

Risk and Compliance Management

1. How has the trend to hospitalize patients later in the course of treatment and for the shortest period of time affected risk exposure in medical practices?
 - A. Greater pressure on the medical practice to monitor and document pre-hospitalization and post-hospitalization health status.
 - B. Greater pressure on the hospital to monitor and document pre-hospitalization and post-hospitalization health status.
 - C. This trend does not affect medical practices.
 - D. Greater pressure to bill the patient early in the course of treatment.

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Answer: A

Greater pressure on the medical practice to monitor and document pre-hospitalization and post-hospitalization health status.

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2. What source of risk does directors and officer's insurance cover?

- A. Physical assets.
- B. Corporate management.
- C. Products and services.
- D. Employee misconduct.

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Answer: B

Corporate management.

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3. 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.

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Answer: D

Providing a statement that failure to report is in violation of the compliance plan.

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4. What is the value to the medical practice of completing a business impact risk analysis?

- A. To set priorities for restoring critical processes after a disaster.
- B. To report losses to insurers.
- C. To analyze the impact of various risk management strategies on the practice's finances.
- D. To address possible impacts of business processes on insurance costs.

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Answer: A

To set priorities for restoring critical processes after a disaster.

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5. What does a business continuity plan accomplish?

- A. Provides for transfer of board leadership.
- B. Ensures information system security.
- C. Establishes protocols for business resumption following a disaster.
- D. Provides key employee insurance coverage in the event of their disability.

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Answer: C

Establishes protocols for business resumption following a disaster.

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6. Which of the following would NOT be considered when conducting a billing audit for compliance purposes?

- A. Confirmation that the claim was paid correctly.
- B. Fee schedule for each of your major payers.
- C. Diagnosis coding that supports the procedure code used on the claim form.
- D. Verification that there is a charge document for each patient visit.

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Answer: B

Fee schedule for each of your major payers.

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7. Antitrust laws are intended to ensure that no healthcare organization attains enough market power to act as what kind of business?

- A. Monopoly.
- B. Perfectly competitive.
- C. Monopolistic competitive.
- D. Oligopoly.

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Answer: A

Monopoly.

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8. Recognizing that a small medical practice may not have the resources to designate one person as a compliance officer, what does the Office of Inspector General (OIG) require a practice to do?

- A. Hire a part-time consultant to lead compliance efforts.
- B. Follow procedures provided by hospitals that the practice is affiliated with.
- C. The OIG exempts small medical practices from compliance.
- D. Develop and document standards and procedures for which designated employees would otherwise be responsible.

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Answer: D

Develop and document standards and procedures for which designated employees would otherwise be responsible.

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9. Which of the following is an example of a loss reduction tactic within a risk management plan?

- A. Obtaining health insurance for clinical staff.
- B. Agreeing to an out of court settlement to avoid expensive legal fees.
- C. Prohibiting staff from engaging in specific activities.
- D. Choosing the high deductible option in property and casualty insurance policy.

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Answer: B

Loss reduction is directed at reducing the magnitude of any loss that does occur. For instance, fire sprinklers installed in a building can help to reduce the damage caused by fire once a fire has started.

For a medical office or physician, loss reduction might include minimizing the damage to a patient following a negligent act, or by agreeing to an out of court settlement to avoid expensive legal fees.

Option A is an example of risk transfer. Option C is an example of risk avoidance. Option D is an example of risk assumption.

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10. According to OSHA regulation, how often should training for all aspects of a practice's safety compliance program occur?

- A. Annually.
- B. Bi-annually.
- C. Semi-annually.
- D. When the employer makes changes to the training program.

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Answer: A

Annually. Training needs to occur for all new employees on the general standards of the facility (e.g., fire and evacuation procedures) and on job-specific hazards identified in the workplace hazard assessment.

Additional training should be provided when there is a change in the work environment that creates a change in potential or actual safety hazards.

Finally, annual training should be provided for all aspects of the safety compliance program. The documentation of this training should include a listing and signature of the employees present, the date, the type of training covered, the subjects covered in the training, the person performing the training and the credentials of the trainer.

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11. Which of the following is NOT one of the 7 standards for an effective compliance program?
- A. Design compliance procedures that conform to universal federally- defined requirements.
 - B. Designate high-level personnel to oversee compliance
 - C. Enforce standards through consistent discipline.
 - D. Report violations.

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Answer: A

Compliance program procedures are not universally defined by federal law, but should be crafted to meet the business needs of individual organizations. The seven elements of an effective compliance program are: 1.) Develop compliance standards and procedures tailored to the company's business needs. 2.) Designate high-level personnel to oversee compliance. 3.) Avoid delegating substantial discretionary authority to employees with a propensity for illegal conduct. 4.) Educate employees in the company's standards and procedures through publications and training. 5.) Design a compliance system that includes auditing and monitoring procedures and mechanisms that encourage employees to report potential violations. 6.) Enforce standards through appropriate and consistent discipline. 7.) Report all violations and take appropriate steps to improve the program.

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12. Which of the following should be documented in an incident report?

- A. A patient complaint about a billing error.
- B. Physician complaint about emergency call schedules.
- C. Patient consent to treatment obtained improperly or not obtained.
- D. Staff complaint about rude physician behavior.

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Answer: C

Incident reports gather data related to potentially negative or unanticipated occurrences related to clinical care of patients.

Improper patient consent is directly related to clinical care.

A strong risk management/quality improvement program helps identify problem areas and enables clinicians to reduce patient errors and poor outcomes on an ongoing basis.

To accomplish this, leaders - including the practice administrator - must constantly gather pertinent information. The primary record of these occurrences is the incident report.

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13. Which of the following describes the primary trigger for medical malpractice claims?

- A. Greed.
- B. Unrealistic patient expectations.
- C. Actions of clinical providers.
- D. Aggressive lawyers.

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Answer: D

Adverse legal events are usually triggered by clinical or staff actions. An effective compliance and reporting system provides the best mechanism to identify potential risks related to clinical care as they arise.

Risk management professionals clearly attribute most of malpractice claims to inadequate or bad communication, and unfavorable court settlements often are the result of poor record keeping/documentation

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