

## Organizational Governance

1. Which of the following is NOT a key component of a governing policy?

- A. Purpose.
- B. Date of creation/revision.
- C. Assignment of responsibility.
- D. Implementation steps.

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## Organizational Governance

**Answer: D**

**Implementation steps.**

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## Organizational Governance

2. What is the purpose of a leadership transition plan?

- A. To educate new board members about board responsibilities.
- B. To prepare the practice for transition to another form of legal structure.
- C. To prepare practice leaders into different roles overtime.
- D. To identify potential leaders for future roles.

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## Organizational Governance

**Answer: C**

**To prepare practice leaders into different roles overtime.**

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## Organizational Governance

3. What is the role of the board of directors?

- A. To make operational decisions.
- B. To set governing policies of the organization.
- C. To provide legal guidance.
- D. To review staff performance.

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## Organizational Governance

**Answer: B**

**To set governing policies of the organization.**

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## Organizational Governance

4. Which of the following best communicates a medical group's purpose?

A. A positioning statement.

B. A business plan.

C. A mission statement.

D. A marketing plan.

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## Organizational Governance

**Answer: C**

**A mission statement.**

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## Organizational Governance

5. Which of the following defines a practice's identity?

A. Organizational Culture.

B. Business plan.

C. Strategic plan.

D. Marketing brand.

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## Organizational Governance

**Answer: A**

**Organizational Culture.**

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## Organizational Governance

6. Which of the following is NOT included in the strategic plan?

- A. Objectives for the medical practice
- B. Long-term goals for the medical practice
- C. Environmental assessment.
- D. Return on investment.

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## Organizational Governance

**Answer: D**

**Return on investment.**

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## Organizational Governance

7. What is the role of a facilitator at a board retreat?

- A. Propose and prepare agenda.
- B. Provide analysis for decision making.
- C. Act as referee and resource.
- D. Record discussion for corporate documents.

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## Organizational Governance

**Answer: C**

**Act as referee and resource.**

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## Organizational Governance

8. What is the purpose of a strategic plan?

- A. To define the long-term objectives of an organization.
- B. To define the operational goals for the coming year.
- C. To define the long-term purpose of the organization.
- D. To provide the basis for a board retreat.

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## Organizational Governance

**Answer: A**

**To define the long-term objectives of an organization.**

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## Organizational Governance

9. Which of the following is NOT a form of distribution allowed for designated health services (DHS) under Stark rules?

- A. Per capita division of overall profits.
- B. Determined in a manner that takes into account the volume or value of any referrals by the referring physician.
- C. Distribution of revenues based on group's revenues for services not payable by Federal or private payers.
- D. Any method if revenues are less than 5 percent of the group's total revenues and no physician's allocated share from the DHS is more than five percent of his or her total compensation from the group practice.

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## Organizational Governance

**Answer: B**

**Determined in a manner that takes into account the volume or value of any referrals by the referring physician.**

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## Organizational Governance

10. Which of the following uses of cost accounting is most likely to trigger strife among practice physicians?

- A. Improving profitability.
- B. Assessing risk base contracts.
- C. Comparing costs against indices or competitors.
- D. Distributing income among group members.

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## Organizational Governance

**Answer: D**

**Distributing income among group members.**

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## Organizational Governance

11. What is the major drawback of the straight salary compensation plan for providers?

- A. It is hard to implement.
- B. It does not provide incentives for production.
- C. It clearly links overhead to provider income.
- D. It is subject to more scrutiny by federal regulators.

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## Organizational Governance

**Answer: B**

**It does not provide incentives for production.**

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## Organizational Governance

12. Which of the following is LEAST effective, when dealing with a physician performance issue?

- A. Establish collaborative goal-setting opportunities.
- B. Conduct a hearing to ascertain the facts of the matter.
- C. Develop financial and non-financial incentives to reinforce desired behavior.
- D. Provide regular and frequent feedback.

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## Organizational Governance

**Answer: B**

**Conduct a hearing to ascertain the facts of the matter.**

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## Organizational Governance

13. When does the need for formal intervention in relation to clinical staff behavior become clear?

- A. When the staff member irritates a senior physician.
- B. Whenever a staff member deviates from stated procedures or policies.
- C. When the practice is threatened with a federal audit or legal action.
- D. When a pattern of disruptive or inappropriate behavior emerge.

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## Organizational Governance

**Answer: D**

**When a pattern of disruptive or inappropriate behavior emerge.**

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## Organizational Governance

14. Which of the following is NOT a practice that will enhance the relationship between the physician and the administrator?

- A. Establish, prioritize and assign responsibility for goals and decide how to measure and report progress.
- B. Encourage the administrator to lead the practice with minimal physician involvement.
- C. Educate physicians about the economic value of a professional administrator.
- D. Schedule sessions to list and review what is expected from the administrator and the business.

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## Organizational Governance

**Answer: B**

**Encourage the administrator to lead the practice with minimal physician involvement.**

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## Organizational Governance

15. Which of the following can become a barrier to successful team leadership?

A. Shared accountability and accountability for all aspects of the practice.

B. A team with a clearly defined leader.

C. Performance-based compensation systems based on individual achievements.

D. Clear annual goals that prioritize work to align with vision.

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## Organizational Governance

**Answer: C**

**Performance-based compensation systems based on individual achievements.**

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## Organizational Governance

16. Which of the elements is NOT conducive to the need for team management in a medical practice?

- A. The traditional medical education provided to physicians.
- B. The diverse requirements of the industry.
- C. The blurring lines between clinical and financial issues.
- D. The quantity and complexity of work.

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## Organizational Governance

**Answer: A**

**The traditional medical education provided to physicians.**

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## Organizational Governance

17. Which of the following is NOT a value of educating medical staff about potential regulatory changes in the healthcare environment?

- A. To provide staff with tools to respond to patient inquiries.
- B. To provide staff with tools to influence decision makers.
- C. Conforming practice policies.
- D. To ask staff to contribute to particular lobbying groups.

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## Organizational Governance

**Answer: D**

**To ask staff to contribute to particular lobbying groups.**

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## Organizational Governance

18. Which of the following is NOT a key characteristic of better performing Integrated Delivery Systems?

- A. They set realistic goals.
- B. They obtain physician commitment.
- C. They treat medical practices like a hospital department.
- D. They manage according to a formal plan.

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## Organizational Governance

**Answer: C**

**Better performing Integrated Delivery Systems do NOT treat a medical practice like a hospital department. They do, however, have a formal structure providing for planning, goal setting and incorporating physician commitment into strategic initiatives.**

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## Organizational Governance

19. What entity can help cover the costs of physician recruiting with a medical group practice?

- A. Medical schools.
- B. Physician-owned practices that receive referrals from the practice that is recruiting a new physician.
- C. Hospitals.
- D. American Medical Association.

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## Organizational Governance

**Answer: C**

**Under the Stark law prohibiting physician self-referral, the recruitment arrangement exception allows practices to seek assistance from a hospital. Hospitals can cover the cost of recruiting, offer latest technology, make income guarantees or help pay new physician's medical school debt.**

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## Organizational Governance

20. One method to ensure leadership team success is to make specific assignments. Which of the following factors should NOT be considered when making those assignments?

- A. Political situation.
- B. Assumptions based on past experience.
- C. Alignment with skills and knowledge.
- D. Alignment with abilities.

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## Organizational Governance

**Answer: B**

**Make specific assignments - Divide assignments based on alignment with skills, knowledge and abilities, as well as politics. Discuss this as a team and don't make assumptions based on past experience. Put the physician leader on point for some projects and the administrator in charge of others.**

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## Organizational Governance

21. Which of the following legal structures provides that each owner can become liable for the actions and liabilities of the others?

- A. C Corporation.
- B. Professional corporation (PC)
- C. Subchapter S corporation.
- D. Partnership.

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## Organizational Governance

**Answer: D**

A partnership. The most informal business structure for a group practice is the partnership - simply an enterprise owned by two or more individuals that has not taken the steps to become a corporation or limited liability company.

Partnerships and their owners are normally inseparable. Both the income and liabilities flow directly to them. Each partner can become liable for the actions and liabilities of the others; payment of liabilities can extend to an owner's personal assets.

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## Organizational Governance

22. What is the value of a SWOT (Strengths/Weaknesses/Opportunities/Threats) analysis during a strategic planning process?

- A. Reveals where resources should be applied.
- B. Defines strategic goals.
- C. Outlines implementation steps.
- D. Assigns accountability for certain outcomes.

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## Organizational Governance

**Answer: A**

The SWOT analysis will reveal where the medical group practice should focus its resources, and the practice's goals and objective (e.g. strategies) should arise from this.

For example, if one of the practice's weaknesses is in providing geriatric care and a physician is retiring from the practice, a goal should be structured around the opportunity of recruiting a physician who specializes in geriatric care and expanding the practice to meet the needs of this growing population. The practice thus would be overcoming its weakness by pursuing an opportunity.

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## Organizational Governance

### Organizational Governance Essay Questions

You are the administrator for an eight physician medical practice that has experienced the retirement of its three original founders in a two-year period. Power struggles among remaining physicians are apparent at physician meetings. Most physicians have talked individually by means of impromptu "hall meetings" about agenda items prior to meetings, deciding about issues prior to any group presentation or discussion. Even the staff is overhearing these physician conversations.

Describe how you would handle this situation.

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## Organizational Governance

### Organizational Governance Essay Questions

You are the administrator of a medical practice that is selecting a new practice management information system. You recently heard a rumor that a physician member of the selection committee has a financial interest in one of the companies the committee is evaluating. The physician has not disclosed the potential conflict of interest to the committee.

Explain how you would address this issue.

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