

## Chapter 2: Medical Practice Management

### True/False

Indicate whether the statement is true or false.

- \_\_\_ 1. "Bond" is a document banked for an employee to provide a bonus for work well done.
- \_\_\_ 2. "Conglomerate" is a corporation of different companies operating in many different fields.
- \_\_\_ 3. "Co-payment" is the expense providers pay for insurance participation.
- \_\_\_ 4. "Opt-out option" allows members to seek treatment outside their health-care plan.
- \_\_\_ 5. Providers are responsible for both general liability and professional liability.
- \_\_\_ 6. Corporations are easy and inexpensive to establish.
- \_\_\_ 7. Physician-hospital organizations combine hospitals and insurance companies to offer a "one-stop shopping approach."
- \_\_\_ 8. General liability helps a provider to cover any malpractice suits.
- \_\_\_ 9. A MSO allows providers to focus on client care.
- \_\_\_ 10. An employee who works only in the clinical area may be asked to become bonded.

### Multiple Choice

Identify the choice that best completes the statement or answers the question.

- \_\_\_ 11. A provider who receives all the profits and takes all the risks is practicing in a:
  - a. partnership.
  - b. professional service corporation.
  - c. sole proprietorship.
  - d. joint venture.
- \_\_\_ 12. Advantages of a partnership include:
  - a. increased financial strength.
  - b. incompatibility of partners.
  - c. increased managerial skill and shared workload.
  - d. A and C.
- \_\_\_ 13. The HMO:
  - a. was introduced to emphasize preventive health care.
  - b. is a form of health-care delivery decreasing in popularity.
  - c. places emphasis on curative medicine.
  - d. places control of health care in the hands of providers.
- \_\_\_ 14. Preferred Provider Organizations:
  - a. are physician-hospital organizations providing "one-stop shopping" for client

health care.

- b. do not employ sole proprietors.
- c. contract with providers for medical care to an established number of clients.
- d. are federal forms of medical insurance.

- \_\_\_ 15. Employees might choose to work in a group practice because:
- a. they like to work independently.
  - b. there are opportunities for advancement.
  - c. their only supervisor would be their provider-employer.
  - d. the workload will be less complex.
- \_\_\_ 16. All but one of the following is an example of payment for medical services:
- a. pay for performance
  - b. co-payment
  - c. deductible
  - d. bonding
- \_\_\_ 17. Providers who practice in any integrated organization must remember:
- a. antitrust laws will not apply to their decision.
  - b. Medicare/Medicaid may not recognize some business arrangements.
  - c. Medicare/Medicaid referrals cannot be made to any entity in which they have financial interest.
  - d. B and C.
- \_\_\_ 18. A type of managed care that reimburses providers for their progress toward a fixed goal.
- a. HMO
  - b. PPO
  - c. P4P
  - d. CFO
- \_\_\_ 19. This health plan is one of the largest, not-for-profit HMOs in the country:
- a. Kaiser Foundation Health Plan
  - b. Blue Cross/Blue Shield Health Plan
  - c. Tufts Health Plan
  - d. Medicare Health Plan
- \_\_\_ 20. A HMO makes use of the concept of a primary care provider (PCP) as a method of controlling costs. This PCP is known as a:
- a. crossing guard.
  - b. gatekeeper.
  - c. fence closer.
  - d. herder.

### **Completion**

*Complete each statement.*

21. Some communities may require providers to obtain a/an \_\_\_\_\_ before allowing a facility to open for the practice of medicine.
22. The \_\_\_\_\_ owns and operates health-care centers staffed by providers contractually employed directly by the plan.
23. \_\_\_\_\_ pays health-care providers a fixed monthly fee for a range of services for each HMO member in their care.

24. \_\_\_\_\_ is a common management choice for the increasing number of providers in complementary medicine.
25. The \_\_\_\_\_ is the most intricate of all forms of medical practice and can be formed by one or more individuals.
26. The federal government has set forth incentives for medical school graduates to pay their college loans if they commit to practice in \_\_\_\_\_ for a set amount of time.
27. \_\_\_\_\_ first provided insurance for hospital costs in the early 1930s.
28. The increased power of \_\_\_\_\_ continues to take decision making away from providers and clients.
29. A \_\_\_\_\_ allows a provider to make all the decisions and to incur minimal organizational costs.
30. \_\_\_\_\_ at both the state and national levels is also affecting health-care delivery systems.

### Short Answer

31. List and describe the four main types of group practice.
32. Identify your personal choice of business management or organization for employment and justify your response with the advantages and disadvantages discussed.
33. List and describe the general liability protection a provider-employer should carry.
34. List two advantages of the PSC for health-care employees.
35. Define general liability for providers.

### Matching

*Match the terms with their definitions.*

- |   |  |
|---|--|
| a. Insurance contract that protects against financial loss to the employer caused by the act of an employee | f. Type of managed care that encourages providers to improve the quality of their clients' care  |
| b. Medical expense that is a member's responsibility usually paid at the time of service                    | g. Type of business management where hospitals, providers, and clinics form to offer client care |
| c. Pays providers for each service performed  | h. Legal entity that is granted many of the same rights enjoyed by individuals                   |
| d. Sharing arrangement in which a member pays a set amount toward   | i. Arrangement for health care in which a health insurance company acts as an                    |

covered services before the insurance carrier begins to make any payments

e. Practice of medicine that looks at the whole person including body, mind, spirit, and lifestyle

intermediary between the client and the provider

j. Organization developed to perform office management services

\_\_\_ 36. pay for performance

\_\_\_ 37. deductible

\_\_\_ 38. multiple service organization

\_\_\_ 39. joint venture

\_\_\_ 40. managed care

\_\_\_ 41. co-payment

\_\_\_ 42. corporation

\_\_\_ 43. fee for service

\_\_\_ 44. bond

\_\_\_ 45. integrative medicine

## Chapter 2: Medical Practice Management

### Answer Section

#### TRUE/FALSE

1. ANS: F                      PTS: 1
2. ANS: T                      PTS: 1
3. ANS: F                      PTS: 1
4. ANS: T                      PTS: 1
5. ANS: T                      PTS: 1
6. ANS: F                      PTS: 1
7. ANS: F                      PTS: 1
8. ANS: F                      PTS: 1
9. ANS: T                      PTS: 1
10. ANS: F                     PTS: 1

#### MULTIPLE CHOICE

11. ANS: C                     PTS: 1
12. ANS: D                     PTS: 1
13. ANS: A                     PTS: 1
14. ANS: C                     PTS: 1
15. ANS: B                     PTS: 1
16. ANS: D                     PTS: 1
17. ANS: D                     PTS: 1
18. ANS: C                     PTS: 1
19. ANS: A                     PTS: 1
20. ANS: B                     PTS: 1

#### COMPLETION

21. ANS: business license  
PTS: 1
22. ANS: staff-model HMO  
PTS: 1
23. ANS: Capitation  
PTS: 1
24. ANS: Sole proprietorship  
PTS: 1
25. ANS: professional service corporation

PTS: 1

26. ANS: a rural area

PTS: 1

27. ANS: Blue Cross

PTS: 1

28. ANS: insurance carriers

PTS: 1

29. ANS: sole proprietorship

PTS: 1

30. ANS: Political influence

PTS: 1

### SHORT ANSWER

31. ANS:

Single-specialty provides services in only one field of practice or major specialty, for example, a group of pediatricians joining together in practice.

Multispecialty provides services in two or more fields of practice or major specialties, for example, a group of obstetrician-gynecologists and pediatricians joining together in practice. Primary care group providers join together in practice, for example, a pediatrician, an obstetrician, a gynecologist, a family practice, and an internist.

Hospital-managed medical groups offer all the same services as a regular group practice but are owned by a hospital.

PTS: 1

32. ANS:

Answers will vary depending on each student's preferences, but students should mention the advantages and disadvantages of their choice listed in the text.

PTS: 1

33. ANS:

Building and grounds—protects provider from anyone injured on premises. Automobile—protects provider for injuries incurred while doing business in the automobile. Theft, fire, and burglary—protects provider and business from damages due to all three.

PTS: 1

34. ANS:

Answers will vary but should include profit-sharing plans/pensions and corporate medical reimbursement plans that may be available to employees.

PTS: 1

35. ANS:

Answers will vary but should include the following:

General liability regards business matters and protects a provider against loss.

A provider needs to be covered against theft, burglary, fire, and employees' safety.

Nonowner automobile insurance may also be necessary.

PTS: 1

KEY: CAAHEP: IX.C.6

## **MATCHING**

- |            |        |
|------------|--------|
| 36. ANS: F | PTS: 1 |
| 37. ANS: D | PTS: 1 |
| 38. ANS: J | PTS: 1 |
| 39. ANS: G | PTS: 1 |
| 40. ANS: I | PTS: 1 |
| 41. ANS: B | PTS: 1 |
| 42. ANS: H | PTS: 1 |
| 43. ANS: C | PTS: 1 |
| 44. ANS: A | PTS: 0 |
| 45. ANS: E | PTS: 0 |