

Health Insurance Today: A Practical Approach 6th Edition Test Bank

Chapter 01: The Origins of Health Insurance

Beik: Health Insurance Today: A Practical Approach, 6th Edition



MULTIPLE CHOICE

1. The business of protecting, through legal means, a person or property against loss or harm is referred to as
 - a. prevention.
 - b. insurance.
 - c. a contract.
 - d. preclusion.

ANS: B REF: p. 2

2. Health insurance narrows down undesirable events to
 - a. illnesses and injuries.
 - b. automobile accidents.
 - c. preventive illnesses.
 - d. preexisting conditions.

ANS: A REF: p. 2

3. *Securitas* is the Latin term for
 - a. services.
 - b. specialist.
 - c. security.
 - d. success.

ANS: C REF: p. 3

4. In the United States, the “birth” of health insurance occurred in
 - a. 1889.
 - b. 1900.
 - c. 1915.
 - d. 1929.

ANS: D REF: p. 3

5. The federal healthcare program for the elderly and certain qualifying others is
 - a. Medicare.
 - b. Medicaid.

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- c. Blue Cross.
- d. health maintenance.

ANS: A REF: p. 4

6. The combined federal and state healthcare program for indigent and low-income individuals is
- a. Medicare.
 - b. Medicaid.
 - c. Blue Cross.
 - d. health maintenance.

ANS: B REF: p. 4

7. One of the new healthcare laws enacted in 2010 that brought major changes to how Americans can get access to healthcare more easily is the
- a. Health Insurance Portability and Accountability Act (HIPAA).
 - b. Health Maintenance Organization (HMO) Act.
 - c. Patient Protection and Affordable Care Act (PPACA).
 - d. Consolidated Omnibus Budget Reconciliation Act (COBRA).

ANS: C REF: p. 6

8. Congress passed the Health Maintenance Organization Act in
- a. 1950.
 - b. 1965.
 - c. 1973.
 - d. 1987.

ANS: C REF: p. 5

9. Factors listed in the text that drive healthcare issues include all of the following *except*
- a. regulating managed care plans.
 - b. expanding access for uninsured Americans.
 - c. increasing genetic testing.
 - d. stabilizing emergency services.

ANS: C REF: p. 7

10. Many employed individuals obtain healthcare coverage through a/an
- a. group plan.
 - b. individual policy.
 - c. government-sponsored program.
 - d. guaranteed insurance pool.

ANS: A REF: p. 7

11. A set of government-regulated, standardized plans eligible for federal subsidies from which individuals can purchase low-cost health insurance.
- a. COBRA plans
 - b. Health insurance exchanges
 - c. Indemnity plans
 - d. Managed care plans

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ANS: B REF: p. 7

12. The acronym for the congressional act that standardized electronic data interchange, enhanced confidentiality and security of patient information as well as other health-related matters is
- AMA.
 - COBRA.
 - HIPAA.
 - EMTLA.

ANS: C REF: p. 8

13. The situation in which patients pay a certain portion of healthcare costs (e.g., deductible and copayment) is called
- cost sharing.
 - equalizing.
 - standardizing.
 - community rating.

ANS: A REF: p. 10

14. A system of healthcare payment or delivery arrangements in which the plan attempts to control the use of services by its enrolled members to contain expenditures and/or improve quality.
- Managed healthcare
 - Fee-for-service
 - Health insurance exchange
 - Indemnity insurance

ANS: A REF: p. 10

15. Fee-for-service healthcare plans are also referred to as
- managed care.
 - preventive plans.
 - indemnity insurance.
 - health maintenance organizations.

ANS: C REF: p. 10

16. The Patient Protection and Affordable Care Act was passed in
- 1999.
 - 2005.
 - 2008.
 - 2010.

ANS: D REF: p. 6

17. The “graying of America” refers to those who
- are 65 years of age or older.
 - work in “blue collar” jobs.
 - do not have a high school diploma.
 - are not American citizens.

ANS: A REF: p. 9

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18. Which of the following *is not* a provision of HIPAA?
- Allows portability of health insurance coverage.
 - Protects workers and their families from preexisting conditions.
 - Establishes national standards for electronic healthcare.
 - Addresses the high cost of health insurance.
- ANS: D REF: p. 8
19. The program that provides insurance for qualifying children who are ineligible for Medicaid but cannot afford private insurance is called
- CHIP.
 - COBRA.
 - ARRA.
 - HIPAA.
- ANS: A REF: p. 8
20. Recent healthcare reform has introduced two new types of healthcare plans that the text mentions are “on the horizon” are
- Medicare and Medicaid.
 - Health Insurance Exchanges and Accountable Care Organizations.
 - SCHIP and COBRA.
 - HMOs and HIPAA.
- ANS: B REF: p. 11

COMPLETION

1. The amount of money an individual pays in return for health insurance coverage is called a/an _____.
- ANS: premium
- REF: p. 2
2. The transformation of health insurance from what it was in the beginning to what we know it to be today can be compared with an organic process referred to as _____.
- ANS: metamorphosis
- REF: p. 4
3. In 1850, the Franklin Health Assurance Company began offering medical expense coverage, similar to today’s health insurance, in the state of _____.
- ANS: Massachusetts
- REF: p. 3
4. The out-of-pocket expense that patients must pay before insurers begin paying benefits is called a/an _____.
- ANS: deductible

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REF: p. 5

5. A condition or illness that is in existence before an individual's healthcare coverage begins is called a/an _____.

ANS: preexisting condition

REF: p. 7

6. The type of healthcare policy that a business entity frequently offers its employees is called a/an _____ policy.

ANS: group

REF: p. 7

7. Healthcare plans that provide cost-effective care while attempting to contain expenditures are referred to as _____.

ANS: managed healthcare

REF: p. 10

8. The two major sources of health insurance are _____ programs and _____ organizations.

ANS:
government; private
government, private

REF: p. 7

9. The two basic types of healthcare are _____ and _____.

ANS:
indemnity, managed care
fee-for-service, managed care
managed care, fee-for-service
managed care, indemnity
indemnity managed care
fee-for-service managed care
managed care fee-for-service
managed care indemnity

REF: p. 10

10. The federal act that allows employees who quit their jobs or get laid off to extend their group coverage is known by the acronym _____.

ANS: COBRA

REF: p. 8

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TRUE/FALSE

1. Healthcare providers and companies that sell insurance have determined it is less costly to prevent serious illnesses than to treat them after they emerge.

ANS: T REF: p. 2

2. Justin Ford Kimball introduced a health plan in Dallas in 1929 that evolved into what is known today as Medicare.

ANS: F REF: p. 3

3. Usually, there are no deductibles to be met or claim forms to be completed with HMOs.

ANS: T REF: p. 5

4. A health insurance exchange is an organized and competitive market that offers a choice of plans with common rules governing cost and provides information so consumers can understand the choices available to them.

ANS: T REF: p. 7

5. Under HIPAA, employees who quit their jobs or are laid off can extend their group healthcare coverage for up to 5 years.

ANS: F REF: p. 8

6. One of the factors that drives up healthcare costs is the fact that Americans are living longer than ever before.

ANS: T REF: p. 9

7. Media coverage is instrumental in keeping healthcare costs down.

ANS: F REF: p. 10

8. Under the new healthcare law, ACOs agree to manage all of the healthcare needs of a minimum of 5,000 Medicare beneficiaries for at least 3 years.

ANS: T REF: p. 11

9. Medicare provides healthcare coverage for qualifying low-income individuals.

ANS: F REF: p. 11

10. The two basic types of health insurance plans are indemnity and managed care.

ANS: T REF: p. 10

11. Because health insurance is constantly evolving, there will no doubt always be issues to face, such as keeping costs down and preventing chronic illnesses.

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ANS: T REF: p. 7

12. Individuals who are employed by a business are always covered by a group healthcare plan.

ANS: F REF: p. 7

13. The Affordable Care Act does not eliminate or affect COBRA.

ANS: T REF: p. 8

14. The new healthcare reform laws make it more difficult for Americans to qualify for state Medicaid programs.

ANS: F REF: p. 8

15. With the passage of the Affordable Care Act, insurance companies can deny coverage to children with preexisting illnesses until they are 18 years old.

ANS: F REF: p. 6

Chapter 02: Tools of the Trade: A Career as a Health (Medical) Insurance Professional Beik: Health Insurance Today: A Practical Approach, 6th Edition

MULTIPLE CHOICE

1. Understanding what you read is called
- application.
 - comprehension.
 - communication.
 - interpretation.

ANS: B REF: p. 14

2. Sending and receiving information through mutually understood methods is called
- application.
 - comprehension.
 - communication.
 - interpretation.

ANS: C REF: p. 14

3. When you stick with a task until it is completed, you are
- diligent.
 - reticent.
 - obstinate.
 - obedient.

ANS: A REF: p. 15

4. When you have honest, ethical, and moral principles, you are said to have
- objectivity.
 - practicality.

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- c. flexibility.
- d. integrity.

ANS: D REF: p. 15

5. If you are not influenced by personal feelings, biases, or prejudice, you have
- a. objectivity.
 - b. practicality.
 - c. flexibility.
 - d. integrity.

ANS: A REF: p. 15

6. To write down important lecture facts in one's own words is called
- a. outlining.
 - b. plagiarizing.
 - c. documenting.
 - d. paraphrasing.

ANS: D REF: p. 16

7. Organizing daily responsibilities according to their importance is called
- a. colonizing.
 - b. multitasking.
 - c. prioritizing.
 - d. categorizing.

ANS: C REF: p. 15

8. College entry-level skills necessary for success as a health insurance professional include all of the following, except
- a. coding.
 - b. basic business maths.
 - c. English and grammar skills.
 - d. keyboarding and computer skills.

ANS: A REF: p. 14

9. Success in getting the most out of one's education and optimizing career potential facilitates
- a. lifelong learning.
 - b. autonomy.
 - c. career identity.
 - d. individuality.

ANS: A REF: p. 15

10. In order to develop effective study skills, it is suggested that students generate a _____ chart.
- a. career objective
 - b. time management
 - c. professional education
 - d. goal-oriented

ANS: B REF: p. 15

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11. The nationally recognized job title for individuals who specialize in medical insurance claims submission is
- insurance billing specialist.
 - health insurance professional.
 - health information technician.
 - none; there is no nationally recognized title.

ANS: D REF: p. 14

12. One method of enhancing one's career as a health insurance professional is to acquire
- certification.
 - nationalization.
 - legalization.
 - specialization.

ANS: A REF: p. 19

13. Many of those who work in healthcare say the most important reward is
- earning a good salary.
 - getting promoted.
 - becoming certified.
 - helping people.

ANS: D REF: p. 20

14. Career opportunities for a health insurance professional include
- physician's offices.
 - healthcare organizations.
 - nursing homes.
 - all of the above.

ANS: D REF: p. 18

15. In this chapter, experts in generating, submitting, and tracking insurance claims are referred to as
- medical assistants.
 - health insurance professionals.
 - medical office specialists.
 - physicians' assistants.

ANS: B REF: p. 17

16. The focus of the health insurance professional's career is
- the insurance claim.
 - becoming certified.
 - patient account collections.
 - medical records documentation.

ANS: A REF: p. 21

17. The new version of HIPAA's standard for filing electronic claims is
- CMS-1500.
 - AXC4.

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- c. Version 5010.
- d. 4010A1.

ANS: C REF: p. 22

18. The compliance date for all covered entities to convert to the new ICD-10 diagnostic coding system was
- a. 2012.
 - b. 2013.
 - c. 2015.
 - d. 2020.

ANS: C REF: p. 22

19. The key innovation that has dramatically transformed the health insurance industry that focuses on accuracy and efficiency rather than manual processes is the
- a. computer.
 - b. multiline telephone.
 - c. copy machine.
 - d. calculator.

ANS: A REF: p. 21

20. When a covered entity can clearly demonstrate the ability to successfully create and receive compliant transactions using the new 5010 version, it is said to have
- a. preliminary endorsement.
 - b. appropriate acquisition.
 - c. Level I compliance.
 - d. compatibility.

ANS: C REF: p. 22

TRUE/FALSE

1. The ability to effectively perform one's job without direct supervision is called autonomy.

ANS: T REF: p. 17

2. Professional ethics are moral principles that are associated with a specific vocation.

ANS: T REF: p. 16

3. Advancement opportunities as a health insurance professional are relatively limited.

ANS: F REF: p. 18

4. Health insurance professionals can enhance their career by becoming certified.

ANS: T REF: p. 19

5. The basic goal of a health insurance professional is to ensure that providers and patients get paid correctly in a timely manner.