Chapter 5 Review Questions

1. The new state-based insurance exchange for small businesses (SHOP) stands for:
   a. Small Business Health Options Program
   b. Small Business Health Option Plans
   c. State Health Options Program
   d. State Health Option Plans

2. The new health legislation enacts several provisions on insurance companies that are aimed at improving customer safeguards. Which provision is NOT included in the health reform?
   a. Adult children up to age 26 will be allowed to stay on their parent’s policy.
   b. Provides first dollar coverage for preventive health services.
   c. Removes caps on lifetime limits on the dollar amount of the coverage for which insurance companies will pay.
   d. Requires health plans to spend 75% or more of the premium dollars on medical related services.

3. New legislation improves Medicare coverage of prevention benefits and promotes primary care services by:
   a. Providing a 10% bonus payment to all primary care providers and general surgeons in a designated professional shortage area.
   b. Providing a 10% bonus payment to all nurse practitioners and physician assistants in a designated professional shortage area.
   c. Providing a 10% bonus payment to all primary care providers and general surgeons.
   d. Providing a 10% bonus payment to all nurse practitioners and physician assistants.

4. Under health reform, beginning in 2016, physicians not participating in PRQS (physician quality reporting system) will be penalized up to ______% of their Medicare reimbursement.
   a. 2
   b. 1
   c. 2.5
   d. 5

5. Value-based purchasing is a new reimbursement model that pays hospitals based on performance around the following: Select all that apply.
   a. Patient satisfaction scores
   b. Quality of care
   c. Efficiency
   d. Return on investment
   e. Number of physicians employed
6. The objective of an ACO is to minimize incentives that promote quantity of care by realigning incentives between:

a. Providers and hospitals to better coordinate care and improve efficiency.
b. Providers and patient to better coordinate care and improve efficiency.
c. Providers and hospitals to decrease the number of tests required to determine a diagnosis.
d. Patients and hospitals to better coordinate care and use less home health services.

7. The Congressional Budget Office estimates health care reforms will cost an estimated $940 billion over the next 10 years, which will be paid for primarily through: Select all that apply.

a. New taxes
b. New health industry fees
c. Cuts in existing government health programs
d. Budgetary cuts for government staff
e. Elimination of federal funding for Medicaid

8. Key elements of change management include all the following EXCEPT:

a. Embrace the change
b. Define the future
c. Train all staff
d. Engage everybody

9. President Obama signed into law the comprehensive health reform legislation known as:

a. Health insurance portability and accountability act
b. Patient protection and affordable care act
c. Cost reduction and quality improvement act
d. Consolidated omnibus budget reconciliation act

10. Expansion of Medicaid and insurance mandates will have the following affect:

a. Will add thousands of newly insured payments
b. Increase the ability of accessing primary care physicians in a timely fashion
c. Expand the roles and scope of services for non physician providers
d. Decrease the role of pharmacists in providing health care

11. Which of the following is a trend in health care that can be expected with health care reform?

a. Providers will receive a financial incentive to limit the number of tests needed to diagnosis patients.
b. The focus of care will shift from acute care to preventive care and wellness
c. Providers will be required to accept all types of insurance
d. The focus of care will shift from preventive and wellness to acute care
12. It is anticipated that expansion of Medicaid and mandated insurance coverage will add millions of newly insured Americans. In order to meet the demand of these patients, it is anticipated

a. Medical schools will be forced to lower the entrance requirements.
b. Telehealth services will be approved for all sites of service
c. An increase in the use of midlevel providers.
d. Training more physician specialists.

13. Which of the following provisions of the PPACA will help reduce fraud and abuse?

a. Increase the monetary reward for qui tam suits to encourage the reporting of fraud
b. Allows sharing of IRS data to identify fraudulent providers or providers with tax debts.
c. Requires all providers to attend fraud and abuse training and yearly audits of claims
d. Mandates that overpayments be returned within 90 days or provider pay a penalty.

14. Which of the following preventive services has been improved with the new legislation?

a. A 5% increase in reimbursement for mental health services starting in 2010.
b. A rebate on patients’ insurance premiums when they present for a yearly physical.
c. A waive of the patient's deductible when they have tests for pancreatic cancer.
d. Preventive services can be reimbursed for all provider types.

15. In providers who have not implemented an EHR will begin to see a reduction in Medicare reimbursement.

a. 2012
b. 2013
c. 2015
d. 2017
Chapter 5 Review Questions Answer Key

1. The new state-based insurance exchange for small businesses (SHOP) stands for:
   a. Small Business Health Options Program

   Rationale: The American Health Benefit Exchanges (for individuals) and Small Business Health Options Program (SHOP) Exchanges (for businesses) will be administered by a governmental agency or non-profit organization. The exchanges will go into effect January 1, 2014.

2. The new health legislation enacts several provisions on insurance companies that are aimed at improving customer safeguards. Which provision is NOT included in the health reform?
   d. Requires health plans to spend 75% or more of the premium dollars on medical related services.

   Rationale: The new legislation does not require a current percentage of the premium be spent on medical related services.

3. New legislation improves Medicare coverage of prevention benefits and promotes primary care services by:
   a. Providing a 10% bonus payment to all primary care providers and general surgeons in a designated professional shortage area.

   Rationale: In order to improve preventive services, primary care providers and general surgeons in a designated professional shortage area will receive 10% bonus payments.

4. Under health reform, beginning in 2016, physicians not participating in PRQS (physician quality reporting system) will be penalized up to ______% of their Medicare reimbursement.
   a. 2

   Rationale: Beginning in 2015, physicians not participating in the PRQS program will be penalized 1.5 percent, and 2 percent in subsequent years.

5. Value-based purchasing is a new reimbursement model that pays hospitals based on performance around the following: Select all that apply.
   a. Patient satisfaction scores
   b. Quality of care
   c. Efficiency

   Rationale: The value-based purchasing program will measure hospitals on efficiency, patient satisfaction, and the quality of care around five conditions and procedures which include: acute myocardial infarction, heart failure, pneumonia, surgery associated with infections and hospital acquired infections.
6. The objective of an ACO is to minimize incentives that promote quantity of care by realigning incentives between:

a. Providers and hospitals to better coordinate care and improve efficiency.

Rationale: Providers can organize as an ACO, which allows hospitals and physicians as a team to be accountable for a patient’s overall care. If through coordination of care, cost savings are achieved, the ACO would be eligible to keep a portion of the achieved Medicare savings.

7. The Congressional Budget Office estimates health care reforms will cost an estimated $940 billion over the next 10 years, which will be paid for primarily through: Select all that apply.

a. New taxes
b. New health industry fees
c. Cuts in existing government health programs

Rationale: New taxes, health industry fees, and cuts in projected spending for existing government health programs are assumed to offset these costs resulting in an estimated surplus of around $143 billion during the next 10 years.

8. Key elements of change management include all the following EXCEPT:

c. Train all staff

Rationale: Although training staff is important, it is not one of the key elements of change management which include:

- Embrace the change. Change is not easy—but having a positive attitude can directly affect the way other employees respond and succeed.
- Define the future vision. List why the change is needed, the benefits that are gained, the risks that are avoided, and why the change is “better.”
- Select agents of change. Pick the right people to support the vision and drive the change forward. This may be one of the physicians or staff members who agrees with the new direction and has the capability to influence other workers.
- Engage everybody. Identify the impact of the change on each role and position and develop feedback loops. Engage workers through participation and monitor progress.
- Establish a clear support/reward plan. Support the process with incentives (positive and negative) to keep momentum.
9. President Obama signed into law the comprehensive health reform legislation known as:

b. Patient protection and affordable care act

Rationale: President Obama signed into law the comprehensive health reform legislation known as the Patient Protection and Affordable Care Act (PPACA). The new legislation is focused on accomplishing three main objectives—expanding health coverage, controlling health care costs, and modernizing the health care delivery system.

10. Expansion of Medicaid and insurance mandates will have the following affect:

c. Expand the roles and scope of services for non physician providers

Rationale: Expansion of Medicaid and insurance mandate, through health reform will add millions of newly insured patients into the health system. With a growing shortage of physicians and more demand, accessing care in a timely fashion will become increasingly difficult. Expanding the roles and scope of services for non-physician providers will be one way in which the system responds to this need. Non-physician providers such as nurse practitioners (NPs) and physician assistants (PAs) will likely play a more central role in providing care for routine and common illnesses or procedures, shifting the role of the physician to focus on more complex problems.

11. Which of the following is a trend in health care that can be expected with health care reform?

b. The focus of care will shift from acute care to preventive care and wellness

Rationale: One of the trends to expect is a focus on prevention and wellness. By shifting the focus, it is thought that diseases will be prevented which will bring down the cost of health care. Providers will still be able to decide which insurance plans to participate in. Providers will still need to perform medically necessary tests to diagnosis patients.

12. It is anticipated that expansion of Medicaid and mandated insurance coverage will add millions of newly insured Americans. In order to meet the demand of these patients, it is anticipated

c. An increase in the use of midlevel providers.

Rationale: With a growing shortage of physicians and more demand, accessing care in a timely fashion will become increasingly difficult. Expanding the roles and scope of services for non-physician providers will be one way in which the system responds to this need.
13. Which of the following provisions of the PPACA will help reduce fraud and abuse?

b. Allows sharing of IRS data to identify fraudulent providers or providers with tax debts.

Rationale: The provisions for fraud and abuse as part of PPACA include:

- Mandates provider screening and enhances oversight for new providers and suppliers including initial claims of Durable Medical Equipment (DME) suppliers.
- Providers are required to supply, upon request, documentation of DME and home health referrals.
- Requires Medicare and Medicaid program providers and suppliers to establish compliance and ethics programs that contain core elements established by the Department of Health & Human Services.
- CMS will develop an integrated data repository to capture and share data across federal and state programs, including reporting adverse actions taken against providers.
- Allows sharing of IRS data to identify fraudulent providers or providers with tax debts.
- Enforces the Anti-Kickback statute by making violations of the statute also a violation of the False Claims Act.
- Mandates that overpayments be returned within 60 days.
- Increased and created new penalties for false statements made in relation to false claims investigations.
- Requires disclosure during enrollment/re-enrollment of any affiliations (prior or current) with individuals/suppliers that have uncollected debt, payments suspended, are excluded, or have billing privileges revoked (may result in denial of enrollment/re-enrollment).

14. Which of the following preventive services has been improved with the new legislation?

a. A 5% increase in reimbursement for mental health services starting in 2010.

Rationale: Improvements in preventive services as a result of the new legislation includes:

- Eliminates cost-sharing for Medicare covered preventive services.
- Waives the deductible for colorectal cancer screening.
- Covers personalized prevention plan services, including comprehensive health risk assessments on an annual basis. Providers will also be reimbursed 100 percent of the physician fee schedule amount with no adjustment for deductible or coinsurance for personalized prevention planning provided in an outpatient setting.
- Provides a 10 percent bonus payment from 2011 to 2016 to primary care providers and general surgeons practicing in designated health professional shortage areas.
- Mental health services received a 5 percent increase in payments for 2010.
15. In providers who have not implemented an EHR will begin to see a reduction in Medicare reimbursement.

c. 2015

Rationale: The HITECH Act allocates $36 billion in incentive payments for providers to adopt the use of electronic medical records (EMRs). Late or non-adopters will see decreases in Medicare reimbursement starting in 2015 and fully phased in 2017.