**Question 1**

The Health Insurance Portability and Accountability Act protects patients’ individually identifiable health information by

|  |  |  |
| --- | --- | --- |
|  | A. | prohibiting release of information by electronic means. |
|  | B. | requiring appropriate authorization before its release. |
|  | C. | allowing insurers to deny coverage of related claims. |
|  | D. | making the receiver liable for any misuse of the information. |

**Question 2**

When a parent’s religious convictions do not permit a recommended medical treatment for a child, the state

|  |  |  |
| --- | --- | --- |
|  | A. | will ask the hospital’s ethics committee to intervene. |
|  | B. | has no role in medical decisions between families and physicians. |
|  | C. | has an interest in preserving life and protecting innocent third parties. |
|  | D. | recognizes that the constitutional guarantees of religious liberty prevail. |

**Question 3**

A company has completed the financial statements for the current year. The president looks over the balance sheet and notices that the company building is recorded at $500,000. The company just paid an appraisal firm to determine the value of the building for a loan application and it was valued at $700,000. The president wants the building to reflect this appraised value to make the company appear stronger for the loan committee. Which of the following is correct according to generally accepted accounting principles (GAAP)?

|  |  |  |
| --- | --- | --- |
|  | A. | It is a violation of the monetary value assumption to report the higher value. |
|  | B. | It is a violation of the full disclosure rule to report the higher value. |
|  | C. | Reporting the lower value would be expected under the historical cost principle. |
|  | D. | Reporting the lower value would be expected under the conservatism principle. |

**Question 4**

A large truck has crossed the median of an interstate highway and has collided with a school bus. Preliminary reports indicate several minor injuries, a few children with multiple fractures, but no fatalities yet noted.   
  
Which phrase best describes the plan and policy the hospital should adopt and routinely practice?

|  |  |  |
| --- | --- | --- |
|  | A. | Manage all injuries as EMS performs on-site triage, since one cannot know what to expect. |
|  | B. | Make all discharge planners accelerate discharges to optimize the number of available beds. |
|  | C. | Send a trauma team from the ER to the accident site to help provide improved pre-hospital care. |
|  | D. | Have trauma teams, crisis intervention teams, logistical support teams and media teams deploy immediately. |

A patient who felt he was treated negligently might bring a tort for

|  |  |  |
| --- | --- | --- |
|  | A. | early discharge. |
|  | B. | violation of ethics. |
|  | C. | poor health outcomes. |
|  | D. | breach of duty for care. |

**Question 6**

A reward with valence is one that employees perceive to be

|  |  |  |
| --- | --- | --- |
|  | A. | fair. |
|  | B. | of value. |
|  | C. | obtainable. |
|  | D. | individualized. |

**Question 7**

A supply-chain management system shared among units of a healthcare enterprise and its strategic partners cannot be maximally effective without which of the following characteristics?

|  |  |  |
| --- | --- | --- |
|  | A. | Activity-based costing |
|  | B. | Lowest cost providers |
|  | C. | Unit customization |
|  | D. | Shared infrastructure |

**Question 8**

A “no prior condition” clause in the current health reform law is likely to increase the number of enrollees in

|  |  |  |
| --- | --- | --- |
|  | A. | group health insurance markets. |
|  | B. | individual health insurance markets. |
|  | C. | employer-sponsored health insurance markets. |
|  | D. | public health insurance including, Medicaid and Medicare. |

**Question 9**

Activation of an internal disaster plan for a hospital is subject to the policies of that institution. A manager is working as the house supervisor on the night shift and the local weather alert indicates that a tornado has been spotted in the community.  
   
What response below best describes the manager's actions?

|  |  |  |
| --- | --- | --- |
|  | A. | Read the policy manual for instructions. |
|  | B. | Call the local radio station for an update on the status of the tornado. |
|  | C. | Announce the proper code for a tornado over the intercom and notify the on-call administrator. |
|  | D. | Go to each unit in the hospital and make sure the staff has taken precautions to protect visitors and patients. |

**Question 10**

Background:

Virtua Hospital is planning to introduce Electronic Health Records (EHR) at its various practice locations whereas the older physicians raise concerns about their ability to use the new system efficiently, the younger physicians support the implementation of the EHR.

In order to ensure physician compliance with electronic records what should be changed?

|  |  |  |
| --- | --- | --- |
|  | A. | Documentation on employee handbook updates |
|  | B. | Documentation on physician evaluations |
|  | C. | Documentation on patient feedback |
|  | D. | Documentation on cost containment |

**Question 11**

Background:

A rural Medical Center rotates department directors to present for 10 minutes at each Board Meeting. In December 2010, the department director for the Surgical Services Department made a presentation. The Surgery Director included a financial handout consisting of surgical case volumes, revenue/expense statements, labor utilization reports and patient satisfaction statements. The Power Point presentation was a photographic tour of the department and the employees. A prominent surgeon at the hospital is a Board member, and asked the Director to explain why there was an increase in turnover with the surgical nursing staff in the past 8 months. The Director was embarrassed and became defensive, stating that, “I put in a lot of extra hours, all of the nurses are pushed to the limit, we don’t have enough nurses to share all of the call time required, and I don’t know what you really expect out of me; I try my best to make this a great work environment!”   
  
The Director of Human Resources quickly spoke up and stated, “Yes, you do a very good job in managing your department, and we can talk off-line about getting some additional help for the department,” in an attempt to defuse the situation. The CEO stood up and thanked the Surgery Director for a fine presentation and allowed the Director to be excused from the rest of the meeting. During the Board meeting, the HR Director apologized for the defensive nature of the Surgery Director and assured the Board that the inappropriate behavior would be addressed the very next day. The Chairman of the Board spoke up and stated that the potential for burnout in a high stress area was understood and that both the turnover problem and the Surgery Director’s inappropriate behavior should be addressed.   
  
After the Board meeting, the HR Director returned to the office and found the Surgery Director. The Surgery Director apologized for the behavior in the meeting and stated that any corrective action for the behavior would be accepted, but also added that the surgeon who was present in the Board meeting is constantly overbearing and demanding. The Surgery Director stated that there were several written complaints from nurses, some who have quit, indicating that this particular surgeon is rude, demeaning, and may be the cause of chronic turnover. The HR Director acknowledged the contrite manner of the Surgery Director and stated they would get together at 2 PM the next day. The HR Director also told the Surgery Director to strongly consider what can be done to improve performance.   
  
The Surgery Director was at HR the next day. The HR Director stated that the Surgery Director was now on a corrective action plan. The Surgery Director and the HR Director created a plan that addressed how the Surgery Director would change the behavior and attitude toward the surgeon, including setting a time to meet with the surgeon and finding out if there are training or equipment issues driving the surgeon’s behavior. The Surgery Director must identify what is dissatisfying the surgeon and the Director will assume autonomy to make decisive corrections in the surgery department. The Surgery Director is also required to act appropriately in public settings with Senior Leadership, the Board, patients and family members. The HR Director required the Surgery Director to work with the ICU Director, a skilled Management Coach, for 1 hour a week to help lead to success with the plan. The HR Director reinforced the fact that the ultimate change was up to the Surgery Director, and that the ICU Director’s role is to facilitate.   
  
The plan included methods to report all incidents and complaints by the staff, how HR would become involved to support the Surgery Director with resolving complaints, and an opportunity to send the Surgery Director to specific training on managing turnover. The Surgery Director had 6 months to make significant change, at which time there would be a re-evaluation. If the re-evaluation was positive, the Surgery Director would have a clean record. If no improvement, the Surgery Director would be asked to resign.

A collaborative style of conflict resolution uses which of the following strategies?

|  |  |  |
| --- | --- | --- |
|  |  | Establishing an experienced management coach with weekly meetings |
|  |  | Requiring the Surgery Director to problem solve with the surgeon |
|  |  | Defusing the inappropriate behavior at the Board meeting |
|  |  | Creating a plan with both consequences and a positive outcome |

QUESTION 12

Background:

A rural Medical Center rotates department directors to present for 10 minutes at each Board Meeting. In December 2010, the department director for the Surgical Services Department made a presentation. The Surgery Director included a financial handout consisting of surgical case volumes, revenue/expense statements, labor utilization reports and patient satisfaction statements. The Power Point presentation was a photographic tour of the department and the employees. A prominent surgeon at the hospital is a Board member, and asked the Director to explain why there was an increase in turnover with the surgical nursing staff in the past 8 months. The Director was embarrassed and became defensive, stating that, “I put in a lot of extra hours, all of the nurses are pushed to the limit, we don’t have enough nurses to share all of the call time required, and I don’t know what you really expect out of me; I try my best to make this a great work environment!”   
  
The Director of Human Resources quickly spoke up and stated, “Yes, you do a very good job in managing your department, and we can talk off-line about getting some additional help for the department,” in an attempt to defuse the situation. The CEO stood up and thanked the Surgery Director for a fine presentation and allowed the Director to be excused from the rest of the meeting. During the Board meeting, the HR Director apologized for the defensive nature of the Surgery Director and assured the Board that the inappropriate behavior would be addressed the very next day. The Chairman of the Board spoke up and stated that the potential for burnout in a high stress area was understood and that both the turnover problem and the Surgery Director’s inappropriate behavior should be addressed.   
  
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The Surgery Director was at HR the next day. The HR Director stated that the Surgery Director was now on a corrective action plan. The Surgery Director and the HR Director created a plan that addressed how the Surgery Director would change the behavior and attitude toward the surgeon, including setting a time to meet with the surgeon and finding out if there are training or equipment issues driving the surgeon’s behavior. The Surgery Director must identify what is dissatisfying the surgeon and the Director will assume autonomy to make decisive corrections in the surgery department. The Surgery Director is also required to act appropriately in public settings with Senior Leadership, the Board, patients and family members. The HR Director required the Surgery Director to work with the ICU Director, a skilled Management Coach, for 1 hour a week to help lead to success with the plan. The HR Director reinforced the fact that the ultimate change was up to the Surgery Director, and that the ICU Director’s role is to facilitate.   
  
The plan included methods to report all incidents and complaints by the staff, how HR would become involved to support the Surgery Director with resolving complaints, and an opportunity to send the Surgery Director to specific training on managing turnover. The Surgery Director had 6 months to make significant change, at which time there would be a re-evaluation. If the re-evaluation was positive, the Surgery Director would have a clean record. If no improvement, the Surgery Director would be asked to resign.

Which of the following statements best describes the steps used in the performance plan to help the Surgery Director manage the defensive tendency?

|  |  |  |
| --- | --- | --- |
|  | A. | The HR Director used feedback, minimized threats and was empathetic. |
|  | B. | The HR Director intervened at the board meeting and provided the Surgery Director the time to cool off. |
|  | C. | The HR Director did not support the allegation that the surgeon was at fault. |
|  | D. | The plan offered the Surgery Director a chance to succeed. |

QUESTION 13

Background:

A rural Medical Center rotates department directors to present for 10 minutes at each Board Meeting. In December 2010, the department director for the Surgical Services Department made a presentation. The Surgery Director included a financial handout consisting of surgical case volumes, revenue/expense statements, labor utilization reports and patient satisfaction statements. The Power Point presentation was a photographic tour of the department and the employees. A prominent surgeon at the hospital is a Board member, and asked the Director to explain why there was an increase in turnover with the surgical nursing staff in the past 8 months. The Director was embarrassed and became defensive, stating that, “I put in a lot of extra hours, all of the nurses are pushed to the limit, we don’t have enough nurses to share all of the call time required, and I don’t know what you really expect out of me; I try my best to make this a great work environment!”   
  
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The plan included methods to report all incidents and complaints by the staff, how HR would become involved to support the Surgery Director with resolving complaints, and an opportunity to send the Surgery Director to specific training on managing turnover. The Surgery Director had 6 months to make significant change, at which time there would be a re-evaluation. If the re-evaluation was positive, the Surgery Director would have a clean record. If no improvement, the Surgery Director would be asked to resign.

Which of the following is an example of an integration between individual, hospital and Board goals?

|  |  |  |
| --- | --- | --- |
|  | A. | The surgeon was allowed to voice concern on staff turnover at the Board meeting. |
|  | B. | The HR Director took charge of the situation at the Board meeting. |
|  | C. | The plan specified use of a coach from another department. |
|  | D. | There was agreement between the HR and Surgery Director on the scope of the corrective action plan. |

**Question 14**

Background:

An in-house counsel at a medical center is reviewing notes from today’s activities and developing a work plan for tomorrow. Since 7:00 a.m. this morning, the following priority issues have been determined for resolution or advice. • A pregnant teenager arrived at the emergency department (ED) only minutes before delivering a full-term infant. Due to the urgent nature of her condition, no personal information was collected from the mother before the delivery. While the infant was being taken to the newborn nursery, the mother left the ED and cannot be located. The ED administrative director reported the mother’s flight and abandonment of the infant as required by hospital policy.

* A patient discharged from the hospital 3 months ago came in to talk about the security of health information. The patient recently saw a news report where a breach of security in medical information used for a research study resulted in identity theft for several hundred persons. The patient fears an increased risk of identity theft because of data collected during the hospitalization. The in-house counsel took time to explain to the patient the conditions under which personal health information could have been released by the hospital, including when express consent was required and when it was not. The in-house counsel stressed the security policies employed by the hospital.
* An 87-year-old elderly woman was admitted through the ED with a broken hip following a fall in her home. The fracture will require surgical fixation and long-term post-surgical care for rehabilitation is expected. The woman lives with a granddaughter although her son is her legal guardian. The physical exam revealed that she has moderate dementia, is malnourished, and has several bruises on her upper arms. The ED physician suspects the woman may be a victim of neglect or even physical abuse.

If the discharged patient's concerns about inappropriate release of health information are not resolved, which of the following statements explains the patient's rights for further action under HIPAA regulations?

|  |  |  |
| --- | --- | --- |
|  | A. | The patient can request an accounting of hospital disclosures of personal health information. |
|  | B. | The patient can specify that his/her record be placed on a global “do not release to anyone” list. |
|  | C. | The patient can take custody of his/her own health record and remove it from the hospital. |
|  | D. | The patient can deny authorization for his/her health record to be included in aggregate statistical or research data bases. |

**Question 15**

Background:

An in-house counsel at a medical center is reviewing notes from today’s activities and developing a work plan for tomorrow. Since 7:00 a.m. this morning, the following priority issues have been determined for resolution or advice.

* A pregnant teenager arrived at the emergency department (ED) only minutes before delivering a full-term infant. Due to the urgent nature of her condition, no personal information was collected from the mother before the delivery. While the infant was being taken to the newborn nursery, the mother left the ED and cannot be located. The ED administrative director reported the mother’s flight and abandonment of the infant as required by hospital policy.
* A patient discharged from the hospital 3 months ago came in to talk about the security of health information. The patient recently saw a news report where a breach of security in medical information used for a research study resulted in identity theft for several hundred persons. The patient fears an increased risk of identity theft because of data collected during the hospitalization. The in-house counsel took time to explain to the patient the conditions under which personal health information could have been released by the hospital, including when express consent was required and when it was not. The in-house counsel stressed the security policies employed by the hospital
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If the discharged patient's concerns about inappropriate release of health information are not resolved, which of the following statements explains the patient's rights for further action under HIPAA regulations?

|  |  |  |
| --- | --- | --- |
|  | A. | To report the physician's evaluation and assessment to designated authorities |
|  | B. | To request an evaluation from the hospital's social services department |
|  | C. | To report suspected abuse to the patient's legal guardian, her son |
|  | D. | To report the custodial granddaughter to the state welfare department |

**Question 16**

Background:

Diane, one of Dr. Kahl’s patients is dismayed at overhearing other visiting patients derogatively talk about her recent medical procedure. On further inquiry, Diane discovers that these patients were acquaintances of Dr. Kahl’s medical assistant who had earlier disclosed private information regarding her procedure to them.

What legal principle did the medical assistant violate?

|  |  |  |
| --- | --- | --- |
|  | A. | Consent |
|  | B. | Secrecy |
|  | C. | Security |
|  | D. | Confidentiality |

**Question 17**

Background:

In a disaster, those involved in health care need to make moral decisions that are beyond their normal medical education and training. Routine methods and use of resources are not adequate to serve the greater good and to save lives. The population to be served, rather than the particular needs of the individual, must be the focus of the provision of medical care. Unlike normal medical procedures, evaluations need to be done quickly, and the severely injured should be treated after those with less serious health issues. The goal should be to treat as many people as quickly as possible, making the best of limited resources. This approach will keep the unnecessary loss of life to a minimum.

What is the most important response for medical facility staff in a disaster?

|  |  |  |
| --- | --- | --- |
|  | A. | Treating each casualty using standard medical procedures |
|  | B. | Providing treatment so the greatest number of people are served |
|  | C. | Treating the most severely injured first |
|  | D. | Allocating resources equally across the number of casualties |

**Question 18**

Background:

John was admitted to the hospital with chest pain. The pain lasted a few minutes and then stopped. John felt the pain was similar to last week’s episode which was diagnosed as heartburn due to gastritis. However John called his Doctor to tell him about the problem. The Doctor said that the pain was most likely gastritis but advised him to go to the Emergency Room “just to be on the safe side”. John went to the Emergency Room, was admitted to the hospital and discharged two days later after an expensive workup leading to a diagnosis of gastritis.

As a consequence of financing of health services by insurance companies, physicians tend to deliver additional and more expensive services. Thus, they create an additional demand for healthcare services. This phenomenon is an example of

|  |  |  |
| --- | --- | --- |
|  | A. | Moral hazard |
|  | B. | Supply side rationing |
|  | C. | Provider induced demand |
|  | D. | Demand side rationing |

**Question 19**

Background:

John was admitted to the hospital with chest pain. The pain lasted a few minutes and then stopped. John felt the pain was similar to last week’s episode which was diagnosed as heartburn due to gastritis. However John called his Doctor to tell him about the problem. The Doctor said that the pain was most likely gastritis but advised him to go to the Emergency Room “just to be on the safe side”. John went to the Emergency Room, was admitted to the hospital and discharged two days later after an expensive workup leading to a diagnosis of gastritis.

John promptly agreed to go to the emergency room because he knew his out-of-pocket expense was zero. If he had to pay a portion of his hospital bill, it is possible he would have been reluctant to go to the hospital. This is an example of

|  |  |  |
| --- | --- | --- |
|  | A. | Moral hazard |
|  | B. | Moral reasoning |
|  | C. | Medical rationing |
|  | D. | Demand side rationing |

**Question 20**

Background:

The CEO of a large non-profit hospital also owns a consulting firm. The hospital has contracted with the consulting firm numerous times for architectural work but the services were never performed. Each time, the CEO made sure the hospital paid the consulting firm to retain their services. Various reasons are always given for why the work is not completed. The CEO has never disclosed to other hospital administrators or the hospital’s governing board that he has an ownership stake in the consulting firm.

Which of the following best describes the ethical dilemma the CEO has with operating the hospital and owning the consulting firm?

|  |  |  |
| --- | --- | --- |
|  | A. | Confidentiality |
|  | B. | Honesty |
|  | C. | Conflict of interest |
|  | D. | Mistrust |

**Question 21**

Background:

The CEO of a large non-profit hospital also owns a consulting firm. The hospital has contracted with the consulting firm numerous times for architectural work but the services were never performed. Each time, the CEO made sure the hospital paid the consulting firm to retain their services. Various reasons are always given for why the work is not completed. The CEO has never disclosed to other hospital administrators or the hospital’s governing board that he has an ownership stake in the consulting firm.

The hospital's governing board has what type of relationship with the hospital?

|  |  |  |
| --- | --- | --- |
|  | A. | Client |
|  | B. | Fiduciary |
|  | C. | Operational |
|  | D. | Consultant |

**Question 22**

Background:

The chief executive officer (CEO) of ACME, a publicly traded corporation is facing decisions regarding the handling of ACME’s relationship with MAC, a special purpose entity that helps ACME to share the risk of a new project with other investors. ACME holds a 40% stake in MAC. ACME’s chief financial officer (CFO) has expressed interest in becoming the general manager of MAC, which is a paid position, while remaining ACME’s CFO.   
  
ACME has a provision in its code of ethics that prohibits employees from obtaining personal gain from relationships outside of ACME that might interfere with fulfilling their duty to ACME. The board of directors is considering waiving this provision for the CFO.

How would the Sarbanes-Oxley Act of 2002 apply to a request for a waiver of a code of ethics provision?

|  |  |  |
| --- | --- | --- |
|  | A. | A waiver of a code of ethics provision is allowed if the board of directors approves it. |
|  | B. | A waiver of a code of ethics provision is allowed if the board's audit committee approves it. |
|  | C. | A waiver of a code of ethics provision is allowed if the waiver is disclosed in the annual report. |
|  | D. | A waiver of a code of ethics provision is allowed if it is not material. |

**Question 23**

Background:

The state board of health annual report showed that there were strikingly high incidences of post operative infections in St. Mary’s Hospital. In response to this, the governing body asked the director of operation theatre to develop and implement a strategy to reduce post-operative infections. More detailed aseptic protocols were implemented in all the operating rooms.

Which of the following would be an appropriate strategy to decrease the number of post-operative infections?

|  |  |  |
| --- | --- | --- |
|  | A. | Writing a letter to the state with the latest statistics about post-operative infections |
|  | B. | Rewarding physicians and staff with the lowest infection rates |
|  | C. | Increasing patient turnaround times |
|  | D. | Building a new operating theatre |

**Question 24**

Background:

The state board of health annual report showed that there were strikingly high incidences of post operative infections in St. Mary’s Hospital. In response to this, the governing body asked the director of operation theatre to develop and implement a strategy to reduce post-operative infections. More detailed aseptic protocols were implemented in all the operating rooms.

Before holding medical personnel accountable for the new aseptic protocols on performance reviews, what should occur?

|  |  |  |
| --- | --- | --- |
|  | A. | Employee training on the new protocols |
|  | B. | Employee discussion on the new protocols |
|  | C. | Updates to the employee handbook |
|  | D. | Updates to the employee evaluation form |

25

Virtua Hospital is planning to introduce Electronic Health Records (EHR) at its various practice locations whereas the older physicians raise concerns about their ability to use the new system efficiently, the younger physicians support the implementation of the EHR.

Which of the following arguments makes a strong case for the implementation of Electronic Health Records?

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Which of the following arguments makes a strong case for the implementation of Electronic Health Records? | | Younger physicians will move to positions of authority at Virtua. | EHR will allow access to the same information at multiple sites. | | EHR will allow physicians to spend less time with patients. | Rural hospitals will need more funds for implementation than urban hospitals. |
|  | | A. | Younger physicians will move to positions of authority at Virtua. | |
|  | | B. | EHR will allow access to the same information at multiple sites. | |
|  | | C. | EHR will allow physicians to spend less time with patients. | |
|  | | D. | Rural hospitals will need more funds for implementation than urban hospitals. | |

**Question 26**

During the planning phase, hospitals should develop their internal disaster plan in an attempt to gain community support and involvement.   
  
Which of the following is the best reason for engaging other community leaders in the planning stage?

|  |  |  |
| --- | --- | --- |
|  | A. | Shared responsibility among community leaders may avert liability litigation for the hospital. |
|  | B. | Staffing problems may interfere with the hospital's ability to effectively manage a disaster scene. |
|  | C. | Due to the nature of physical injuries, physicians can best decide the appropriate treatment required. |
|  | D. | Prior planning may avoid any institution from experiencing telecommunications failure due to a high demand for information. |

**Question 27**

If management is considering ways to acquire capital for a nonprofit hospital, which of the following would NOT be a choice?

|  |  |  |
| --- | --- | --- |
|  | A. | Bonds |
|  | B. | Donations |
|  | C. | Unsecured loan |
|  | D. | Common stock |

**Question 28**

In a coastal region in the Southeast portion of the United States, a community of 100,000 with 2 large hospitals with level 1 trauma designation experiences a severe hurricane. All emergency services are activated, yet the hospital's reaction to the disaster is delayed with a back-logging of care in the Emergency Room and in a triage area. During the inter-agency debriefing, the hospitals state that they never received communications of the volume of injuries and the types of injuries to expect.   
  
Which response listed below is the most accurate leading cause for this problem?

|  |  |  |
| --- | --- | --- |
|  | A. | The hospitals' radio systems were outdated. |
|  | B. | The hospitals' disaster planning protocols were outdated. |
|  | C. | The volume of injuries was just too extensive for both hospitals. |
|  | D. | Multiple agencies with overlapping jurisdiction did not communicate effectively. |

In terms of debt management, creditors would most likely prefer the hospital with a debt ratio of

|  |  |  |
| --- | --- | --- |
|  | A. | 38%. |
|  | B. | 40%. |
|  | C. | 42%. |
|  | D. | 44%. |

**Question 30**

In the annual board meeting, the board decided that the hospital will build a new ambulatory care center and upgrade to Electronic Medical Records in the upcoming year. The costs of the upgrades were calculated.   
  
This is an example of what budgetary process?

|  |  |  |
| --- | --- | --- |
|  | A. | Cash Budgeting |
|  | B. | Capital Budgeting |
|  | C. | Revenue Budgeting |
|  | D. | Statistics Budgeting |

**Question 31**

Managers of XYZ Health Corporation estimate that the expansion of outpatient services for cancer patients would require five times as many resources as the expansion of outpatient services for children.   
  
Therefore, the outpatient clinic serves one cancer patient at the opportunity costs of

|  |  |  |
| --- | --- | --- |
|  | A. | 1/5 child. |
|  | B. | 1/2 child. |
|  | C. | five children. |
|  | D. | 25 children. |

**Question 32**

One of the major reasons for specialty misdistribution in the U.S. health care delivery system is

|  |  |  |
| --- | --- | --- |
|  | A. | the fact there is an oversupply of generalists. |
|  | B. | the development and utilization of medical technology. |
|  | C. | the fact that students in medical subspecialties spend significant time in inpatient hospitals. |
|  | D. | nurse practitioners are more likely to be employed in rural and medically underserved areas than urban areas. |

**Question 33**

Quo Healthcare Systems is a traditional organization with a hierarchical structure. Many long-term employees have the attitude of “don't rock the boat.” Human resources would like to create a culture of more open communication.

The strategy they should propose is to

|  |  |  |
| --- | --- | --- |
|  | A. | revise the mission statement. |
|  | B. | implement a 360-degree performance feedback system. |
|  | C. | recommend a cross-department team form to work on a specific project. |
|  | D. | improve and disseminate the communication plan on performance management. |

**Question 34**

The chief executive officer (CEO) of ACME, a publicly traded corporation is facing decisions regarding the handling of ACME’s relationship with MAC, a special purpose entity that helps ACME to share the risk of a new project with other investors. ACME holds a 40% stake in MAC. ACME’s chief financial officer (CFO) has expressed interest in becoming the general manager of MAC, which is a paid position, while remaining ACME’s CFO.   
  
ACME has a provision in its code of ethics that prohibits employees from obtaining personal gain from relationships outside of ACME that might interfere with fulfilling their duty to ACME. The board of directors is considering waiving this provision for the CFO.

Which of the following would apply to the hiring of the CFO of ACME as the general manager of MAC?

|  |  |  |
| --- | --- | --- |
|  | A. | Insider trading |
|  | B. | Conflict of interest |
|  | C. | Information asymmetry |
|  | D. | Violation of federal law |

**Question 35**

The federal government enacted wage and price controls during World War II, but health insurance premiums were exempted from these regulations and were tax-exempted for both employers and employees.   
  
Because of this, which insurance arrangement was widely adopted, and today accounts for roughly one third of all health care dollars spent?

|  |  |  |
| --- | --- | --- |
|  | A. | Medicare insurance |
|  | B. | Medicaid insurance |
|  | C. | Individual (private) insurance |
|  | D. | Employer sponsored insurance |

**Question 36**

The following items are company records for the current pay period of an employee. The company pays its employees on the 15th and the last day of the month.   
  
Pay rate: $15/hour   
Time worked: 60 hours   
The union contract specifies that hours worked over 35 are paid at 1.5 times the normal pay rate. The Martin Luther King, Jr. holiday fell in the pay period and the employee worked that day. The holiday is paid at 2 times the regular pay rate.   
  
Federal Withholding Tax: 15%   
Social Security for the company and employee totaled $175.56   
Union Dues: $30/month   
Federal Unemployment Tax: .8%   
State Unemployment Tax: 3.5%   
Insurance: $600/month total cost, the employee pays 20% of the monthly cost in equal deductions each pay period.   
  
What is the employee's net pay?

|  |  |  |
| --- | --- | --- |
|  | A. | $767.59 |
|  | B. | $778.25 |
|  | C. | $787.43 |
|  | D. | $827.59 |

**Question 37**

The main elements of human resource management in health care organizations are

|  |  |  |
| --- | --- | --- |
|  | A. | public and patient relations. |
|  | B. | financial auditing and cost cutting. |
|  | C. | planning, recruitment, training and retaining. |
|  | D. | performance improvement and quality assurance. |

**Question 38**

The manager of a company has asked the receptionist to administer the petty cash fund. A $250 company check was cashed and put into a locked cash box. During the last month, there were three receipts for office supplies totaling $71.69. One receipt was for a package delivered COD at $15 and three receipts were for company car gasoline expenses totaling $81.49. It is the end of the accounting period and there is $79.51 in the lockbox. Which entry from the options below will be used to replenish the fund and increase the fund to $300 in the same entry?

|  |  |  |
| --- | --- | --- |
|  | A. | Supplies Expense - 71.69    Shipping Expenses - 15.00    Transportation Expense - 81.49    Petty Cash - 50.00    Cash - 218.18 |
|  | B. | Supplies Expense - 71.69    Shipping Expenses - 15.00    Transportation Expense - 81.49    Cash Short or Over - 2.31    Petty Cash - 50.00    Cash - 220.49 |
|  | C. | Supplies Expense - 71.69    Shipping Expenses - 15.00    Transportation Expense - 81.49    Cash Short or Over - 2.31    Cash - 170.49 |
|  | D. | Supplies Expense -71.69    Shipping Expenses - 15.00    Transportation Expense - 81.49    Cash - 168.18 |

**Question 39**

The Chief Operating Officer of a hospital asks the managers for their opinions in the decision-making process.   
  
This is an example of which leadership style?

|  |  |  |
| --- | --- | --- |
|  | A. | Pacesetting |
|  | B. | Participative |
|  | C. | Coaching |
|  | D. | Coercive |

**Question 40**

What would be a possible technological solution to improve the access to health care among people living in rural areas?

|  |  |  |
| --- | --- | --- |
|  | A. | Telehealth |
|  | B. | Electronic Medical Records (EMR) |
|  | C. | Computerized Physician Order Entry (CPOE) |
|  | D. | Enhanced Internet connectivity in rural areas |

**Question 41**

When evaluating different job performance evaluation systems, it is most important to ensure

|  |  |  |
| --- | --- | --- |
|  | A. | fairness. |
|  | B. | flexibility. |
|  | C. | income stabilization. |
|  | D. | subjective evaluators. |

**Question 42**

Which of the following information system architectures offers the greatest utility for communication and data exchange between healthcare providers and their patients?

|  |  |  |
| --- | --- | --- |
|  | A. | Client-server |
|  | B. | Open Internet |
|  | C. | Hub-and-wheel |
|  | D. | Group communication support |

**Question 43**

Which of the following is an example of a self-funded bonus for team performance?

|  |  |  |
| --- | --- | --- |
|  | A. | A maintenance department sets aside $25/month in order to field a softball team to compete in the company's league play. |
|  | B. | A research team completes the design of a surgical tool to the point the company can apply for a patent. The company rewards the work through a bonus. |
|  | C. | An Information Technology (IT) Department has 1 percent of salaries withheld from payroll; the best performing IT team receives a bonus at year-end. |
|  | D. | A shop team creates efficiencies in routine maintenance so that buses are returned to service in four hours less time. Part of the cost savings is returned to the team as a bonus. |

**Question 44**

Which of the following is an important advantage of online data backup as compared to data backup onto physical media?

|  |  |  |
| --- | --- | --- |
|  | A. | Online storage is significantly less expensive than any form of available physical media. |
|  | B. | Data stored online are easier to protect from unauthorized or inappropriate user access. |
|  | C. | Downtime for data recovery is reduced as no transport time is required to access the backup. |
|  | D. | The large number of online storage vendors in the industry ensures reasonable contract costs. |

**Question 45**

Which of the following is most important for a manager to convey for successful communication to occur?

|  |  |  |
| --- | --- | --- |
|  | A. | The importance of making decisions as a group instead of making individual decisions |
|  | B. | Defining a shared understanding that supports a focus on collective action |
|  | C. | Following specific policies that lead to enhanced teamwork |
|  | D. | Becoming familiar with cultural differences in expectations |

**Question 46**

Which of the following is the most important of the chief information officer's responsibilities for contributing to the healthcare enterprise's strategic initiatives?

|  |  |  |
| --- | --- | --- |
|  | A. | Maintaining state-of-the-art applications for high-volume revenue centers |
|  | B. | Managing project installations to assure implementations are on time and within budget |
|  | C. | Aligning and integrating information system resources with the enterprise business goals |
|  | D. | Negotiating the lowest price and best upgrade contracts for information system products |

**Question 47**

Which of the following statements best describes the shared philosophical view of Computer-assisted Software Engineering (CASE) and the Multiview approach to information systems design?

|  |  |  |
| --- | --- | --- |
|  | A. | CASE and Multiview approaches consider the system-user interface to be the key design feature. |
|  | B. | CASE and Multiview designs rely exclusively on structured query language and relational databases. |
|  | C. | CASE and Multiview integrate the organizational context with the information system design elements. |
|  | D. | CASE or Multiview are intended for design of proprietary products; open system platforms cannot be used. |

**Question 48**

Which of the following statements is true regarding contingent pay plans?

|  |  |  |
| --- | --- | --- |
|  | A. | Makes retention of top performing employees more challenging. |
|  | B. | Organizations are forced to clearly define effective performance. |
|  | C. | Each job position has a minimum, midpoint and maximum salary. |
|  | D. | All newly hired employees in a specific job have the same starting pay. |

**Question 49**

Which statement best describes strategic planning?

|  |  |  |
| --- | --- | --- |
|  | A. | It identifies the organization's resources. |
|  | B. | It establishes the budget for the organization. |
|  | C. | It establishes the resources that the plan will require. |
|  | D. | It establishes the future direction of the organization. |

Which statement best describes the United States health care system?

|  |  |  |
| --- | --- | --- |
|  | A. | Single payer and balance of power |
|  | B. | Low on cost, unequal in access, average in outcome |
|  | C. | Delivery of health care under perfect market conditions |
|  | D. | No central governing agency and little integration and coordination |