties back to which of the following?**
- a) Communication
 - b) Unexpected outcomes
 - c) Medical errors
 - d) Fraudulent behavior
- 11) Which of the following is the best approach to reduce the risk of litigation for a group practice?**
- a) Communication training for staff
 - b) Employing only board certified physicians.
 - c) Keeping signed consent forms on file.
 - d) Having a risk management department.
- 12) Which of the following practice documents would be “discoverable” in a professional liability suit?**
- a) Documents about the case generated by a legitimate peer review program.
 - b) Documents about the case marked “Confidential – Do Not Copy”.
 - c) Documents about the case covered under attorney-client privileged communications.
 - d) Documents about the case generated between the practice and its malpractice carrier.
- 13) Which of the following is NOT part of a legally defensible process for dismissing personnel?**
- a) Allowing the physician to dismiss an employee at will.
 - b) Defining inappropriate behavior in writing.
 - c) Providing verbal and written warnings.
 - d) Documenting infractions.
- 14) Which of the following is true about key employees currently working in a medical practice?**
- a) A key employee is more likely to die than to become disabled.
 - b) A key employee is more likely to become disabled than die.
 - c) A medical practice cannot insure itself against the loss of a key employee.

- d) Most health insurance policies cover disability income replacement.
- 15) Which of the following is a physician-owned malpractice insurer that invests in off-shore havens?**
- a) Reinsurance companies
 - b) Insurance captives
 - c) Reciprocal insurers
 - d) Physician stock companies
- 16) What is a loss ratio?**
- a) A measurement of a medical group's revenues compared to its insurance premium costs.
 - b) An insurer's measurement of its operating expenses compared to net premiums.
 - c) An insurer's measurement of lost market share.
 - d) An underwriter's estimate of projected losses for a particular group practice.
- 17) Which of the following would NOT be included in a background check for a potential employee?**
- a) Criminal records check.
 - b) Verification of applicable professional licenses
 - c) Social Security Number validation
 - d) Summary of continuing education
- 18) What document does the Occupational Safety and Health Administration (OSHA) require employers with more than 10 employees to post Feb 1 – Apr 30 of each year?**
- a) Log of Work Related Injuries and Illnesses (OSHA form 300)
 - b) Injury and Illness Report Form (OSHA Form 301)
 - c) Summary of Work Related Injuries and Illnesses (OSHA Form 300A)
 - d) Emergency Action Plan (OSHA standard 1910-38)
- 19) Which of the following if NOT an appropriate topic for a patient satisfaction survey?**
- a) Fees charged to the patient.
 - b) Time the physician spent with the patient.
 - c) Waiting time to see the physician.
 - d) Ease of getting an appointment.
- 20) How should the medical practice administrator respond to physician's concerns about the surgical skills of a long-time group member?**
- a) Set up an in-house peer review committee with legal counsel to review cases.
 - b) Contact the hospital to see if there have been any adverse incident reports.
 - c) Ask the physician to document continuing education to see if it is adequate.
 - d) Ask for a vote of the partners to dismiss or keep the partner.
- 21) What must the evidence demonstrate in order to prove medical malpractice?**
- a) Deviation from the standard of care.
 - b) Permanent disability.
 - c) Misdiagnosis.

d) Lack of informed consent.

22) According to the Office of Inspector General, which of the following is NOT considered an open communication system for fraud reporting in a small medical practice?

- a) Requiring employees to report fraudulent behavior.
- b) Creating a user-friendly reporting process.
- c) Providing a statement that failure to report is in violation of the compliance plan.
- d) Giving employees a cash incentive to report fraudulent behavior.

23) Which of the following procedures should be used to limit employee embezzlement?

- a) Attach a vendor invoice to each check when it is signed.
- b) Bond all employees.
- c) Have separate employees handle purchasing and accounts payable duties.
- d) Obtain a copy of all of the employee's driver's licenses and fingerprints.

24) Under the Health Insurance Portability and Accountability Act, which of the following applies to the role of practice management consultants?

- a) The practice must conceal the identity of all patients.
- b) The consultant must sign a business associate agreement.
- c) The consultant may only view operating policies.
- d) The practice must employ the consultant after regular hours.

25) Pharmaceutical representatives adhere to what professional code with respect to gifts to physicians?

- a) The Pharmaceutical Research and Manufacturers of America
- b) The American Medical Association "Gifts to Physicians from the Pharmaceutical Industry" memorandum.
- c) The Stark regulations, anti-kickback provision.
- d) The Internal Revenue Service 403(b) regulations.

26) In preparing for managed care contract negotiations, which of the following activities is illegal?

- a) Asking other managed care companies to disclose their fee schedules.
- b) Assessing the percentage of the medical group's business represented by each managed care carrier.
- c) Contacting medical groups in the same geographic area to find out whether they contract with certain carriers.
- d) Contacting medical groups in the same geographic area to reach consensus on a minimum fee schedule.

27) For how long can insurance companies audit a medical practice's claims?

- a) For up to one year after the date of service.
- b) For the time period defined in the contract.
- c) For up to 60 days after payment has been received.
- d) As long as the patient remains active with the physician.

28) When an employee of a hospital or other facility carries out orders given by an attending physician who is not employed by the facility, the employee becomes which of the following?

- a) A part-time employee of the attending physician.
- b) A specially assigned medical assistant.
- c) A borrowed servant.
- d) A de facto employee.

29) What is Stark II law?

- a) A supplement to the Health Insurance Portability and Accountability Act.
- b) A law that prohibits physicians from making referrals to certain self-owned designated health services.
- c) A law that revokes Stark I.
- d) A regulation to reduce excessive billing by providers.

30) Certain medical practice physician's routines waive Medicare co-payments for their patients. Which of the following is true?

- a) Each physician has the right to evaluate his/her patients and determine whether a co-payment is necessary.
- b) Waiving co-payments is permissible upon authorization of the practice administrator.
- c) Waiving co-payments by the physician may violate Federal fraud and abuse statutes.
- d) Co-payments cannot be waived until the annual deductible is met.

31) Under the Health Insurance Portability and Accountability Act, there is a requirement for adoption of national standards for administrative and financial transactions. Which of the following transactions apply?

- a) Health claims and attachments.
- b) Superbill/encounter form format.
- c) Patient sign-in sheet.
- d) Physician productivity report.

32) When does an employee who has been serving in the uniformed services have re-employment rights?

- a) When the employee served in a comeback zone mission.
- b) When the employer receives advance notice of the employee's intent to return.
- c) When the employer receives notice of the employee's military recall.
- d) When the employee's earlier position was for a brief, non recurrent period.

33) A formal grievance policy must include which of the following?

- a. Job descriptions
- b. Actions adversely affecting employee status
- c. Wage and salary benefits
- d. Traditional management rights

34) The Occupational Safety and Health Act (OSHA) imposes upon all employers a general duty to maintain a safe work place and to comply with the act's safety and health standards. Who has liability for temporary workers under the Act?

- a. The agency supplying the temporary worker
- b. The employer utilizing the temporary worker
- c. The temporary worker is excluded from coverage
- d. The State Workers Compensation Fund

35) All of the following statements concerning corporate compliance plans are true EXCEPT:

- a. they establish a mechanism for employee training on how to handle coding and billing errors
- b. they are the internal mechanisms or steps that an organization implements to prevent and detect violations of law
- c. they may result in lesser criminal sanctions if implemented effectively
- d. they are mandated by the Department of Health and Human Services (HHS) Office of the Inspector General (OIG)

36) Which of the following practices should be avoided to safeguard against the allegation of provider fraud?

- a. Failing to bill secondary carriers
- b. Bundling services
- c. Waiving co-pays and deductibles
- d. Utilizing multiple fee schedules

37) Which of the following steps will reduce the risk of fraudulent or embezzlement activities?

- a. Requiring only one trust-worthy employee to have control over the entire sequence of cash transactions
- b. Requiring employees with the authority to sign checks to make bank deposits
- c. Requiring each employee to take time away from the office
- d. Advising patients to make checks payable to the physician, not the practice

38) Which of the following is NOT true regarding the adoption of a compliance plan by the board of directors of a medical group?

- a. Guarantees that the federal government will not audit the medical group
- b. Provides documentation of the date of the medical group's formal commitment to establish the plan
- c. Establishes the point at which attorney-client privilege will apply
- d. Conveys that the medical group is fully committed to achieving genuine compliance

39) Which of the following legal terms requires a provider to explain the risks, benefits and alternatives connected with a procedure?

- a. Imputed liability
- b. Standard of care
- c. Informed consent
- d. Breach of confidentiality

40) Corporate compliance program guidelines have been promulgated by:

- a. the Centers for Medicare and Medicaid Services (CMS)
- b. Congressional Legislation
- c. the Office of the Inspector General (OIG)
- d. The Office of the U.S. Attorney General

41) A policy to address business ethics of shareholders is usually designed to focus on what types of activity?

- a. Conflicts of interest
- b. Lunches provided by drug representatives
- c. Gifts from vendors
- d. Minor gifts from patients

42) Organizational memory is maintained by recording corporate decision making in order to provide future reference in which document?

- a. Articles of incorporation
- b. Board of directors meeting minutes
- c. Property tax returns
- d. Corporate tax returns

43) The document which describes how a medical group will maintain documentation of patient care is the:

- a. corporate bylaws
- b. corporate policy manual
- c. patient medical record
- d. corporate compliance plan

44) Which of the following steps will NOT reduce the risk of fraudulent or embezzlement activities?

- a. Reconcile cash receipts posted into the computer system with cash actually deposited in the bank monthly
- b. Ensure that employees who handle cash disbursements also prepare accounting records
- c. Give receipts to patients paying cash over the counter
- d. Require receipts for petty cash disbursements over \$50.00

45) Which of the following is NOT a type of medical practice business liability insurance?

- a. continual overhead insurance for non-physician employees
- b. professional liability for physician employees
- c. workers compensation
- d. errors and omissions

46) In medical malpractice, the term statute of limitations refers to the:

- a. time limit for legal action in a malpractice claim
- b. minimum amount of damages that can be assessed
- c. statutory limit on the amount an attorney may charge for representation
- d. maximum amount of damages that can be assessed

47) The roles and responsibilities of the Board of Directors for a medical practice is delineated in which legal document?

- a. Employment Agreement
- b. Corporate Bylaws
- c. Executive Committee Minutes
- d. Articles of Incorporation

48) Medical malpractice judgments against physicians are reported to which of the following agencies?

- a. National Practitioner Data Bank (NPDB)
- b. American Medical Association (AMA)
- c. National Council of Alcoholism and Drug Dependence
- d. Centers for Medicare and Medicaid Services (CMS)

49) For which of the following reasons may an employee file a grievance?

- a. Transfers based on the company's need
- b. Discipline process
- c. Changes in shifts with sufficient notification
- d. Reassignments within the similar job category

50) When addressing physician impairment, the fundamental responsibility of the governing body of a medical group is:

- a. physician protection
- b. patient safety
- c. public image
- d. staff notification

51) The responsibilities of a medical practice executive include identifying, assessing and addressing legal and financial issues. The successful executive should:

- a. know when to seek counsel from an appropriate advisor
- b. be an expert in every situation

- c. contact an appropriate advisor first
- d. base decisions on a variety of legal and financial references

52) Which of the following factors is MOST important to assessing a medical practice's readiness to accept risk?

- a. Number of physicians in the practice
- b. Stability of the practice and its resources
- c. Length of time since the last physician was added to the practice
- d. Degree of income variability from one month to the next

53) Which of the following documents would NOT be reviewed in a coding compliance audit?

- a) Charge tickets
- b) Medical record
- c) Deficiency log
- d) Fee schedule

54) Which of the following is NOT part of an effective process for dismissing problem patients?

- a) Allowing each physician to dismiss patients in her/her own way.
- b) Consulting with the practice attorney.
- c) Sending a written notice of dismissal.
- d) Creating a policy addressing patient dismissals.

55) What source of risk does directors and officers insurance cover?

- a) Products and services
- b) Physical assets
- c) Corporate management
- d) Employee misconduct

Risk Management Test Answers

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|-------|-------|
| 1. a | 48. a |
| 2. d | 49. b |
| 3. d | 50. b |
| 4. c | 51. a |
| 5. b | 52. b |
| 6. a | 53. d |
| 7. d | 54. a |
| 8. a | 55. c |
| 9. b | |
| 10. a | |
| 11. a | |
| 12. b | |
| 13. a | |
| 14. b | |
| 15. b | |
| 16. b | |
| 17. d | |
| 18. c | |
| 19. a | |
| 20. a | |
| 21. a | |
| 22. d | |
| 23. c | |
| 24. b | |
| 25. a | |
| 26. d | |
| 27. b | |
| 28. c | |
| 29. b | |
| 30. c | |
| 31. a | |
| 32. b | |
| 33. b | |
| 34. b | |
| 35. d | |
| 36. c | |
| 37. c | |
| 38. a | |
| 39. c | |
| 40. c | |
| 41. a | |
| 42. b | |
| 43. b | |

- 44. b
- 45. a
- 46. a
- 47. b