

***Insurance Handbook for the Medical Office 14th
edition Fordney Test Bank***

SKU: 9780323316255-TEST-BANK

Chapter 02: Compliance, Privacy, Fraud, and Abuse in Insurance Billing

Fordney: Insurance Handbook for the Medical Office, 14th Edition

MULTIPLE CHOICE

1. The focus on the health care practice setting and reducing administrative costs and burdens are the goals of
 - a. HIPAA Title I Insurance Reform.
 - b. HIPAA Title II Administrative Simplification.
 - c. HIPAA Security Rule Administrative Safeguard.
 - d. HIPAA Security Rule Technical Safeguard.

ANS: B DIF: Moderate REF: p. 23 OBJ: 3

2. The Office of Civil Rights enforces
 - a. code set requirements.
 - b. insurance portability.
 - c. privacy and Security Rules.
 - d. HIPAA transactions.

ANS: C DIF: Hard REF: p. 24 OBJ: 4

3. Confidential information includes
 - a. everything that is heard about a patient.
 - b. everything that is read about a patient.
 - c. everything that is seen regarding a patient.
 - d. all of the above.

ANS: D DIF: Moderate REF: p. 29 OBJ: 7

4. What is the correct response when a relative calls asking about a patient?
 - a. Document the name of the relative and his or her relationship to the patient before disclosing any information.
 - b. Ask the relative to put the request in writing and include the patient's signed authorization.
 - c. Have the physician return the telephone call.
 - d. None of the above.

ANS: C DIF: Hard REF: p. 30 OBJ: 7

5. Nonprivileged information about a patient consists of the patient's
 - a. city of residence.
 - b. diagnosis.
 - c. illness.
 - d. treatment.

ANS: A DIF: Easy REF: p. 29 OBJ: 8

6. Exceptions to the right of Privacy Rule include
 - a. patients carrying human immunodeficiency virus (HIV) or who have acquired immunodeficiency syndrome (AIDS).

- b. gunshot wound cases.
- c. all sexually transmitted disease cases.
- d. all infectious disease cases.

ANS: B DIF: Hard REF: p. 29 OBJ: 7

7. Confidentiality is automatically waived in cases of
- a. gunshot wounds.
 - b. child abuse.
 - c. extremely contagious diseases.
 - d. all of the above.

ANS: D DIF: Moderate REF: p. 29 OBJ: 7

8. What is the best response when telephoning a patient about an insurance matter and the patient's voice mail is reached?
- a. Use care in the choice of words when leaving the message.
 - b. Do not leave a message.
 - c. Leave a complete message so that the patient will know why you called and be able to call you back and respond to anyone in the office.
 - d. Leave your name, the practice's name, and the practice's telephone number, but do not leave any other information.

ANS: A DIF: Hard REF: p. 31 OBJ: 10

9. To bill Medicare beneficiaries at a higher rate than other patients is considered
- a. negligence.
 - b. abuse.
 - c. fraud.
 - d. illegal.

ANS: B DIF: Moderate REF: p. 41 OBJ: 20

10. When an insurance billing specialist bills for a physician and completes a Medicare claim form with information that does not reflect the true situation,
- a. he or she may be subject to fines and imprisonment.
 - b. he or she may be found guilty of insurance abuse and sued.
 - c. only the physician can be held liable.
 - d. the insurance specialist cannot be prosecuted.

ANS: A DIF: Moderate REF: p. 42 OBJ: 20

11. What action could happen if an employee knowingly submits a fraudulent Medicare or Medicaid claim at the direction of the employer and subsequently the medical practice is audited?
- a. Only the employee could be brought into litigation because it was he or she who actually performed the fraudulent act.
 - b. The employee could be exempt from litigation because the employee acted at the direction of the employer.
 - c. The employee and the employer could be brought into litigation by the state or federal government.
 - d. The employee and the employer could be brought into litigation by the local

authorities and court.

ANS: C

DIF: Hard

REF: p. 44

OBJ: 20

12. Identify which of the following would NOT typically be considered as a form of discipline for situations that involve fraudulent and malicious misconduct.
- Verbal warning
 - Termination of employment
 - Restitution of any damages
 - Referral to federal agencies for criminal prosecution

ANS: A

DIF: Hard

REF: p. 47

OBJ: 21

COMPLETION

1. "What I may see or hear in the course of the treatment or even outside of the treatment in regard to the life of men, which on no account one must spread abroad, I will keep to myself holding such things shameful to be spoken about," is attributed to _____.

ANS: Hippocrates

DIF: Easy

REF: p. 25

OBJ: 5

2. Nonprivileged information consists of ordinary _____ unrelated to the treatment of the patient.

ANS: facts

DIF: Easy

REF: p. 29

OBJ: 8

3. Telephone conversations by providers in front of patients should be _____.

ANS: avoided

DIF: Easy

REF: p. 36

OBJ: 10

4. Billing for services or supplies not provided is _____.

ANS:

fraud

illegal

DIF: Hard

REF: p. 40

OBJ: 18

5. A billing practice such as excessive referrals to other providers for unnecessary services is considered _____.

ANS: medical billing abuse

DIF: Hard

REF: p. 41

OBJ: 18

6. Stealing money that has been entrusted to one's care is known as _____.

ANS: embezzlement

DIF: Moderate REF: p. 41 OBJ: 18

7. A health care organization must not conduct business with any health care provider who has been listed as an _____ by OIG.

ANS: excluded individual

DIF: Hard REF: p. 43 OBJ: 19

8. Stark laws prohibit the submission of claims for "designated services" if the referring physician has a _____ with the entity that provides the service.

ANS: financial relationship

DIF: Moderate REF: p. 43 OBJ: 19

9. Under more recent legislation known as the Affordable Care Act, _____ compliance program requirements were implemented.

ANS: mandatory

DIF: Moderate REF: p. 45 OBJ: 19

10. A well-designed compliance program should show a _____ effort to submit claims appropriately.

ANS: good faith

DIF: Moderate REF: p. 45 OBJ: 21

11. The key individual who oversees an organization's compliance program is referred to as the _____.

ANS: compliance officer

DIF: Easy REF: p. 46 OBJ: 21

12. Employees should be required to attend a compliance training session at least _____.

ANS: annually

DIF: Moderate REF: p. 46 OBJ: 21

13. Health care organizations are encouraged to have a(n) _____ policy to allow effective lines of communication whereby staff feel secure to report questionable or suspicious activities relating to fraud and abuse.

ANS: open door

DIF: Moderate REF: p. 47 OBJ: 22

14. Employees should be aware of what is expected from them and the consequences of misconduct through well-publicized _____ guidelines.

ANS: disciplinary standards

DIF: Moderate REF: p. 47 OBJ: 22

SHORT ANSWER

1. Define compliance.

ANS:

Compliance in the health care industry is the process of meeting regulations, recommendations, and expectations of federal and state agencies that pay for health care services and regulate the industry.

DIF: Moderate REF: p. 22 OBJ: 1

2. Explain when a physician's office would be considered a "covered entity."

ANS:

If the physician's office transmits protected health information electronically.

DIF: Moderate REF: p. 24 OBJ: 3

3. Explain the difference between use and disclosure under HIPAA Privacy Rules.

ANS:

Use is the sharing, application, and examination of analysis of information within an organization that holds it. Disclosure is the release, transfer, provision of access to, or divulging of information outside of the entity holding the information.

DIF: Moderate REF: p. 25 OBJ: 6

4. List the six federal rights that patients are granted under the HIPAA Privacy Rules which allow them to be informed about PHI and to control how their PHI is used and disclosed.

ANS:

Right to Notice of Privacy Practices; Right to request restrictions on certain uses and disclosures of PHI; Right to request confidential communications; Right to access PHI; Right to request an amendment of PHI; Right to receive an accounting of disclosures of PHI.

DIF: Moderate REF: p. 31 OBJ: 9

5. Since April 14, 2003, when privacy regulations became enforceable, providers are required to document which four things?

ANS:

Date of disclosure; name of entity or person who received PHI including the address; brief description of the PHI disclosed; brief statement of the purposes of the disclosure.

DIF: Moderate REF: p. 33 OBJ: 11

6. List three things that can be done to avoid having a patient hear confidential information regarding other patients.

ANS:

Any three of the following: privacy glass at the front window; have conversations away from the area where patients are present; move dictation stations away from the patient areas; wait to dictate until no patients are present; avoid telephone conversations in front of patients.

DIF: Hard REF: p. 36 OBJ: 10

7. The Security Rule that addresses electronic protected health information is divided into which three main sections?

ANS:

Administrative safeguards, technical safeguards, and physical safeguards.

DIF: Easy REF: p. 37 OBJ: 12

8. List the seven basic components of a compliance plan.

ANS:

Conducting internal monitoring and auditing; implementing compliance and practice standards; designating a compliance officer or contact; conducting appropriate training and education; responding appropriately to detected offenses and developing corrective action; developing open lines of communication; and enforcing disciplinary standards through well-publicized guidelines.

DIF: Moderate REF: pp. 45-46 OBJ: 21

9. List five specific risk areas identified by OIG that an office needs to monitor and follow.

ANS:

Any five of the following: billing for items or services not rendered or not provided as claimed; submitting claims for equipment, medical supplies, and services that are not reasonable and necessary; double billing resulting in duplicate payment; billing for uncovered services as if covered; knowing misuse of provider identification numbers, which results in improper billing; unbundling or billing for each component of the service instead of billing or using an all-inclusive code; failure to use coding modifiers properly; clustering; upcoding the level of services provided.

DIF: Moderate REF: p. 46 OBJ: 20

10. The HIPAA amendments to the Criminal False Claims Act cover what four areas?

ANS:

Theft or embezzlement; false statement relating to health care matters; health care fraud; obstruction of criminal investigations.

DIF: Moderate REF: pp. 41-42 OBJ: 19

11. List five of the disciplinary standards resulting from misconduct.

ANS:

Verbal warning; written warning; written reprimand; suspension or probation; demotion; termination of employment; restitution of any damages; referral to federal agencies for criminal prosecution.

DIF: Moderate REF: p. 47 OBJ: 21

12. What is the goal of the Medicare Integrity Program (MIP)?

ANS:

Identify and reduce Medicare overpayments.

DIF: Moderate REF: p. 44 OBJ: 20

13. What does “safe harbor” refer to?

ANS:

Business and service arrangements that are protected from prosecution under the Anti-Kickback statute.

DIF: Hard REF: p. 43 OBJ: 20

14. Name three measures that should be taken by a coder who has knowledge of fraud or abuse.

ANS:

Any three of the following answers: notify the provider both personally and with a dated, written memorandum; document the false statement or representation of the material fact; send a memorandum to the office manager or employer stating your concern if no change is made; maintain a written audit trail with dated memoranda for your files; do not discuss the problem with anyone who is not immediately involved.

DIF: Moderate REF: p. 42 OBJ: 19

MATCHING

Match the positions below with the description of that person or entity.

- a. Health care provider
- b. Clearinghouse
- c. Covered entity
- d. Business associate
- e. Privacy officer, privacy official

1. Individual who is designated to help a provider remain in compliance by setting policies and procedures in place, train staff regarding HIPAA Privacy guidelines, and act as the contact person for questions and complaints.
2. A health care coverage carrier, clearinghouse, or physician who transmits health information in electronic form in connection with a transaction covered by HIPAA.
3. Individual who renders medical services, furnishes bills, or is paid for health care in the normal course of business.
4. Third-party administrator who receives insurance claims from the physician's office, performs edits, and redistributes the claims electronically to various insurance carriers.
5. Individual who is hired by a medical practice to process claims to a third-party payer.

- | | | | |
|-----------|---------------|------------|---------|
| 1. ANS: E | DIF: Moderate | REF: p. 24 | OBJ: 21 |
| 2. ANS: C | DIF: Moderate | REF: p. 24 | OBJ: 9 |
| 3. ANS: A | DIF: Moderate | REF: p. 22 | OBJ: 9 |
| 4. ANS: B | DIF: Moderate | REF: p. 23 | OBJ: 9 |
| 5. ANS: D | DIF: Moderate | REF: p. 24 | OBJ: 9 |

Determine whether the following statements are cases of insurance (a) abuse or (b) fraud. You may use the two choices as many times as needed.

- a. Abuse
- b. Fraud

6. Calling patients back for repeated and unnecessary follow-up visits.
7. Failure to make required refunds when services are not reasonable and necessary.
8. Altering medical records to generate more in payment.
9. Charging excessively for services and supplies.
10. Altering fees on an insurance claim form to obtain higher payment.
11. Forgiving the deductible or copayment for a Medicare patient.
12. Changing the date of service.
13. Unbundling or exploding charges.
14. Filing insurance claims for services not medically necessary.
15. Billing Medicare beneficiaries at a higher rate than other patients.
16. Failure to make a refund when services are not reasonable or necessary.

- | | | | |
|------------|---------------|------------|---------|
| 6. ANS: A | DIF: Easy | REF: p. 41 | OBJ: 18 |
| 7. ANS: A | DIF: Easy | REF: p. 41 | OBJ: 18 |
| 8. ANS: B | DIF: Easy | REF: p. 40 | OBJ: 18 |
| 9. ANS: A | DIF: Easy | REF: p. 41 | OBJ: 18 |
| 10. ANS: B | DIF: Easy | REF: p. 40 | OBJ: 18 |
| 11. ANS: B | DIF: Easy | REF: p. 40 | OBJ: 18 |
| 12. ANS: B | DIF: Easy | REF: p. 40 | OBJ: 18 |
| 13. ANS: B | DIF: Easy | REF: p. 40 | OBJ: 18 |
| 14. ANS: A | DIF: Easy | REF: p. 41 | OBJ: 18 |
| 15. ANS: A | DIF: Moderate | REF: p. 41 | OBJ: 18 |
| 16. ANS: A | DIF: Moderate | REF: p. 41 | OBJ: 18 |

TRUE/FALSE

1. The process of meeting regulations, recommendations, and expectations of federal and state agencies that pay for health care services and regulate the industry is known as eHealth information management.

ANS: F DIF: Moderate REF: p. 22 OBJ: 1

2. Under HIPAA guidelines, an outside billing company that manages claims and accounts for a medical clinic is known as a covered entity.

ANS: F DIF: Moderate REF: p. 24 OBJ: 3

3. Under HIPAA guidelines, a chiropractor or dentist's office would never be considered a covered entity.

ANS: F DIF: Easy REF: p. 24 OBJ: 3

4. To give, release, or transfer information to another entity is called consent.

ANS: F DIF: Easy REF: p. 24 OBJ: 6

5. A HIPAA compliance exception to the right of privacy and privileged communication is a patient's records pertaining to his or her industrial accident case.

ANS: T DIF: Moderate REF: p. 29 OBJ: 5

6. Confidentiality between the physician and the patient is automatically waived when the patient is being treated in a workers' compensation case.

ANS: T DIF: Moderate REF: p. 29 OBJ: 7

7. Notes, papers, and memos regarding patient information should be disposed of using a shredding device.

ANS: T DIF: Easy REF: p. 31 OBJ: 10

8. A patient has the right to obtain a copy of his or her confidential health information.

ANS: T DIF: Easy REF: p. 33 OBJ: 9

9. The HITECH Act replaced the HIPAA privacy laws.

ANS: F DIF: Moderate REF: p. 37 OBJ: 14

10. Disclosing PHI as authorized by the laws relating to workers' compensation does not require a signed authorization.

ANS: T DIF: Moderate REF: p. 35 OBJ: 7

11. The Office of Civil Rights' (OCR) mission is to protect the integrity of the Medicare and Medicaid programs.

ANS: F DIF: Moderate REF: p. 24 OBJ: 4

12. Submitting a claim for services that is not medically necessary is a violation of the False Claims Act.

ANS: T DIF: Moderate REF: p. 42 OBJ: 19

13. The Stark Law is commonly referred to as the Anti-Kickback statute.

ANS: F DIF: Easy REF: p. 43 OBJ: 19

14. Qui tam suits are those cases in which a private citizen known as a whistleblower reports a fraudulent activity within his or her organization.

ANS: T DIF: Easy REF: p. 42 OBJ: 19