Beiks Health Insurance Today 8th edition Pepper Test Bank

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Test Bank - Chapter 01

Q: The business of protecting, through legal means, a person or property against loss or harm is referred to as

A. prevention.
B. insurance. (Correct)
C. a contract.
D. preclusion.

Q: Health insurance narrows down undesirable events to

A. illnesses and injuries. (Correct)
B. automobile accidents.
C. preventive illnesses.
D. preexisting conditions.

Q: *Securitas* is the Latin term for

A. services.
B. specialist.
C. security. (Correct)
D. success.

Q: In the United States, the “birth” of health insurance occurred in

A. 1889.
B. 1900.
C. 1915.
D. 1929. (Correct)

Q: The federal healthcare program for the elderly and certain qualifying others is

A. Medicare. (Correct)
B. Medicaid.
C. Blue Cross.
D. health maintenance.

Q: The combined federal and state healthcare program for indigent and low-income individuals is

A. Medicare.
B. Medicaid. (Correct)
C. Blue Cross.
D. health maintenance.

Q: One of the 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). (Correct)
D. Consolidated Omnibus Budget Reconciliation Act (COBRA).

Q: Congress passed the Health Maintenance Organization Act in

A. 1950.
B. 1965.
C. 1973. (Correct)
D. 1987.

Q: Factors listed in the text that drive healthcare issues include all of the following *except*

A. regulating managed care plans.
B. expanding the use of electronic health records.
C. increasing genetic testing. (Correct)
D. stabilizing use of emergency departments.

Q: Many employed individuals obtain healthcare coverage through a/an

A. group plan. (Correct)
B. individual policy.
C. government-sponsored program.
D. guaranteed insurance pool.

Q: 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 (Correct)
C. Indemnity plans
D. Managed care plans

Q: The acronym for the congressional act that standardized electronic healthcare transactions and enhanced confidentiality and security of patient information as well as other health-related matters is

A. AMA.
B. COBRA.
C. HIPAA. (Correct)
D. EMTLA.

Q: The situation in which patients pay a certain portion of healthcare costs (e.g., deductible and copayment) is called

A. cost-sharing. (Correct)
B. equalizing.
C. standardizing.
D. community rating.

Q: 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.

A. Managed healthcare (Correct)
B. Fee-for-service
C. Health insurance exchange

D. Indemnity insurance

Q: Fee-for-service healthcare plans are also referred to as

A. managed care.
B. preventive plans.
C. indemnity insurance. (Correct)
D. health maintenance organizations.

Q: The Patient Protection and Affordable Care Act was passed in

A. 1999.
B. 2005.
C. 2008.
D. 2010. (Correct)

Q: The "graying of America" refers to those who

A. are 65 years of age or older. (Correct)
B. work in "blue collar" jobs.
C. do not have a high school diploma.
D. are not American citizens.

Q: Which of the following *is not* a provision of HIPAA?

A. Allows portability of health insurance coverage
B. Protects workers and their families from preexisting conditions
C. Establishes national standards for electronic healthcare
D. Addresses the high cost of health insurance (Correct)

Q: The program that provides insurance for qualifying children who are ineligible for Medicaid but cannot afford private insurance is called

A. CHIP. (Correct)
B. COBRA.
C. ARRA.
D. HIPAA.

Q: Recent healthcare reform has introduced two new types of healthcare plans that the text mentions are "on the horizon" are

A. Medicare and Medicaid.
B. Health Insurance Exchanges and Accountable Care Organizations. (Correct)
C. SCHIP and COBRA.
D. HMOs and HIPAA.

Q: The amount of money an individual pays in return for health insurance coverage is called a/an __.
(Fill in the blank)

Answer: premium

Q: 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 __.
(Fill in the blank)

Answer: metamorphosis

Q: In 1850, the Franklin Health Assurance Company began offering medical expense coverage, similar to today's health insurance, in the state of __.
(Fill in the blank)

Answer: Massachusetts

Q: The out-of-pocket expense that patients must pay before insurers begin paying benefits is called a/an __.
(Fill in the blank)

Answer: deductible

Q: A condition or illness that is in existence before an individual's healthcare coverage begins is called a/an __.
(Fill in the blank)

Answer: preexisting condition

Q: The type of healthcare policy that a business frequently offers its employees is called a/an __ policy.
(Fill in the blank)

Answer: group

Q: Healthcare plans that provide cost-effective care while attempting to contain expenditures are referred to as __.
(Fill in the blank)

Answer: managed healthcare

Q: The federal act that allows employees who quit their jobs or get laid off to extend their group coverage is known by the acronym __.
(Fill in the blank)

Answer: COBRA

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

A. True (Correct)
B. False

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

A. True
B. False (Correct)

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

A. True (Correct)
B. False

Q: 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.

A. True (Correct)
B. False

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

A. True
B. False (Correct)

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

A. True (Correct)
B. False

Q: Media coverage is instrumental in keeping healthcare costs down.

A. True
B. False (Correct)

Q: ACOs agree to manage all of the healthcare needs of a minimum of 5,000 Medicare beneficiaries for at least 3 years.

A. True (Correct)
B. False

Q: Medicare provides healthcare coverage for qualifying low-income individuals.

A. True
B. False (Correct)

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

A. True (Correct)
B. False

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

A. True (Correct)
B. False

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

A. True
B. False (Correct)

Q: The Affordable Care Act does not eliminate or affect COBRA.

A. True (Correct)
B. False

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

A. True
B. False (Correct)

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

A. True
B. False (Correct)

Review Questions - Chapter 01

Q: The money a business entity or individual pays an insurance company for protection from loss or harm is called a

A. premium. (Correct)
B. subsidy.
C. deductible.
D. copayment.

Q: _____ is when there is a written agreement between two parties whereby one entity promises to pay a specific sum of money to a second entity if certain specified undesirable events occur to the second party.

A. Subpoena
B. *Securitas*
C. Insurance (Correct)
D. Cost-sharing

Q: Healthcare insurance narrows down “undesirable events” to _____ and _____.

A. death and dismemberment
B. illness and injury (Correct)
C. pain and suffering
D. accidents and trauma

Q: The cost-saving practice of keeping people well or catching an emerging illness early when it is more treatable is referred to as

A. preexisting conditions.
B. preventive medicine. (Correct)
C. managed healthcare.
D. cost sharing.

Q: The law now makes it illegal for any health insurance plan to use _____ to exclude, limit, or set unrealistic rates on coverage for adults.

A. age
B. work history
C. mortality rates
D. preexisting conditions (Correct)

Q: How much Americans pay for health insurance and whether they qualify for subsidies depends on their

A. work quarters.
B. age.
C. ethnicity.
D. income. (Correct)

Q: Identify the act that Congress introduced that (among other things) required most employer-sponsored group health insurance plans to accept transfers from other group plans

without imposing a preexisting condition clause.

A. ACA
B. HIPAA (Correct)
C. SBC
D. COBRA

Q: Identify the act that allows employees to continue their group insurance coverage at group rates for up to 18 months when they quit their job, are laid off, or their hours are reduced.

A. HIPAA
B. ERISA
C. HMO
D. COBRA (Correct)

Q: When an individual is required to pay a portion of the healthcare costs, such as deductibles, coinsurance, or copayment amounts, it is referred to as

A. managed care.
B. indemnification.
C. cost sharing. (Correct)
D. fee-for-service.

Q: Which of the following is *not* a reason for increasing healthcare costs?

A. Advances in medical technology
B. Rise in chronic diseases
C. Media intervention
D. Population movement from rural to urban areas (Correct)

Q: Two common state health insurance programs for the uninsured are

A. Medicare and COBRA.
B. Medicaid and CHIP. (Correct)
C. indemnity and managed care.
D. group plans and individual plans.

Q: What act did HIPAA amend that provided new rights and protections for participants and beneficiaries in group health plans?

A. ERISA (Correct)
B. COBRA
C. CHIP
D. ACA

Q: Identify which of the following is *not* one of the basic types of health insurance plans:

A. Medicare. (Correct)
B. managed care.
C. fee-for-service.
D. indemnity plan.